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

FORM 10-K

(Mark One)

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

For the fiscal year ended December 31, 2020
OR

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

For the transition period from _____ to _____
Commission File Number 001-33097

GLADSTONE COMMERCIAL CORPORATION
(Exact name of registrant as specified in its charter)

Maryland	**02-0681276**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
1521 Westbranch Drive, Suite 100 **McLean, Virginia**	**22102**
(Address of principal executive offices)	**(Zip Code)**

(703) 287-5800
(Registrant's telephone number, including area code)
Securities registered pursuant to Section 12(b) of the Act:

Title of each Class	**Trading Symbol(s)**	**Name of each exchange on which registered**
Common Stock, par value $0.001 per share	**GOOD**	**Nasdaq Global Select Market**
7.00% Series D Cumulative Redeemable Preferred Stock, par value $0.001 per share	**GOODM**	**Nasdaq Global Select Market**
6.625% Series E Cumulative Redeemable Preferred Stock, par value $0.001 per share	**GOODN**	**Nasdaq Global Select Market**

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

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

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

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

Large accelerated filer	☐	Accelerated filer	☒
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

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

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

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

The aggregate market value of the voting common stock held by non-affiliates of the Registrant on June 30, 2020, based on the closing price on that date of $18.75 on the Nasdaq Global Select Market, was $624,884,164. For the purposes of calculating this amount only, all directors and executive officers of the Registrant and entities controlled by our directors and executive officers have been treated as affiliates. There were 35,734,269 shares of the Registrant's common stock, $0.001 par value per share, outstanding as of February 16, 2021.

Documents Incorporated by Reference: Portions of the Registrant's Proxy Statement, to be filed no later than April 30, 2021, relating to the Registrant's 2021 Annual Meeting of Stockholders, are incorporated by reference into Part III of this Annual Report on Form 10-K.

GLADSTONE COMMERCIAL CORPORATION
FORM 10-K FOR THE YEAR ENDED
DECEMBER 31, 2020

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Forward-Looking Statements

Our disclosure and analysis in this Annual Report on Form 10-K ("Form 10-K"), and the documents that are incorporated by reference herein, contain "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). We intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Ligation Reform Act of 1995 and include this statement for purposes of complying with these safe harbor provisions. Forward-looking statements relate to expectations, beliefs, projections, future plans and strategies, anticipated events or trends concerning matters that are not historical facts. These forward-looking statements include information about possible or assumed future events, including, among other things, discussion and analysis of our future financial condition, results of operations and funds from operations ("FFO"), our strategic plans and objectives, cost management, occupancy and leasing rates and trends, liquidity and ability to refinance our indebtedness as it matures, anticipated capital expenditures (and access to capital) required to complete projects, amounts of anticipated cash distributions to our stockholders in the future, the impact of public health measures, such as the ongoing global pandemic of a novel strain of the coronavirus ("COVID-19"), and other matters. Words such as "anticipates," "expects," "intends," "plans," "will," "should," "believes," "seeks," "estimates," "may" and variations of these words and similar expressions are intended to identify forward-looking statements, though not all forward-looking statements contain these words. These statements are not guarantees of future performance and are subject to risks, uncertainties and other factors, some of which are beyond our control, are difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements. Statements regarding the following subjects, among others, are forward-looking by their nature:

- future re-leasing efforts;
- our business and financing strategy;
- developments related to the COVID-19 pandemic, including the time it will take for vaccines to be broadly distributed and accepted in the United States and the rest of the world, and the effectiveness of such vaccines in slowing or stopping the spread of COVID-19 and mitigating the economic effects of the pandemic;
- our ability to continue to implement our business plan;
- pending and future transactions;
- our projected operating results and anticipated acquisitions;
- our ability to obtain future financing arrangements;
- estimates relating to our future distributions;
- our understanding of our competition and our ability to compete effectively;
- future market and industry trends;
- future interest and insurance rates;
- estimates of our future operating expenses, including payments to our Adviser (as defined herein) under the terms of our Advisory Agreement (as defined herein);
- the impact of technology on our operations and business, including the risk of cyber-attacks, cyber-liability or potential liability for breaches of our privacy or information security systems;
- projected capital expenditures; and
- future use of the proceeds of our Credit Facility (as defined herein), mortgage notes payable, future stock offerings and other future capital resources, if any.

Forward-looking statements involve inherent uncertainty and may ultimately prove to be incorrect or false. You are cautioned not to place undue reliance on forward-looking statements. Except as otherwise may be required by law, we undertake no obligation to update or revise forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events or actual operating results. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of various factors, including, but not limited to:

- adverse effects of the COVID-19 pandemic on our business, results of operations, liquidity and financial condition;
- general volatility of the capital markets and the market price of our common and preferred stock;
- failure to maintain our qualification as a real estate investment trust ("REIT") and in the risk of changing laws that affect REITs;
- risks associated with negotiation and consummation of pending and future transactions;
- changes in our business strategy;
- the adequacy of our cash reserves and working capital;
- our failure to successfully integrate and operate acquired properties and operations;
- defaults upon or non-renewal of leases by tenants;
- decreased rental rates or increased vacancy rates;

- the degree and nature of our competition, including other real estate investment companies;
- availability, terms and deployment of capital, including the ability to maintain and borrow under our Credit Facility, arrange for long-term mortgages on our properties, secure additional long-term lines of credit and raise equity capital;
- our Adviser's ability to identify, hire and retain highly-qualified personnel;
- changes in our industry or the general economy;
- changes in real estate and zoning laws and increases in real property tax rates;
- changes in governmental regulations, tax rates and similar matters;
- the national and global political environment, including foreign relations and trading policies;
- the impact of COVID-19 and other health emergencies on the economy and the capital markets, including the measures taken by governmental authorities to address it, which may precipitate or exacerbate other risks and/or uncertainties;
- environmental uncertainties and risks related to natural disasters; and
- the loss of any of our key officers, such as Mr. David Gladstone, our chairman and chief executive officer, Mr. Terry Lee Brubaker, our vice chairman and chief operating officer, Mr. Robert Cutlip, our president, or Mr. Michael Sodo, our chief financial officer.

Summary Risk Factors

Below is a summary of the principal risk factors associated with an investment in our securities. In addition to the below, you should carefully consider the information included in "*Risk Factors*" beginning on page 16 of this Annual Report together with all of the other information included in this Annual Report and the other reports and documents filed or furnished by us with the SEC for a more detailed discussion of the principal risks (as well as certain other risks) that you should carefully consider before deciding to invest in our securities.

- *Certain of our tenants and borrowers may be unable to pay rent, which could adversely affect our cash available to make distributions to our stockholders.*
- *We may be unable to renew leases, lease vacant space or re-lease space as leases expire, which could adversely affect our business and our ability to make distributions to our stockholders.*
- *Net leases may not result in fair market lease rates over time, thereby failing to maximize income and distributions to our stockholders.*
- *Illiquidity of real estate investments may make it difficult for us to sell properties in response to market conditions and could harm our financial condition and ability to make distributions to our stockholders.*
- *Our real estate investments have a limited number of tenants and are concentrated in a limited number of industries, which subjects us to an increased risk of significant loss if any one of these tenants is unable to pay or if particular industries experience downturns.*
- *We could incur significant costs related to government regulation and private litigation over environmental matters.*
- *Capital markets and economic conditions can materially affect our financial condition and results of operations, the value of our equity securities, and our ability to sustain payment of distributions at current levels.*
- *Because our business strategy relies on external financing, we may be negatively affected by restrictions on additional borrowings, and the risks associated with leverage, including our debt service obligations.*
- *Interest rate fluctuations may adversely affect our results of operations.*
- *Our success depends on the performance of our Adviser and if our Adviser makes inadvisable investment or management decisions, our operations could be materially adversely impacted.*
- *We may have conflicts of interest with our Adviser and other affiliates.*
- *If we fail to qualify as a REIT, our operations and distributions to stockholders would be adversely impacted.*
- *Our redemption of OP Units could result in the issuance of a large number of new shares of our common stock and/or force us to expend significant cash, which may limit our funds necessary to make distributions on our common stock.*
- *Our ability to pay distributions is limited by the requirements of Maryland law.*
- *Cybersecurity risks and cyber incidents may adversely affect our business by causing a disruption to our operations, or the operations of businesses in which we invest, a compromise or corruption of our confidential information and/or damage to our business relationships, all of which could negatively impact our business, financial condition and operating results.*
- *Disruptions in the financial markets and uncertain economic conditions resulting from the ongoing outbreak of COVID-19 could adversely affect market rental rates, commercial real estate values and our ability to secure debt financing, service future debt obligations, or pay distributions to stockholders.*

This list of risks and uncertainties, however, is only a summary of some of the most important factors to us and is not intended to be exhaustive. You should carefully review the risks set forth herein under the caption “Item 1A. Risk Factors.” New factors may also emerge from time to time that could have a material adverse effect on our business.

PART I

Item 1. Business.

Overview

Gladstone Commercial Corporation (which we refer to as "we," "us," or the "Company") was incorporated under the General Corporation Law of the State of Maryland on February 14, 2003. We have elected to be taxed as a REIT for federal income tax purposes. We focus on acquiring, owning, and managing primarily office and industrial properties. Our shares of common stock, par value $0.001 per share, 7.00% Series D Cumulative Redeemable Preferred Stock, par value $0.001 per share ("Series D Preferred Stock"), and 6.625% Series E Cumulative Redeemable Preferred Stock, par value $0.001 per share ("Series E Preferred Stock"), trade on the Nasdaq Global Select Market ("Nasdaq") under the trading symbols "GOOD," "GOODM" and "GOODN," respectively. Our senior common stock, par value $0.001 per share ("Senior Common Stock") and our 6.00% Series F Cumulative Redeemable Preferred Stock, par value $0.001 per share ("Series F Preferred Stock"), are not listed or traded on any exchange or automated quotation system.

Our properties are geographically diversified and our tenants cover a broad cross section of business sectors and range in size from small to very large private and public companies, many of which are corporations that do not have publicly-rated debt. We have historically entered into, and intend in the future to enter into, purchase agreements for real estate having net leases with terms of approximately 7 to 15 years with built-in rental rate increases. Under a net lease, the tenant is required to pay most or all operating, maintenance, repair and insurance costs and real estate taxes with respect to the leased property.

We actively communicate with buyout funds, real estate brokers and other third parties to locate properties for potential acquisition or to provide mortgage financing in an effort to build our portfolio. We target secondary growth markets that possess favorable economic growth trends, diversified industries, and growing population and employment.

As of February 16, 2021:

- we owned 122 properties totaling 15.6 million square feet (all references herein and throughout the Notes to Consolidated Financial Statements to the number of properties and square footage are unaudited) of rentable space, located in 28 states;
- our occupancy rate was 95.4%;
- the weighted average remaining term of our mortgage debt was 4.5 years, and the weighted average interest rate was 4.22%; and
- the average remaining lease term of the portfolio was 7.1 years.

We conduct substantially all of our business activities through an Umbrella Partnership Real Estate Investment Trust structure, by which all of our properties are held, directly or indirectly, by Gladstone Commercial Limited Partnership (the "Operating Partnership"). We control the sole general partner of the Operating Partnership and currently own, directly or indirectly, approximately 98.6% of the common units of limited partnership interest in the Operating Partnership ("OP Units"). We have in the past, and may in the future, issue OP Units in connection with the acquisition of commercial real estate, and thereby potentially expand the number of limited partners of the Operating Partnership. Limited partners who hold limited partnership units in our Operating Partnership for at least one year will generally be entitled to cause us to redeem these units for cash or, at our election, shares of our common stock on a one-for-one basis.

Our Operating Partnership is the sole member of Gladstone Commercial Lending, LLC ("Gladstone Commercial Lending"). Gladstone Commercial Lending is a Delaware limited liability company that was formed to hold any real estate mortgage loans.

Our business is managed by our external adviser, Gladstone Management Corporation (the "Adviser"). Gladstone Administration, LLC (the "Administrator"), provides administrative services to us. Both our Adviser and our Administrator are affiliates of ours and each other.

Our Investment Objectives and Our Strategy

Our principal investment objectives are to generate income from rental properties, which we use to fund our continuing operations and to pay monthly cash distributions to our stockholders. Our strategy is to invest in and own a diversified portfolio of leased properties (primarily office and industrial) that we believe will produce stable cash flow and increase in value. We may sell some of our real estate assets when our Adviser determines that doing so would be advantageous to us and our stockholders.

In addition to cash on hand and cash from operations, we use funds from various other sources to finance our acquisitions and operations, including equity, our Credit Facility, mortgage financing and other sources that may become available from time to time. We believe that moderate leverage is prudent and we aspire to become an investment grade borrower over time. We intend to primarily use non-recourse mortgage financing that will allow us to limit our loss exposure on any property to the amount of equity invested in such property.

In addition to our use of leverage, we were active in the equity markets during 2020 by issuing shares of common stock under our common stock at-the-market program ("Common ATM Program"), pursuant to our At-the-Market Equity Offering Sales Agreement (the "Common Stock Sales Agreement") with Robert W. Baird & Co. Incorporated ("Baird"), Goldman Sachs & Co. LLC ("Goldman Sachs"), Stifel, Nicolaus & Company, Incorporated ("Stifel"), BTIG, LLC, and Fifth Third Securities, Inc. ("Fifth Third") (collectively, the "Common Stock Sales Agents"), and formerly with Cantor Fitzgerald & Co. ("Cantor"). We also issued shares of Series E Preferred Stock pursuant to our At-the-Market Equity Offering Sales Agreement (the "Series E Preferred ATM Program," and together with the Common ATM Program, the "ATM Programs") with Baird, Goldman Sachs, Stifel, Fifth Third, and U.S. Bancorp Investments, Inc. (collectively the "Series E Preferred Stock Sales Agents"). We also issued shares of our Series F Preferred Stock through bimonthly closings of our registered non-traded continuous offerings.

Investment Policies

Types of Investments

Overview

We intend to continue earning substantially all of our revenues from the ownership of income-producing real property. We expect that a majority of our investments will continue to be structured as net leases that require the tenant to pay most or all of the operating costs, costs of maintenance and repair, insurance and real estate taxes on the property. However, if a net lease would have an adverse impact on a potential tenant, or we assume a lease with a different existing structure in place, we may structure our investment as either a gross or modified gross lease. Investments are not restricted to geographical areas, but we expect that most of our investments in real estate will continue to be made within the continental United States. Some of our investments may also be made through joint ventures that would permit us to own interests in large properties without restricting the diversity of our portfolio.

We anticipate that we will make substantially all of our investments through our Operating Partnership. Our Operating Partnership may acquire interests in real property or mortgage loans in exchange for the issuance of common shares, OP Units, cash, or through a combination of the aforementioned. OP Units issued by our Operating Partnership generally will be redeemable for cash or, at our election, shares of our common stock on a one-for-one basis after the one-year anniversary of their issuance. We may in the future also conduct some of our business and hold some of our interests in real properties or mortgage loans through one or more wholly-owned subsidiaries that are not owned, directly or indirectly, through our Operating Partnership.

Property Acquisitions and Net Leasing

To date, we have purchased a majority of our properties from owners that have leased their properties to non-affiliated tenants, and while we have engaged in some transactions with tenants who have consummated sale-leaseback transactions, these transactions do not comprise the dominant portion of our portfolio. We expect that some of our sale-leaseback transactions will be in conjunction with acquisitions, recapitalizations or other corporate transactions affecting our tenants. In these transactions, we may act as one of several sources of financing by purchasing one or more properties from the tenant and by leasing it on a net basis to the tenant or its successor in interest.

Our portfolio consists primarily of single-tenant office and industrial real property. While we will continue to acquire select multi-tenant office and industrial properties, our primary focus is single-tenant industrial and office properties. Generally, we lease properties to tenants that our Adviser deems creditworthy under leases that will be full recourse obligations of our tenants or their affiliates. We seek to obtain lease terms of approximately seven to 15 years with built-in rental increases.

We have formed relationships with nationally recognized strategic partners to assist us with the management of our properties in each of our markets. These relationships provide local expertise to ensure that our properties are properly maintained and that our tenants have local points of contact to address property issues. This strategy improves our operating efficiencies, increases local market intelligence for the Adviser, and generally does not increase our costs as the local property managers are reimbursed by the tenants in accordance with the lease agreements.

Underwriting Criteria, Due Diligence Process and Negotiating Lease Provisions

We consider underwriting of the real estate and the tenant for the property to be the two most important aspects of evaluating a prospective investment. In analyzing potential acquisitions of properties and leases, our Adviser reviews all aspects of the potential transaction, including tenant and real estate fundamentals, to determine whether potential acquisitions and leases can be structured to satisfy our acquisition criteria. The criteria listed below provide general guideposts that our Adviser may consider when underwriting leases and mortgage loans:

- *Credit Evaluation*. Our Adviser evaluates each potential tenant or borrower for its creditworthiness, considering factors such as its rating by a national credit rating agency, if any, management experience, industry position and fundamentals, operating history and capital structure. As of December 31, 2020, 44% of our lease revenues were earned from tenants that were rated by a nationally recognized statistical rating organization. A prospective tenant or borrower that is deemed creditworthy does not necessarily mean that we will consider its property to be "investment grade." Our Adviser seeks tenants and borrowers that range from small businesses, many of which do not have publicly rated debt, to large public companies. Our Adviser's investment professionals have substantial experience in locating and underwriting these types of companies. By leasing properties to these tenants, we believe that we will generally be able to charge rent that is higher than the rent charged to tenants with unleveraged balance sheets and recognized credit, thereby enhancing current return from these properties as compared with properties leased to companies whose credit potential has already been recognized by the market. Furthermore, if a tenant's credit improves, the value of our lease or investment will likely increase (if all other factors affecting value remain unchanged). In evaluating a possible investment, we believe that the creditworthiness of a prospective tenant can be a more significant factor than the unleased value of the property itself. While our Adviser selects tenants it believes to be creditworthy, tenants are not required to meet any minimum rating established by an independent credit rating agency. Our Adviser's standards for determining whether a particular tenant is creditworthy vary in accordance with a variety of factors relating to specific prospective tenants. The creditworthiness of a tenant or borrower is determined on a tenant-by-tenant and case-by-case basis. Therefore, general standards for creditworthiness cannot be applied.

- *Leases with Increasing Rent*. Our Adviser seeks to acquire properties with leases that include a provision in each lease that provides for annual rent escalations over the term of the lease. A majority of our leases contain fixed rental escalations; however certain of our leases are tied to increases in indices, such as the consumer price index and we have a small number of leases without rental escalations.

- *Diversification*. Our Adviser attempts to diversify our portfolio to avoid dependence on any one particular tenant, facility type, geographic location or tenant industry. By diversifying our portfolio, our Adviser intends to reduce the adverse effect of a single under-performing investment or a downturn in any particular industry or geographic region. Please see Item 2 of this Form 10-K for a summary of our portfolio by industry and geographic location.

- *Property Valuation*. The business prospects and the financial strength of the tenant are important aspects of the evaluation of any sale and leaseback of property, or acquisition of property subject to a net lease, particularly a property that is specifically suited to the needs of the tenant. We generally require quarterly unaudited and annual audited financial statements of the tenant to continuously monitor the financial performance of the tenant. Our Adviser evaluates the financial capability of the tenant and its ability to perform per the terms of the lease, including obtaining certificates of insurance and verifying payment of real estate taxes on an annual basis. Our Adviser will also examine the available operating results of prospective investment properties to determine whether or not projected rental levels are likely to be met. As further described below, our Adviser also evaluates the physical characteristics of a prospective property investment and comparable properties as well as the geographic location of the property in the particular market to ensure that the characteristics are favorable for re-leasing the property at approximately the same or higher rental rate should that necessity arise. Our Adviser then computes the value of the property based on historical and projected operating results. In addition, each property that we propose to purchase is appraised by an independent appraiser. These appraisals may take into consideration, among other things, the terms and conditions of the particular lease transaction and the conditions of the credit markets at the time the purchase is negotiated, as well as a value assessment of like properties in the market. We generally limit the purchase price of each acquisition to less than 5% of our consolidated total assets.

- *Properties Important to Tenant Operations*. Our Adviser generally seeks to acquire investment properties that are essential or important to the ongoing operations of the prospective tenant. We believe that these investment properties provide better protection in the event a tenant files bankruptcy, as leases on properties essential or important to the operations of a bankrupt tenant are typically less likely to be rejected in bankruptcy or otherwise terminated.

- *Lease Provisions that Enhance and Protect Value*. When appropriate, our Adviser attempts to acquire properties with leases that require our consent to specified tenant activity or require the tenant to satisfy specific operating tests. These provisions may include operational or financial covenants of the tenant, as well as indemnification of us by the tenant against environmental and other contingent liabilities. We believe that these provisions serve to protect our investments from changes in the operating and financial characteristics of a tenant that may impact its ability to satisfy its obligations to us or that could reduce the value of our properties. Our Adviser generally also seeks covenants requiring tenants to receive our consent prior to any change in control of the tenant.
- *Credit Enhancement.* Our Adviser may also seek to enhance the likelihood of a tenant's lease obligations being satisfied through a cross-default with other tenant obligations, a letter of credit or a guaranty of lease obligations from each tenant's corporate parent. We believe that this type of credit enhancement, if obtained, provides us with additional financial security.

Underwriting of the Real Estate and Due Diligence Process

In addition to underwriting the tenant or borrower, our Adviser also underwrites the real estate to be acquired or secured by one of our mortgages. On our behalf, our Adviser performs a due diligence review with respect to each property, such as evaluating the physical condition of a property, zoning and site requirements to ensure the property is in compliance with all zoning regulations as well as an environmental site assessment, in an attempt to determine potential environmental liabilities associated with a property prior to its acquisition, although there can be no assurance that hazardous substances or wastes (as defined by present or future federal or state laws or regulations) will not be discovered on the property after we acquire it. We could incur significant costs related to government regulation and private litigation over environmental matters. See "*Risk Factors – We could be exposed to liability and remedial costs related to environmental matters."*

Our Adviser also reviews the structural soundness of the improvements on the property and may engage a structural engineer to review multiple aspects of the structures to determine the longevity of each building on the property. This review normally also includes the components of each building, such as the roof, the structure and configuration, the electrical wiring, the heating and air-conditioning system, the plumbing, parking lot and various other aspects such as compliance with state and federal building codes.

Our Adviser also physically inspects the real estate and surrounding real estate as part of determining its value. This aspect of our Adviser's due diligence is aimed at arriving at a valuation of the real estate under the assumption that it would not be rented to the existing tenant. As part of this process, our Adviser may consider one or more of the following items:

- The comparable value of similar real estate in the same general area of the prospective property. In this regard, comparable property is difficult to define because each piece of real estate has its own distinct characteristics. But to the extent possible, comparable property in the area that has sold or is for sale will be used to determine if the price to be paid for the property is reasonable. The question of comparable properties' sale prices is particularly relevant if a property might be sold by us at a later date.
- An assessment of the relative appropriate nature and flexibility of the building configuration and its ability to be re-leased to other users in a single or multiple tenant arrangement.
- The comparable real estate rental rates for similar properties in the same area of the prospective property.
- Alternative property uses that may offer higher value.
- The replacement cost of the property at current construction prices if it were to be sold.
- The assessed value as determined by the local real estate taxing authority.

In addition, our Adviser supplements its valuation with an independent real estate appraisal in connection with each investment that we consider. When appropriate, our Adviser may engage experts to undertake some or all of the due diligence efforts described above.

Use of Leverage

In addition to cash on hand and cash from operations, we use funds from various other sources to finance our acquisitions and operations, including common and preferred equity, our Credit Facility, mortgage financing and other sources that may become available from time to time. We believe that moderate leverage is prudent and we aspire to achieve an investment grade rating over time.

Currently, the majority of our mortgage borrowings are structured as non-recourse to us, with limited exceptions that would trigger recourse to us only upon the occurrence of certain fraud, misconduct, environmental or bankruptcy events. The use of non-recourse financing allows us to limit our exposure to the amount of equity invested in the properties pledged as collateral for our borrowings. Non-recourse financing generally restricts a lender's claim on the assets of the borrower, and as a result, the lender generally may look only to the property securing the debt for its satisfaction. We believe that this financing strategy, to the extent available, protects our other assets. However, we can provide no assurance that non-recourse financing will be available on terms acceptable to us, or at all, and consequently, there may be circumstances where lenders have recourse to our other assets. None of the $456.2 million in mortgage notes payable, net, outstanding as of December 31, 2020 have recourse to the Company.

On August 7, 2013, we procured a senior unsecured revolving credit facility ("Revolver"), with KeyBank National Association ("Keybank") (serving as a revolving lender, a letter of credit issuer and an administrative agent) and other syndicated lenders. Our Revolver was initially for $60.0 million, but was increased to $85.0 million through subsequent amendments. On October 5, 2015, we added a $25.0 million 5-year term loan facility ("Term Loan"). On October 27, 2017, we expanded our Term Loan to $75.0 million and extended the maturity date to October 27, 2022, and also extended the maturity date of our Revolver through October 27, 2021. On July 2, 2019, we expanded our Term Loan from $75.0 million to $160.0 million, inclusive of a delayed draw component whereby we can incrementally borrow on the Term Loan up to the $160.0 million commitment, and increased the Revolver from $85.0 million to $100.0 million. The Term Loan has a five-year term, with a maturity date of July 2, 2024, and the Revolver has a four-year term, with a maturity date of July 2, 2023. The interest rate margin for each of the Term Loan and Revolver was reduced by 10 basis points at each leverage tier. On February 11, 2021, we added a new $65.0 million term loan component, inclusive of a $15.0 million delayed funding component (the "New Term Loan"). The New Term Loan has a maturity date of 60 months from the closing of the amended Credit Facility and a London Inter-bank Offered Rate floor of 25 basis points. We refer to the Term Loan, New Term Loan and Revolver, collectively, herein, as the Credit Facility.

Conflict of Interest Policy

We have adopted policies to reduce potential conflicts of interest. In addition, our directors are subject to certain provisions of Maryland law that are designed to minimize conflicts. However, we cannot assure you that these policies or provisions of law will reduce or eliminate the influence of these conflicts.

Under our current conflict of interest policy, without the approval of a majority of our independent directors, we will not:

- acquire from or sell any assets or other property to any of our officers, directors or our Adviser's employees, or any entity in which any of our officers, directors or Adviser's employees has an interest of more than 5%;

- borrow from any of our directors, officers or our Adviser's employees, or any entity, in which any of our officers, directors or our Adviser's employees has an interest of more than 5%; or

- engage in any other transaction with any of our directors, officers or our Adviser's employees, or any entity in which any of our directors, officers or our Adviser's employees has an interest of more than 5% (except that our Adviser may lease office space in a building that we own, provided that the rental rate under the lease is determined by our independent directors to be at a fair market rate).

Our policy also prohibits us from purchasing any real property owned by or co-investing with our Adviser, any of its affiliates or any business in which our Adviser or any of its subsidiaries have invested, except that we may lease property to existing and prospective portfolio companies of current or future affiliates, such as our affiliated publicly-traded funds Gladstone Capital Corporation ("Gladstone Capital"), Gladstone Land Corporation ("Gladstone Land") or Gladstone Investment Corporation ("Gladstone Investment"), and other entities advised by our Adviser, so long as that entity does not control the portfolio company and the transaction is approved by both companies' board of directors. If we decide to change this policy on co-investments with our Adviser or its affiliates, we will seek our stockholders' approval.

Future Revisions in Policies and Strategies

Our independent directors periodically review our investment policies to evaluate whether they are in the best interests of us and our stockholders. Our investment procedures, objectives and policies may vary as new investment techniques are developed or as regulatory requirements change, and except as otherwise provided in our charter or bylaws, may be altered by a majority of our directors (including a majority of our independent directors) without the approval of our stockholders, to the extent that our Board of Directors determines that such modification is in the best interest of our stockholders. Among other factors, developments in the market which affect the policies and strategies described in this report or which change our assessment of the market may cause our Board of Directors to revise our investment policies and strategies.

Code of Ethics

We have adopted a code of ethics and business conduct applicable to all personnel of our Adviser that complies with the guidelines set forth in Item 406 of Regulation S-K of the Securities Act of 1933, as amended. This code establishes procedures for personal investments, restricts certain transactions by such personnel and requires the reporting of certain transactions and holdings by such personnel. A copy of this code is available for review, free of charge, on the investors section of our website at *www.GladstoneCommercial.com*. We intend to provide any required disclosure of any amendments to or waivers of this code of ethics by posting information regarding any such amendment or waiver to our website.

Our Adviser and Administrator

Our business is managed by our Adviser. The officers, directors and employees of our Adviser have significant experience in making investments in and lending to businesses of all sizes, and investing in real estate. We have entered into an investment advisory agreement with our Adviser, as amended (the "Advisory Agreement"), under which our Adviser is responsible for managing our assets and liabilities, for operating our business on a day-to-day basis and for identifying, evaluating, negotiating and consummating investment transactions consistent with our investment policies as determined by our Board of Directors from time to time. The Administrator employs our chief financial officer, treasurer, chief compliance officer, and general counsel and secretary (who also serves as our Administrator's president, general counsel, and secretary) and their respective staffs and provides administrative services for us under the Administration Agreement.

David Gladstone, our chairman and chief executive officer, is also the chairman, chief executive officer and the controlling stockholder of our Adviser and our Administrator. Terry Lee Brubaker, our vice chairman and chief operating officer, also serves in the same capacities for our Adviser and our Administrator. Robert Cutlip, our president, is also an executive managing director of our Adviser.

Our Adviser has an investment committee that approves each of our investments. This investment committee is currently comprised of Messrs. Gladstone, Cutlip and Brubaker. We believe that the review process of our investment committee gives us a unique competitive advantage over other REITs because of the substantial experience that its members possess and their unique perspective in evaluating the blend of corporate credit, real estate and lease terms that collectively provide an acceptable risk for our investments.

Our Adviser's board of directors has empowered our investment committee to authorize and approve our investments, subject to the terms of the Advisory Agreement. Before we acquire any property, the transaction is reviewed by our investment committee to ensure that, in its view, the proposed transaction satisfies our investment criteria and is within our investment policies. Approval by our investment committee is generally the final step in the property acquisition approval process, although the separate approval of our Board of Directors is required in certain circumstances described below. For further detail on this process, please see "*Investment Policies—Underwriting Criteria, Due Diligence Process and Negotiating Lease Provisions*."

Our Adviser and Administrator are headquartered in McLean, Virginia, a suburb of Washington, D.C., and our Adviser also has offices in other states. Refer to Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations - Advisory and Administration Agreements" for a detailed discussion on the Adviser and Administrator's fee structure.

Adviser Duties and Authority under the Advisory Agreement

Under the terms of the Advisory Agreement, our Adviser is required to use its best efforts to present to us investment opportunities consistent with our investment policies and objectives as adopted by our Board of Directors. In performing its duties, our Adviser, either directly or indirectly by engaging an affiliate:

- finds, evaluates and enters into contracts to purchase real estate on our behalf in compliance with our investment procedures, objectives and policies, subject to approval of our Board of Directors, where required;
- provides advice to us and acts on our behalf with respect to the negotiation, acquisition, financing, refinancing, holding, leasing and disposition of real estate investments;
- takes the actions and obtains the services necessary to effect the negotiation, acquisition, financing, refinancing, holding, leasing and disposition of real estate investments; and
- provides day-to-day management of our business activities and other administrative services for us as requested by our Board of Directors.

Our Board of Directors has authorized our Adviser to make investments in any property on our behalf without the prior approval of our Board of Directors if the following conditions are satisfied:

- our Adviser has obtained an independent appraisal for the property indicating that the total cost of the property does not exceed its appraised value; and
- our Adviser has concluded that the property, in conjunction with our other investments and proposed investments, is reasonably expected to fulfill our investment objectives and policies as established by our Board of Directors then in effect.

The actual terms and conditions of transactions involving investments in properties are determined at the sole discretion of our Adviser, subject at all times to compliance with the foregoing requirements. However, some types of transactions require the prior approval of our Board of Directors, including a majority of our independent directors, including the following:

- loans not secured or otherwise supported by real property;
- any acquisition or which at the time of investment would have a cost exceeding 20% of our total assets;
- transactions that involve conflicts of interest with our Adviser or other affiliates (other than reimbursement of expenses in accordance with the Advisory Agreement); and
- the lease of assets to our Adviser, its affiliates or any of our officers or directors.

Our Adviser and Administrator also engage in other business ventures and, as a result, their resources are not dedicated exclusively to our business. For example, our Adviser and Administrator also serve as the external adviser or administrator, respectively, to Gladstone Capital and Gladstone Investment, both publicly traded business development companies affiliated with us, and Gladstone Land Corporation, a publicly traded agricultural REIT that is also our affiliate. However, under the Advisory Agreement, our Adviser is required to devote sufficient resources to the administration of our affairs to discharge its obligations under the agreement. The Advisory Agreement is not assignable or transferable by either us or our Adviser without the consent of the other party, except that our Adviser may assign the Advisory Agreement to an affiliate for whom our Adviser agrees to guarantee its obligations to us.

Gladstone Securities

Gladstone Securities, LLC (“Gladstone Securities”), is a privately held broker dealer registered with the Financial Industry Regulatory Authority and insured by the Securities Investor Protection Corporation. Gladstone Securities is an affiliate of ours, as its parent company is controlled by David Gladstone, our chairman and chief executive officer. Mr. Gladstone also serves on the board of managers of Gladstone Securities.

Mortgage Financing Arrangement Agreement

We also entered into an agreement with Gladstone Securities, effective June 18, 2013, for it to act as our non-exclusive agent to assist us with arranging mortgage financing for properties we own. In connection with this engagement, Gladstone Securities may from time to time solicit the interest of various commercial real estate lenders or recommend to us third party lenders offering credit products or packages that are responsive to our needs. We pay Gladstone Securities a financing fee in connection with the services it provides to us for securing mortgage financing on any of our properties. The amount of these financing fees, which are payable upon closing of the financing, will be based on a percentage of the amount of the mortgage, generally ranging from 0.15% to a maximum of 1.0% of the mortgage obtained. The amount of the financing fees may be reduced or eliminated, as determined by us and Gladstone Securities, after taking into consideration various factors, including, but not limited to, the involvement of any third party brokers and market conditions. The agreement is scheduled to terminate on August 31, 2021, unless renewed and approved by our Board of Directors or earlier terminated.

Dealer Manager Agreement

On February 20, 2020 we entered into a dealer manager agreement (the "Dealer Manager Agreement"), whereby Gladstone Securities will act as the exclusive dealer manager in connection with our offering (the "Offering") of up to (i) 20,000,000 shares of our Series F Preferred Stock on a "reasonable best efforts" basis (the "Primary Offering"), and (ii) 6,000,000 shares of Series F Preferred Stock pursuant to our distribution reinvestment plan (the "DRIP") to those holders of the Series F Preferred Stock who participate in such DRIP. The Series F Preferred Stock is registered with the SEC pursuant to a registration statement on Form S-3 (File No. 333-236143), as the same may be amended and/or supplemented (the "Registration Statement"), under the Securities Act of 1933, as amended, and will be offered and sold pursuant to a prospectus supplement, dated February 20, 2020, and a base prospectus dated February 11, 2020 relating to the Registration Statement (the "Prospectus").

Under the Dealer Manager Agreement, Gladstone Securities, as dealer manager, will provide certain sales, promotional and marketing services to the Company in connection with the Offering, and the Company will pay Gladstone Securities (i) selling commissions of 6.0% of the gross proceeds from sales of Series F Preferred Stock in the Primary Offering (the "Selling Commissions"), and (ii) a dealer manager fee of 3.0% of the gross proceeds from sales of Series F Preferred Stock in the Primary Offering (the "Dealer Manager Fee"). No Selling Commissions or Dealer Manager Fee shall be paid with respect to Shares sold pursuant to the DRIP. Gladstone Securities may, in its sole discretion, reallow a portion of the Dealer Manager Fee to participating broker-dealers in support of the Offering.

Human Capital Management

We do not currently have any employees and do not expect to have any employees in the foreseeable future. Currently, services necessary for our business are provided by individuals who are employees of our Adviser and our Administrator pursuant to the terms of the Advisory Agreement and the Administration Agreement, respectively. Each of our executive officers is an employee or officer, or both, of our Adviser or our Administrator. We expect that a total of 15 to 20 full time employees of our Adviser and our Administrator will spend substantially all or all of their time on our matters during calendar year 2021. Our President and CFO, accounting team, and the employees of our Adviser that manage our assets and our investments spend all of their time on our matters. To the extent that we acquire more investments, we anticipate that the number of employees of our Adviser and our Administrator who devote time to our matters will increase.

As of December 31, 2020, our Adviser and Administrator collectively had 67 full-time employees. A breakdown of these employees is summarized by functional area in the table below:

Number of Individuals	Functional Area
13	Executive Management
36	Investment Management, Asset Management, Portfolio Management and Due Diligence
18	Administration, Accounting, Compliance, Human Resources, Legal and Treasury

The Adviser and the Administrator aim to attract and retain capable advisory and administrative personnel, respectively, by offering competitive base salaries and bonus structure and by providing employees with appropriate opportunities for professional development and growth.

Competition

We compete with a number of other real estate investment companies and traditional mortgage lenders, many of whom have greater marketing and financial resources than we do. Principal factors of competition in our primary business of investing in and owning leased industrial and office real property are the quality of properties, leasing terms, attractiveness and convenience of location. Additionally, our ability to compete depends upon, among other factors, trends of the national and local economies, investment alternatives, financial condition and operating results of current and prospective tenants and borrowers, availability and cost of capital, taxes and governmental regulations.

Government Regulations

We must own, operate, manage, acquire and develop our properties in compliance with the laws and regulations of the United States, as well as state and local laws and regulations in the markets where our properties are located, which may differ among jurisdictions. In response to the COVID-19 pandemic, federal governmental authorities, as well as state and local governmental authorities in jurisdictions where our properties are located, may implement laws and regulations which impact our ability to operate our business in the ordinary course. Such regulations, along with the COVID-19 pandemic in general, may materially affect our results of operations for the year ended December 31, 2021. Otherwise, we do not expect that compliance with the various laws and regulations we are subject to will have a material effect on our capital expenditures, results of operations and competitive position for the year ending December 31,2021, as compared to prior periods.

For additional information, see "*Risk Factors - We could incur significant costs related to government regulation and private litigation over environmental matters*", "*Risk Factors - Compliance or failure to comply with laws requiring access to our properties by disabled persons could result in substantial cost*" and "*Risk Factors - Disruptions in the financial markets and uncertain economic conditions resulting from the ongoing outbreak of COVID-19 could adversely affect market rental rates, commercial real estate values and our ability to secure debt financing, service future debt obligations, or pay distributions to stockholders*."

Available Information

Copies of our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, proxy statements and amendments, if any, to those reports filed or furnished with the Securities and Exchange Commission (the "SEC"), pursuant to Section 13(a) or 15(d) of the Securities Exchange Act are available free of charge through the investors section of our website at *www.GladstoneCommercial.com* as soon as practicable after such reports have been filed or furnished to the SEC. Information on our website should not be considered part of this Form 10-K. A request for any of these reports may also be submitted to us by sending a written request addressed to Investor Relations, Gladstone Commercial Corporation, 1521 Westbranch Drive, Suite 100, McLean, VA 22102, or by calling our toll-free investor relations line at 1-866-366-5745. The SEC also maintains a website that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC at *www.sec.gov*.

Item 1A. Risk Factors.

An investment in our securities involves a number of significant risks and other factors relating to our structure and investment objectives. As a result, we cannot assure you that we will achieve our investment objectives. You should consider carefully the following information as an investor and/or prospective investor in our securities. The risks described below may not be the only risks we face. Additional risks not presently known to us or that we currently believe are immaterial may also significantly impact our business operations. If any of these risks occur, our business prospects, financial condition or results of operations could suffer, the market price of our capital stock could decline and you could lose all or part of your investment in our capital stock.

Risks related to our business and properties

Certain of our tenants and borrowers may be unable to pay rent or make mortgage payments, which could adversely affect our cash available to make distributions to our stockholders.

Some of our tenants and borrowers may have recently been either restructured using leverage, or acquired in a leveraged transaction. Tenants and borrowers that are subject to significant debt obligations may be unable to make their rent or mortgage payments if there are adverse changes to their businesses or because of the impact of the COVID-19 pandemic specifically and recessionary conditions generally. Tenants that have experienced leveraged restructurings or acquisitions will generally have substantially greater debt and substantially lower net worth than they had prior to the leveraged transaction. In addition, the payment of rent and debt service may reduce the working capital available to leveraged entities and prevent them from devoting the resources necessary to remain competitive in their industries.

In situations where management of the tenant or borrower will change after a transaction, it may be difficult for our Adviser to determine with reasonable certainty the likelihood of the tenant's or borrower's business success and of its ability to pay rent or make mortgage payments throughout the lease or loan term. These companies generally are more vulnerable to adverse economic and business conditions, and increases in interest rates.

We are subject to the credit risk of our tenants, which in the event of bankruptcy, could adversely affect our results of operations.

We are subject to the credit risk of our tenants. Any bankruptcy of a tenant or borrower could cause:

- the loss of lease payments to us;
- an increase in the costs we incur to carry the property occupied by such tenant;
- a reduction in the value of our securities; or
- a decrease in distributions to our stockholders.

Under bankruptcy law, a tenant who is the subject of bankruptcy proceedings has the option of continuing or terminating any unexpired lease. If a bankrupt tenant terminates a lease with us, any claim we might have for breach of the lease (excluding a claim against collateral securing the lease) will be treated as a general unsecured claim. Our claim would likely be capped at the amount the tenant owed us for unpaid rent prior to the bankruptcy unrelated to the termination, plus the greater of one year's lease payments or 15% of the remaining lease payments payable under the lease (but no more than three years' lease payments). In addition, due to the long-term nature of our leases and terms providing for the repurchase of a property by the tenant, a bankruptcy court could re-characterize a net lease transaction as a secured lending transaction. If that were to occur, we would not be treated as the owner of the property, but might have additional rights as a secured creditor.

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

characterized as a joint venture, we could be treated as a co-venturer with our lessee with regard to the property. As a result, we could be held liable, under some circumstances, for debts incurred by the lessee relating to the property. Either of these outcomes could adversely affect our cash flow and our ability to pay distributions to stockholders.

We may be unable to renew leases, lease vacant space or re-lease space as leases expire, which could adversely affect our business and our ability to make distributions to our stockholders.

If we cannot renew leases, we may be unable to re-lease our properties to other tenants at rates equal to or above the current market rate. Even if we can renew leases, tenants may be able to negotiate lower rates as a result of market conditions. Market conditions may also hinder our ability to lease vacant space in newly developed or redeveloped properties. In addition, we may enter into or acquire leases for properties that are suited to the needs of a particular tenant. Such properties may require renovations, tenant improvements or other concessions to lease them to other tenants if the initial leases terminate. We may be required to expend substantial funds for tenant improvements and tenant refurbishments to re-lease the vacated space and cannot assure you that we will have sufficient sources of funding available to use in the future for such purposes and therefore may have difficulty in securing a replacement tenant. We may also have challenges in leasing properties that currently have leases which make up a significant portion of our rent. Any of these factors could adversely impact our financial condition, results of operations, cash flow or our ability to pay distributions to our stockholders.

Net leases may not result in fair market lease rates over time, thereby failing to maximize income and distributions to our stockholders.

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

Multi-tenant properties expose us to additional risks.

Our multi-tenant properties could expose us to the risk that a sufficient number of suitable tenants may not be found to enable the property to operate profitably. This loss of income could cause a material adverse impact to our results of operations and business. Multi-tenant properties are also subject to tenant turnover and fluctuation in occupancy rates, which could affect our operating results. Furthermore, multi-tenant properties expose us to the risk of increased operating expenses, which may occur when the actual cost of taxes, insurance and maintenance at the property exceeds the operating expenses paid by tenants and/or the amounts budgeted.

Illiquidity of real estate investments may make it difficult for us to sell properties in response to market conditions and could harm our financial condition and ability to make distributions to our stockholders.

To the extent the properties are not subject to net leases, some significant expenditures, such as real estate taxes and maintenance costs, are generally not reduced when circumstances cause a reduction in income from the investment. Should these events occur, our income and funds available for distribution could be adversely affected. In addition, as a REIT, we may be subject to a 100% tax on net income derived from the sale of property considered to be held primarily for sale to customers in the ordinary course of our business. We may seek to avoid this tax by complying with certain safe harbor rules that generally limit the number of properties we may sell in a given year, the aggregate expenditures made on such properties prior to their disposition, and how long we retain such properties before disposing of them. However, we can provide no assurance that we will always be able to comply with these safe harbors. If compliance is possible, the safe harbor rules may restrict our ability to sell assets in the future and achieve liquidity that may be necessary to fund distributions.

Our real estate investments may include special use and single or multi-tenant properties that may be difficult to sell or re-lease upon tenant defaults, early lease terminations, or non-renewals.

We focus our investments on office and industrial properties, a number of which include manufacturing facilities, special use storage or warehouse facilities and special use single or multi-tenant properties. These types of properties are relatively illiquid compared to other types of real estate and financial assets. This illiquidity will limit our ability to quickly change our portfolio in response to changes in economic or other conditions. With these properties, if the current lease is terminated or not renewed or, we may be required to renovate the property or to make rent concessions to lease the property to another tenant or sell the

property. In addition, in the event we are forced to sell the property, we may have difficulty selling it to a party other than the tenant or borrower due to the special purpose for which the property may have been designed.

These and other limitations may affect our ability to sell or re-lease properties without adversely affecting returns to our stockholders.

Many of our tenants are lower middle market businesses, which exposes us to additional risks unique to these entities.

Leasing real property to lower middle market businesses exposes us to a number of unique risks related to these entities, including the following:

- *Lower middle market businesses may have limited financial resources and may not be able to make their lease or mortgage payments on a timely basis, or at all.* A lower middle market tenant or borrower may be more likely to have difficulty making its lease or mortgage payments when it experiences adverse events, such as the failure to meet its business plan, a downturn in its industry or negative economic conditions because its financial resources may be more limited.

- *Lower middle market businesses typically have narrower product lines and smaller market shares than large businesses.* Because our target tenants and borrowers are typically smaller businesses that may have narrower product lines and smaller market share, they may be more vulnerable to competitors' actions and market conditions, as well as general economic downturns.

- *There is generally little or no publicly available information about our target tenants and borrowers.* Many of our tenants and borrowers are privately owned businesses, about which there is generally little or no publicly available operating and financial information. As a result, we will rely on our Adviser to perform due diligence investigations of these tenants and borrowers, their operations and their prospects. Our Adviser will perform ongoing credit assessments of our tenants by reviewing all financial disclosures required from our respective leases. We may not learn all of the material information we need to know regarding these businesses through our investigations.

- *Lower middle market businesses generally have less predictable operating results.* We expect that many of our tenants and borrowers may experience significant fluctuations in their operating results, may from time to time be parties to litigation, may be engaged in rapidly changing businesses with products subject to a substantial risk of obsolescence, may require substantial additional capital to support their operations, to finance expansion or to maintain their competitive positions, may otherwise have a weak financial position or may be adversely affected by changes in the business cycle.

- *Lower middle market businesses are more likely to be dependent on one or two persons.* Typically, the success of a lower middle market business also depends on the management talents and efforts of one or two persons or a small group of persons. The death, disability or resignation of one or more of these persons could have a material adverse impact on our tenant or borrower and, in turn, on us.

Our real estate investments have a limited number of tenants and are concentrated in a limited number of industries, which subjects us to an increased risk of significant loss if any one of these tenants is unable to pay or if particular industries experience downturns.

As of December 31, 2020, we owned 121 properties and had 130 leases on these properties, and our five largest tenants accounted for approximately 12.7% of our total lease revenue. A consequence of a limited number of tenants is that the aggregate returns we realize may be materially adversely affected by the unfavorable performance of a small number of tenants. We generally do not have fixed guidelines for industry concentration, but we are restricted from exceeding an industry concentration greater than 20% without approval of our investment committee. As of December 31, 2020, 16.9% of our total lease revenue was earned from tenants in the Telecommunications industry, 12.5% was earned from tenants in the Diversified/Conglomerate Services industry, 12.1% was earned from tenants in the Healthcare industry, and 10.3% was earned from tenants in the Automobile industry. As a result, a downturn in an industry in which we have invested a significant portion of our total assets could have a material adverse effect on us.

The inability of a tenant in a single tenant property to pay rent will reduce our revenues and increase our carrying costs of the building.

Since most of our properties are occupied by a single tenant, the success of each investment will be materially dependent on the financial stability of these tenants. If a tenant defaults, our lease revenues would be reduced and our expenses associated with carrying the property would increase, as we would be responsible for payments such as taxes and insurance. Lease payment defaults by these tenants could adversely affect our cash flows and cause us to reduce the amount of distributions to stockholders. In the event of a default by a tenant, we may experience delays in enforcing our rights as landlord and may incur substantial costs in protecting our investment and re-leasing our property. If a lease is terminated, there is no assurance that we will be able to lease the property for the rent previously received or sell the property without incurring a loss.

Liability for uninsured losses or significant increases in our insurance premiums could adversely affect our financial condition.

Losses from disaster-type occurrences (such as wars, floods or earthquakes) may be either uninsurable or not insurable on economically viable terms. Should such a loss occur, we could lose our capital investment or anticipated profits and cash flow from one or more properties. Additionally, insurance premiums are subject to significant increases and fluctuations, which can be widely outside of our control. For example, the potential impact of climate change and the increased risk of extreme weather events and natural disasters could cause a significant increase in our insurance premiums and adversely affect the availability of coverage.

We could incur significant costs related to government regulation and private litigation over environmental matters.

Under various environmental laws, including the Comprehensive Environmental Response, Compensation and Liability Act, a current or previous owner or operator of real property may be liable for contamination resulting from the release or threatened release of hazardous or toxic substances or petroleum at that property, and an entity that arranges for the disposal or treatment of a hazardous or toxic substance or petroleum at another property may be held jointly and severally liable for the cost to investigate and clean up such property or other affected property. Such parties are known as potentially responsible parties ("PRPs"). Environmental laws often impose liability without regard to whether the owner or operator knew of, or was responsible for, the presence of the contaminants, and the costs of any required investigation or cleanup of these substances can be substantial. PRPs are liable to the government as well as to other PRPs who may have claims for contribution. The liability is generally not limited under such laws and could exceed the property's value and the aggregate assets of the liable party. The presence of contamination or the failure to remediate contamination at our properties also may expose us to third-party liability for personal injury or property damage, or adversely affect our ability to sell, lease or develop the real property or to borrow using the real property as collateral.

Environmental laws also impose ongoing compliance requirements on owners and operators of real property. Environmental laws potentially affecting us address a wide variety of matters, including, but not limited to, asbestos-containing building materials, storage tanks, storm water and wastewater discharges, lead-based paint, wetlands and hazardous wastes. Failure to comply with these laws could result in fines and penalties and/or expose us to third-party liability. Some of our properties may have conditions that are subject to these requirements, and we could be liable for such fines or penalties and/or liable to third parties for those conditions.

We could be exposed to liability and remedial costs related to environmental matters.

Certain of our properties may contain, or may have contained, asbestos-containing building materials ("ACBMs"). Environmental laws require that ACBMs be properly managed and maintained and may impose fines and penalties on building owners and operators for failure to comply with these requirements. Also, certain of our properties may contain, or may have contained, or are adjacent to or near other properties that have contained or currently contain storage tanks for the storage of petroleum products or other hazardous or toxic substances. These operations create a potential for the release of petroleum products or other hazardous or toxic substances. Certain of our properties may contain, or may have contained, elevated radon levels. Third parties may be permitted by law to seek recovery from owners or operators for property damage and/or personal injury associated with exposure to contaminants, including, but not limited to, petroleum products, hazardous or toxic substances and asbestos fibers. Also, certain of our properties may contain regulated wetlands that can delay or impede development or require costs to be incurred to mitigate the impact of any disturbance. Absent appropriate permits, we can be held responsible for restoring wetlands and be required to pay fines and penalties.

Certain of our properties may contain, or may have contained, microbial matter such as mold and mildew. The presence of microbial matter could adversely affect our results of operations. In addition, if any of our properties are not properly connected to a water or sewer system, or if the integrity of such systems are breached, or if water intrusion into our buildings otherwise occurs, microbial matter or other contamination can develop. 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. If this were to occur, we could incur significant remedial costs and we may also be subject to material private damage claims and awards. 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. If we become subject to claims in this regard, it could materially and adversely affect us and our future insurability for such matters.

The assessments we perform on our acquisition of property may fail to reveal all environmental conditions, liabilities or compliance concerns. Material environmental conditions, liabilities or compliance concerns may have arisen after the assessments were conducted or may arise in the future, and future laws, ordinances or regulations may impose material additional environmental liability. We cannot assure you that costs of future environmental compliance will not affect our ability to make distributions or that such costs or other remedial measures will not be material to us.

Our properties may be subject to impairment charges, which could adversely affect our results of operations.

We are required to periodically evaluate our properties for impairment indicators. A property's value is considered impaired if management's estimate of the aggregate future cash flows (undiscounted and without interest charges) to be generated by the property, based upon its intended use, is less than the carrying value of the property. These estimates of cash flows are based upon factors such as expected future operating income, trends and prospects, as well as the effects of interest and capitalization rates, demand and occupancy, competition and other factors. These factors may result in uncertainty in valuation estimates and instability in the estimated value of our properties which, in turn, could result in a substantial decrease in the value of the properties and significant impairment charges.

We continually assess our properties to determine if any impairments are necessary or appropriate. No assurance can be given that we will be able to recover the current carrying amount of our properties in the future. Our failure to do so would require us to recognize additional impairment charges for the period in which we reached that conclusion, which could materially and adversely affect us and our results of operations. We recognized impairment charges of $3.6 million, $1.8 million, and $0.0 million during the years ended December 31, 2020, 2019, and 2018, respectively.

Risks related to our financing

Capital markets and economic conditions can materially affect our financial condition and results of operations, the value of our equity securities, and our ability to sustain payment of distributions at current levels.

Many factors affect the value of our equity securities and our ability to make or maintain the current levels of distributions to stockholders, including the state of the capital markets and the economy. The availability of credit has been and may in the future again be adversely affected by illiquid credit markets, which could result in financing terms that are less attractive to us and/or the unavailability of certain types of debt financing. Regulatory pressures and the burden of troubled and uncollectible loans has led some lenders and institutional investors to reduce, and in some cases, cease to provide funding to borrowers. If these market conditions recur, they may limit our ability and the ability of our tenants to timely refinance maturing liabilities and access the capital markets to meet liquidity needs, or may cause our tenants to incur increased costs associated with issuing debt instruments, which may materially affect our financial condition and results of operations and the value of our equity securities and our ability to sustain payment of distributions to stockholders at current levels.

In addition, it is possible that our ability to access the capital and credit markets may be limited or precluded by these or other factors at a time when we would like, or need, to do so, which would adversely impact our ability to refinance maturing debt and/or react to changing economic and business conditions. Uncertainty in the credit markets could negatively impact our ability to make acquisitions and make it more difficult or not possible for us to sell properties or may adversely affect the price we receive for properties that we do sell, as prospective buyers may experience increased costs of debt financing or difficulties in obtaining debt financing. Potential continued disruptions in the financial markets could also have other unknown adverse effects on us or the economy generally and may cause the price of our securities to fluctuate significantly and/or to decline. If we issue additional equity securities to obtain additional financing, the interest of our existing stockholders could be diluted.

Our Credit Facility contains various covenants which, if not complied with, could accelerate our repayment obligations, thereby materially and adversely affecting our liquidity, financial condition, results of operations and ability to pay distributions to stockholders.

The agreement governing our Credit Facility requires us to comply with certain financial and operational covenants. These covenants require us to, among other things, maintain certain financial ratios, including fixed charge coverage, debt service coverage and a minimum net worth. We are also required to limit our distributions to stockholders to 98% of our FFO. As of December 31, 2020, we were in compliance with these covenants. However, our continued compliance with these covenants depends on many factors, and could be impacted by current or future economic conditions, and thus there are no assurances that we will continue to comply with these covenants. Failure to comply with these covenants would result in a default which, if we were unable to obtain a waiver from the lenders, could accelerate our repayment obligations under the Credit Facility and thereby have a material adverse impact on our liquidity, financial condition, results of operations and ability to pay distributions to stockholders.

Because our business strategy relies on external financing, we may be negatively affected by restrictions on additional borrowings, and the risks associated with leverage, including our debt service obligations.

We use leverage so that we may make more investments than would otherwise be possible to maximize potential returns to stockholders. Although we have been gradually reducing our overall leverage over the past few years to lower this risk, if the income generated by our properties and other assets fails to cover our debt service, we could be forced to reduce or eliminate distributions to our stockholders and may experience losses.

Our ability to achieve our investment objectives will be affected by our ability to borrow money in sufficient amounts and on favorable terms. We expect that we will primarily borrow money that will be secured by our properties and that these financing arrangements will contain customary covenants such as those that limit our ability, without the prior consent of the lender, to further mortgage the applicable property or to discontinue insurance coverage. Accordingly, we may be unable to obtain the degree of leverage we believe to be optimal, which may cause us to have less cash for distribution to stockholders than we would have with an optimal amount of leverage. Our use of leverage could also make us more vulnerable to a downturn in our business or the economy, as it may become difficult to meet our debt service obligations if our cash flows are reduced due to tenant defaults. There is also a risk that a significant increase in the ratio of our indebtedness to the measures of asset value used by financial analysts may have an adverse effect on the market price of our securities.

We face risks related to "balloon payments" and refinancing.

Some of our debt financing arrangements may require us to make lump-sum or "balloon" payments at maturity. Our ability to make a balloon payment at maturity is uncertain and may depend upon our ability to obtain additional financing or to sell the financed property. At the time the balloon payment is due, we may not be able to refinance the balloon payment on terms as favorable as the original loan or sell the property at a price sufficient to make the balloon payment, which could adversely affect the amount of distributions to our stockholders. We have balloon payments of $11.1 million payable during the year ending December 31, 2021.

We mortgage our properties, which subjects us to the risk of foreclosure in the event of non-payment.

We intend to acquire additional properties by using our Credit Facility and by continuing to seek long-term mortgage financing, where we will borrow a portion of the purchase price of a potential acquisition and secure the loan with a mortgage on some or all of our existing real property. We look to regional banks, insurance companies and other non-bank lenders, and, to a lesser extent, the CMBS market to issue mortgages to finance our real estate activities. For the year ended December 31, 2020, we obtained approximately $52.6 million in long-term financing, which we used to acquire additional properties. If we are unable to make our debt payments as required, a lender could foreclose on the property securing its loan. This could cause us to lose part or all of our investment in such property which in turn could cause the value of our securities or the amount of distributions to our stockholders to be reduced.

We face a risk from the fact that certain of our properties are cross-collateralized.

As of December 31, 2020, the mortgages on certain of our properties were cross-collateralized. To the extent that any of the properties in which we have an interest are cross-collateralized, any default by the property owner subsidiary under the mortgage note relating to the one property will result in a default under the financing arrangements relating to any other property that also provides security for that mortgage note or is cross-collateralized with such mortgage note.

A change in the value of our assets could cause us to experience a cash shortfall or be in default of our loan covenants.

We borrow on an unsecured basis under the Credit Facility; however, we are required to maintain a pool of unsecured assets sufficient to draw on the Credit Facility. A significant reduction in the value of our pool of unencumbered assets could require us to pay down a portion (or significant portion) of the balance of the Credit Facility. Although we believe that we have significant excess collateral and capacity, future asset values are uncertain. If we were unable to meet a request to add collateral to the Credit Facility, this inability could have a material adverse effect on our liquidity and our ability to meet our loan covenants.

Interest rate fluctuations may adversely affect our results of operations.

We may experience interest rate volatility in connection with mortgage loans on our properties or other variable-rate debt that we may obtain from time to time. Certain of our leases contain escalations based on market interest rates and the interest rate on our Credit Facility and a portion of our long-term mortgages is variable. We have $24.8 million of outstanding principal on variable rate mortgages as of December 31, 2020. Although we seek to mitigate this risk by structuring such provisions to contain a maximum interest rate or escalation rate, as applicable, and generally obtain rate caps and interest rate swaps to limit our exposure to interest rate risk, these features or arrangements do not eliminate this risk. We are also exposed to the effects of interest rate changes as a result of holding cash and cash equivalents in short-term, interest-bearing investments. We have entered into interest rate caps to attempt to manage our exposure to interest rate fluctuations on all our outstanding variable rate mortgages as well as the outstanding Term Loan component of our Credit Facility. Additionally, increases in interest rates, or reduced access to credit markets due, among other things, to more stringent lending requirements or a high level of leverage, may make it difficult for us to refinance our mortgage debt as it matures or limit the availability of mortgage debt, thereby limiting our acquisition and/or refinancing activities. Even in the event that we are able to secure mortgage debt on, or otherwise refinance our mortgage debt, due to increased costs associated with securing financing and other factors beyond our control, we may be unable to refinance the entire mortgage debt as it matures or be subject to unfavorable terms, including higher loan fees interest rates and periodic payments, if we do refinance the mortgage debt. A significant change in interest rates could have an adverse impact on our results of operations.

Changes relating to the LIBOR calculation process may adversely affect the value of the LIBOR-indexed, floating-rate debt in our portfolio.

London Interbank Offered Rate ("LIBOR") is the basic rate of interest used in lending between banks on the London interbank market and is widely used as a reference for setting the interest rate on loans globally. LIBOR is expected to be phased out after 2021, when private-sector banks are no longer required to report the information used to set the rate. Without this data, LIBOR may no longer be published, or the lack of quality and quantity of data may cause the rate to no longer be representative of the market. At this time, no consensus exists as to what rate or rates will become accepted alternatives to LIBOR, although the U.S. Federal Reserve, in connection with the Alternative Reference Rates Committee, a steering committee comprised of large U.S. financial institutions, is considering replacing U.S. dollar LIBOR with the Secured Overnight Financing Rate ("SOFR"). SOFR is a more generic measure than LIBOR and considers the cost of borrowing cash overnight, collateralized by U.S. Treasury securities. Given the inherent differences between LIBOR and SOFR or any other alternative benchmark rate that may be established, there are many uncertainties regarding a transition from LIBOR, including, but not limited to, how this will impact our cost of variable rate debt. The consequences of these developments with respect to LIBOR cannot be entirely predicted and span multiple future periods but could result in an increase in the cost of our variable rate debt, which could adversely impact our operating results and cash flows.

All of our variable rate debt is based upon the one month LIBOR rate. We are currently monitoring the transition, as we cannot assess whether SOFR will become a standard rate for variable rate debt. Any further changes or reforms to the determination or supervision of LIBOR may result in a sudden or prolonged increase or decrease in reported LIBOR, which could have an adverse impact on the market for LIBOR-based debt, or the value of our portfolio of LIBOR-indexed, floating-rate debt.

Risks related to the real estate industry

We are subject to certain risks associated with real estate ownership and lending which could reduce the value of our investments.

Our investments include primarily industrial and office property. Our performance, and the value of our investments, is subject to risks inherent to the ownership and operation of these types of properties, including:

- changes in the general economic climate, including the credit market;

- changes in local conditions, such as an oversupply of space or reduction in demand for real estate;
- changes in interest rates and the availability of financing;
- competition from other available space;
- changes in laws and governmental regulations, including those governing real estate usage, zoning and taxes, and the related costs of compliance with laws and regulations; and
- variations in the occupancy rate of our properties.

The debt obligations of our tenants are dependent upon certain factors, which neither we nor our tenants or borrowers control, such as national, local and regional business and economic conditions, government economic policies, and the level of interest rates.

Competition for real estate may impede our ability to make acquisitions or increase the cost of these acquisitions.

We compete with many other entities to acquire properties, including financial institutions, institutional pension funds, other REITs, foreign real estate investors, other public and private real estate companies and private real estate investors. These competitors may prevent us from acquiring desirable properties, cause an increase in the price we must pay for real estate, have greater resources than we do, and be willing to pay more for certain assets or may have a more compatible operating philosophy with our acquisition targets. In particular, larger REITs may enjoy significant competitive advantages that result from, among other things, a lower cost of capital and enhanced operating efficiencies. Our competitors may also adopt transaction structures similar to ours or offer more substantial rent abatements, tenant improvements, early termination rights or below-market renewal options to retain tenants, which would decrease our competitive advantage in offering flexible transaction terms. In addition, the number of entities and the amount of funds competing for suitable investment properties may increase, resulting in increased demand and increased prices paid for these properties.

Our ownership of properties through ground leases exposes us to risks which are different than those resulting from our ownership of fee title to other properties.

We have acquired an interest in four of our properties by acquiring a leasehold interest in the land underlying the property, and we may acquire additional properties in the future that are subject to similar ground leases. In this situation, we have no economic interest in the land underlying the property and do not control this land, thus this type of ownership interest poses potential risks for our business because (i) if the ground lease terminates for any reason, we will lose our interest in the property, including any investment that we made in the property, (ii) if our tenant defaults under the previously existing lease, we will continue to be obligated to meet the terms and conditions of the ground lease without the annual amount of ground lease payments reimbursable to us by the tenant, and (iii) if the third party owning the land under the ground lease disrupts our use either permanently or for a significant period of time, then the value of our assets could be impaired and our results of operations could be adversely affected.

Risks related to our Adviser and Administrator

We are dependent upon our key personnel, who are employed by our Adviser or Administrator, as applicable, for our future success, particularly David Gladstone, Terry Lee Brubaker, Robert Cutlip, and Michael Sodo.

We are dependent on our senior management and other key management members to carry out our business and investment strategies. Our future success depends to a significant extent on the continued service and coordination of our senior management team, particularly David Gladstone, our chairman and chief executive officer, Terry Lee Brubaker, our vice chairman and chief operating officer, Robert Cutlip, our president, and Michael Sodo, our chief financial officer. The departure of any of our executive officers or key personnel could have a material adverse effect on our ability to implement our business strategy and to achieve our investment objectives.

Our success depends on the performance of our Adviser and if our Adviser makes inadvisable investment or management decisions, our operations could be materially adversely impacted.

Our ability to achieve our investment objectives and to pay distributions to our stockholders is dependent upon the performance of our Adviser in evaluating potential investments, selecting and negotiating property purchases and dispositions, selecting tenants and borrowers, setting lease terms and determining financing arrangements. Accomplishing these objectives on a cost-effective basis is largely a function of our Adviser's marketing capabilities, management of the investment process, ability to provide competent, attentive and efficient services and our access to financing sources on acceptable terms. Our stockholders have no opportunity to evaluate the terms of transactions or other economic or financial data concerning our investments and must rely entirely on the analytical and management abilities of our Adviser and the oversight of our Board of Directors. If our Adviser or our Board of Directors makes inadvisable investment or management decisions, our operations could be materially adversely impacted. As we grow, our Adviser may be required to hire, train, supervise and manage new employees. Our Adviser's failure to effectively manage our future growth could have a material adverse effect on our business, financial condition and results of operations.

We may have conflicts of interest with our Adviser and other affiliates.

Our Adviser manages our business and locates, evaluates, recommends and negotiates the acquisition of our real estate investments. At the same time, our Advisory Agreement permits our Adviser to conduct other commercial activities and provide management and advisory services to other entities, including, but not limited to, Gladstone Capital, Gladstone Investment, and Gladstone Land. Moreover, with the exception of our chief financial officer, treasurer and president, all of our executive officers and directors are also executive officers and directors of Gladstone Capital and Gladstone Investment, which actively make loans to and invest in lower middle market companies, and with the exception of our chief financial officer and president, all of our executive officers and directors are also officers and directors of Gladstone Land, an agricultural REIT. Further, our chief executive officer and chairman is on the board of managers of Gladstone Securities, an affiliated broker dealer that provides us with mortgage financing services pursuant to a contractual agreement and is the 100% indirect owner of and controls Gladstone Securities. As a result, we may from time to time have conflicts of interest with our Adviser in its management of our business, Gladstone Securities, in its provision of services to us and our other affiliated funds, and with Gladstone Capital, Gladstone Investment and Gladstone Land, which may arise primarily from the involvement of our Adviser, Gladstone Securities, Gladstone Capital, Gladstone Investment, Gladstone Land and their affiliates in other activities that may conflict with our business.

Examples of these potential conflicts include:

- our Adviser may realize substantial compensation on account of its activities on our behalf, and may, therefore, be motivated to approve acquisitions solely on the basis of increasing compensation to itself;
- Gladstone Securities acts as the dealer manager for our Series F Preferred Stock Offering, and earns fee income from Series F Preferred Stock proceeds;
- our Adviser or Gladstone Securities, may earn fee income from our borrowers or tenants; and
- our Adviser and other affiliates such as Gladstone Capital, Gladstone Investment and Gladstone Land could compete for the time and services of our officers and directors.

These and other conflicts of interest between us and our Adviser and other affiliates could have a material adverse effect on the operation of our business and the selection or management of our real estate investments.

Our Termination of the Advisory Agreement without cause would require payment of a termination fee.

Termination of the Advisory Agreement with our Adviser without cause would be difficult and costly. We may only terminate the agreement without cause (as defined therein) upon 120 days' prior written notice and after the affirmative vote of at least two-thirds of our independent directors. Furthermore, if we default under the agreement and any applicable cure period has expired, the Adviser may terminate the agreement. In each of the foregoing cases, we will be required to pay the Adviser a termination fee equal to two times the sum of the average annual base management fee and incentive fee earned by our Adviser during the 24-month period prior to such termination. This provision increases the cost to us of terminating the Advisory Agreement and adversely affects our ability to terminate our Adviser without cause. Additionally, depending on the amount of the fee, if incurred, it could adversely affect our ability to pay distributions to our common, preferred and senior common stockholders.

Our Adviser is not obligated to provide a waiver of the incentive fee, which could negatively impact our earnings and our ability to maintain our current level of, or increase, distributions to our stockholders.

The Advisory Agreement contemplates a quarterly incentive fee based on our Core FFO (as defined in the Advisory Agreement). Our Adviser has the ability to issue a full or partial waiver of the incentive fee for current and future periods; however, our Adviser is not required to issue any waiver. Any waiver issued by our Adviser is a voluntary, unconditional and irrevocable waiver. For the years ended December 31, 2020, 2019, and 2018 our Adviser did not issue a full or partial waiver of the incentive fee. If our Adviser does not issue this waiver in future quarters, it could negatively impact our earnings and may compromise our ability to maintain our current level of, or increase, distributions to our stockholders, which could have a material adverse impact on the market price of our securities.

Risks Related to Qualification and Operation as a REIT

If we fail to qualify as a REIT, our operations and distributions to stockholders would be adversely impacted.

We intend to continue to be organized and to operate to qualify as a REIT under the Internal Revenue Code of 1986, as amended (the "Code"). A REIT generally is not taxed at the corporate level on income it currently distributes to its stockholders. Qualification as a REIT involves the application of highly technical and complex rules for which there are only limited judicial or administrative interpretations. The determination of various factual matters and circumstances not entirely within our control may affect our ability to continue to qualify as a REIT. In addition, new legislation, new regulations, administrative interpretations or court decisions could significantly change the tax laws, possibly with retroactive effect, with respect to qualification as a REIT or the federal income tax consequences of such qualification.

If we were to fail to qualify as a REIT in any taxable year:

- we would not be allowed to deduct our distributions to stockholders when computing our taxable income;
- we would be subject to federal income tax (including any applicable alternative minimum tax) on our taxable income at regular corporate rates;
- we would be disqualified from being taxed as a REIT for the four taxable years following the year during which qualification was lost, unless entitled to relief under certain statutory provisions;
- our cash available for distributions to stockholders would be reduced; and
- we may be required to borrow additional funds or sell some of our assets to pay corporate tax obligations that we may incur as a result of our disqualification.

We may need to incur additional borrowings to meet the REIT minimum distribution requirement and to avoid excise tax.

To maintain our qualification as a REIT, we are required to distribute to our stockholders at least 90% of our annual real estate investment trust taxable income (excluding any net capital gain and before application of the distributions paid deduction). To the extent that we satisfy this distribution requirement, but distribute less than 100% of our taxable income, we will be subject to federal corporate income tax on our undistributed taxable income. In addition, we are subject to a 4% nondeductible excise tax on the amount, if any, by which certain distributions paid by us with respect to any calendar year are less than the sum of (i) 85% of our ordinary income for that year, (ii) 95% of our net capital gain for that year and (iii) 100% of our undistributed taxable income from prior years. To meet the 90% distribution requirement and to avoid the 4% excise tax, we may need to incur additional borrowings. Although we intend to pay distributions to our stockholders in a manner that allows us to meet the 90% distribution requirement and avoid this 4% excise tax, we cannot assure you that we will always be able to do so.

Complying with the REIT requirements may cause us to forgo otherwise attractive opportunities or liquidate otherwise attractive investments.

To qualify as a REIT for federal income tax purposes, we must continually satisfy tests concerning, among other things, the nature of our assets, the sources of our gross income, the amounts we distribute to our stockholders and the ownership of our capital stock. To meet these tests, we may be required to forgo 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 taxable REIT subsidiaries ("TRSs") and qualified real estate assets) generally cannot include more than 10% by voting power or vote 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, and no more than 20% (25% for taxable years beginning before January 1, 2018) of the value of our total assets can be represented by the securities of one or more TRSs.

We also must ensure that (i) at least 75% of our gross income for each taxable year consists of certain types of income that we derive, directly or indirectly, from investments relating to real property or mortgages on real property or qualified temporary investment income and (ii) at least 95% of our gross income for each taxable year consists of income that is qualifying income for purposes of the 75% gross income test, other types of interest and distributions, gain from the sale or disposition of stock or securities, or any combination of these.

In addition, we may be required to make distributions to our stockholders at disadvantageous times or when we do not have funds readily available for distribution. If we fail to comply with these requirements at the end of any calendar quarter, we must 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, and may be unable to pursue investments that would otherwise be advantageous to us to satisfy the asset and gross income requirements for qualifying as a REIT. These actions could have the effect of reducing our income and the amounts available for distribution to our stockholders. Thus, compliance with the REIT requirements may hinder our ability to make, and, in certain cases, maintain ownership of certain attractive investments.

To the extent that our distributions represent a return of capital for tax purposes, you could recognize an increased capital gain upon a subsequent sale of your stock.

Distributions in excess of our current and accumulated earnings and profits and not treated by us as a dividend will not be taxable to a U.S. stockholder to the extent such distributions do not exceed the stockholder's adjusted tax basis in its shares of our stock but instead will constitute a return of capital and will reduce the stockholder's adjusted tax basis in its share of our stock. If our distributions result in a reduction of a stockholder's adjusted basis in its shares of our stock, subsequent sales by such stockholder of its shares of our stock potentially will result in recognition of an increased capital gain or reduced capital loss due to the reduction in such stockholder's adjusted basis in its shares of our stock.

We may be subject to adverse legislative or regulatory tax changes that could reduce the market price of our securities.

At any time, the federal income tax laws governing REITs or the administrative interpretations of those laws may be amended. We cannot predict when or if any new federal income tax law, regulation, or administrative interpretation, or any amendment to any existing 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, or any new, federal income tax law, regulation or administrative interpretation.

Complying with the REIT requirements may limit our ability to hedge effectively and may cause us to incur tax liabilities.

The REIT provisions of the Code substantially limit our ability to hedge our liabilities. Any income from a hedging transaction that 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 does not constitute "gross income" for purposes of the gross income requirements. To the extent that we enter into other types of hedging transactions, the income from those transactions is likely to be treated as non-qualifying income for purposes of both of the 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 TRSs. This could increase the cost of our hedging activities because any TRS 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 incurred by a TRS generally will not provide any tax benefit, except for being carried forward against future taxable income earned by the TRS.

Ownership limitations may restrict or prevent stockholders from engaging in certain transfers of our common stock.

Our charter contains an ownership limit which prohibits any person or group of persons from acquiring, directly or indirectly, beneficial or constructive ownership of more than 9.8% of our outstanding shares of capital stock. Shares owned by a person or a group of persons in excess of the ownership limit are deemed "excess shares." Shares owned by a person who individually

owns of record less than 9.8% of outstanding shares may nevertheless be excess shares if the person is deemed part of a group for purposes of this restriction.

If the transferee-stockholder acquires excess shares, the person is considered to have acted as our agent and holds the excess shares on behalf of the ultimate stockholder. When shares are held in this manner they do not have any voting rights and shall not be considered for purposes of any stockholder vote or determining a quorum for such vote.

Our charter stipulates that any acquisition of shares that would result in our disqualification as a REIT under the Code shall be void to the fullest extent permitted under applicable law.

The ownership limit does not apply to (i) offerors which, in accordance with applicable federal and state securities laws, make a cash tender offer, where at least 90% of the outstanding shares of our stock (not including shares or subsequently issued securities convertible into common stock which are held by the tender offeror and any "affiliates" or "associates" thereof within the meaning of the Exchange Act) are duly tendered and accepted pursuant to the cash tender offer; (ii) an underwriter in a public offering of our shares; (iii) a party initially acquiring shares in a transaction involving the issuance of our shares of capital stock, if our Board determines such party will timely distribute such shares such that, following such distribution, such shares will not be deemed excess shares; and (iv) a person or persons which our Board exempt from the ownership limit upon appropriate assurances that our qualification as a REIT is not jeopardized.

We operate as a holding company dependent upon the assets and operations of our subsidiaries, and because of our structure, we may not be able to generate the funds necessary to make dividend payments on our capital stock.

We generally operate as a holding company that conducts its businesses primarily through our Operating Partnership, which in turn is a holding company conducting its business through its subsidiaries. These subsidiaries conduct all of our operations and are our only source of income. Accordingly, we are dependent on cash flows and payments of funds to us by our subsidiaries as dividends, distributions, loans, advances, leases or other payments from our subsidiaries to generate the funds necessary to make dividend payments on our capital stock. Our subsidiaries' ability to pay such dividends and/or make such loans, advances, leases or other payments may be restricted by, among other things, applicable laws and regulations, current and future debt agreements and management agreements into which our subsidiaries may enter, which may impair our ability to make cash payments on our common stock or our preferred stock. In addition, such agreements may prohibit or limit the ability of our subsidiaries to transfer any of their property or assets to us, any of our other subsidiaries or to third parties. Our future indebtedness or our subsidiaries' future indebtedness may also include restrictions with similar effects.

In addition, because we are a holding company, stockholders' claims will be structurally subordinated to all existing and future liabilities and obligations (whether or not for borrowed money) of our Operating Partnership and its subsidiaries. Therefore, in the event of our bankruptcy, liquidation or reorganization, claims of our stockholders will be satisfied only after all of our and our Operating Partnership's and its subsidiaries' liabilities and obligations have been paid in full.

Other risks

The number of shares of preferred stock outstanding may increase as a result of the Series E Preferred ATM Program that we have in place, as well as bimonthly closings related to our Offering of our Series F Preferred Stock, which could adversely affect our business, financial condition and results of operations.

The number of outstanding shares of preferred stock may increase as a result of the Series E Preferred ATM Program currently in place, as well as bimonthly closings related to our Offering of our Series F Preferred Stock. The issuance of additional shares of Preferred Stock could have significant consequences on our future operations, including:

- making it more difficult for us to meet our payment and other obligations to holders of our preferred stock and under our Credit Facility and to pay dividends on our common stock;
- reducing the availability of our cash flow to fund acquisitions and for other general corporate purposes, and limiting our ability to obtain additional financing for these purposes; and
- limiting our flexibility in planning for, or reacting to, and increasing our vulnerability to, changes in our business, and adverse changes the industry in which we operate and the general economy.

Any of the above-listed factors could have an adverse effect on our business, financial condition and results of operations and our ability to meet our payment obligations under our Credit Facility and monthly dividend obligations with respect to our preferred stock and to pay dividends on our common stock.

We are subject to restrictions that may discourage a change of control. Certain provisions contained in our articles of incorporation and Maryland law may prohibit or restrict a change of control.

- Our articles of incorporation prohibit ownership of more than 9.8% of the outstanding shares of our capital stock by one person. This restriction may discourage a change of control and may deter individuals or entities from making tender offers for our capital stock, which offers might otherwise be financially attractive to our stockholders or which might cause a change in our management.

- Our Board of Directors is divided into three classes, with the term of the directors in each class expiring every third year. At each annual meeting of stockholders, the successors to the class of directors whose term expires at such meeting will be elected to hold office for a term expiring at the annual meeting of stockholders held in the third year following the year of their election. After election, a director may only be removed by our stockholders for cause. Election of directors for staggered terms with limited rights to remove directors makes it more difficult for a hostile bidder to acquire control of us. The existence of this provision may negatively impact the price of our securities and may discourage third-party bids to acquire our securities. This provision may reduce any premiums paid to stockholders in a change in control transaction.

- Certain provisions of Maryland law applicable to us prohibit business combinations with:

    - any person who beneficially owns 10% or more of the voting power of our common stock, referred to as an "interested stockholder;"

    - an affiliate of ours who, at any time within the two-year period prior to the date in question, was an interested stockholder; or

    - an affiliate of an interested stockholder.

These prohibitions last for five years after the most recent date on which the interested stockholder became an interested stockholder. Thereafter, any business combination with the interested stockholder must be recommended by our Board of Directors and approved by the affirmative vote of at least 80% of the votes entitled to be cast by holders of our outstanding shares of common stock and two-thirds of the votes entitled to be cast by holders of our common stock other than shares held by the interested stockholder. These requirements could have the effect of inhibiting a change in control even if a change in control were in our stockholders' interest. These provisions of Maryland law do not apply, however, to business combinations that are approved or exempted by our Board of Directors prior to the time that someone becomes an interested stockholder.

Market conditions could adversely affect the market price and trading volume of our securities.

The market price of our common and preferred stock may be highly volatile and subject to wide fluctuations, and the trading volume in our common and preferred stock may fluctuate and cause significant price variations to occur. We cannot assure investors that the market price of our common and preferred stock will not fluctuate or decline further in the future. Some market conditions that could negatively affect our share price or result in fluctuations in the price or trading volume of our securities include, but are not limited to:

- price and volume fluctuations in the stock market from time to time, which are often unrelated to the operating performance of particular companies;

- significant volatility in the market price and trading volume of shares of REITs, real estate companies or other companies in our sector, which is not necessarily related to the performance of those companies;

- price and volume fluctuations in the stock market as a result of terrorist attacks, or speculation regarding future terrorist attacks, in the United States or abroad;

- actual or anticipated variations in our quarterly operating results or distributions to shareholders;

- changes in our FFO or earnings estimates or the publication of research reports about us or the real estate industry generally;
- actions by institutional stockholders;
- speculation in the press or investment community;
- the national and global political environment, including foreign relations and trading policies;
- changes in regulatory policies or tax guidelines, particularly with respect to REITs; and
- investor confidence in the stock market.

Shares of common and preferred stock eligible for future sale may have adverse effects on the respective share price.

We cannot predict the effect, if any, of future sales of common or preferred stock, or the availability of shares for future sales, on the market price of our common or preferred stock. Sales of substantial amounts of common or preferred stock (including shares of common stock issuable upon the conversion of units of the Operating Partnership that we may issue from time to time, issuable upon conversion of our Senior Common Stock, or issuances made through our ATM Programs or otherwise), or the perception that these sales could occur, may adversely affect prevailing market prices for our common and preferred stock.

Compliance or failure to comply with laws requiring access to our properties by disabled persons could result in substantial cost.

The Americans with Disabilities Act ("ADA"), and other federal, state and local laws generally require public accommodations be made accessible to disabled persons. Noncompliance could result in the imposition of fines by the government or the award of damages to private litigants. These laws may require us to modify our existing properties. These laws may also restrict renovations by requiring improved access to such buildings by disabled persons or may require us to add other structural features which increase our construction costs. Legislation or regulations adopted in the future may impose further burdens or restrictions on us with respect to improved access by disabled persons. We may incur unanticipated expenses that may be material to our financial condition or results of operations to comply with ADA and other federal, state and local laws, or in connection with lawsuits brought by private litigants.

Our Board of Directors may change our investment policy without stockholders' approval.

Our Board of Directors will determine our investment and financing policies, growth strategy and our debt, capitalization, distribution, acquisition, disposition and operating policies. Our Board of Directors may revise or amend these strategies and policies at any time without a vote by stockholders. Accordingly, stockholders' control over changes in our strategies and policies is limited to the election of directors, and changes made by our Board of Directors may not serve the interests of stockholders and could adversely affect our financial condition or results of operations, including our ability to distribute cash to stockholders or qualify as a REIT.

Our rights and the rights of our stockholders to take action against our directors and officers are limited.

Maryland law provides that a director or officer has no liability in that capacity if he or she performs his or her duties in good faith, in a manner he or she reasonably believes to be advisable and in our best interests and with the care that an ordinarily prudent person in a like position would use under similar circumstances. In addition, our charter (i) eliminates our directors' and officers' liability to us and our stockholders for money damages except for liability resulting from actual receipt of an improper benefit in money, property or services or active and deliberate dishonesty established by a final judgment and that is material to the cause of action and (ii) requires us to indemnify directors and officers for liability resulting from actions taken by them in those capacities to the maximum extent permitted by Maryland law. As a result, our stockholders and we may have more limited rights against our directors and officers than might otherwise exist under common law. In addition, we may be obligated to fund the defense costs incurred by our directors and officers.

We may enter into tax protection agreements in the future if we issue OP Units in connection with the acquisition of properties, which could limit our ability to sell or otherwise dispose of certain properties.

Our Operating Partnership may enter into tax protection agreements in connection with issuing OP units to acquire additional properties which could provide that, if we dispose of any interest in the protected acquired property to a certain time, we will

indemnify the other party for its tax liabilities attributable to the built-in gain that exists with respect to such a property. Therefore, although it otherwise may be in our stockholders' best interests that we sell one of these properties, it may be economically prohibitive for us to do so if we are a party to such a tax protection agreement. While we do not currently have any of these tax protection agreements in place, we may enter into such agreements in the future.

Our redemption of OP Units could result in the issuance of a large number of new shares of our common stock and/or force us to expend significant cash, which may limit our funds necessary to make distributions on our common stock.

As of the date of this filing, unaffiliated third parties owned approximately 1.4% of the outstanding OP Units. Following any contractual lock-up provisions, including the one-year mandatory holding period, an OP Unitholder may require us to redeem the OP Units it holds for cash. At our election, we may satisfy the redemption through the issuance of shares of our common stock on a one-for-one basis. However, the limited partners' redemption rights may not be exercised if and to the extent that the delivery of the shares upon such exercise would result in any person violating the ownership and transfer restrictions set forth in our charter. If a large number of OP Units were redeemed, it could result in the issuance of a large number of new shares of our common stock, which could dilute our existing stockholders' ownership. Alternatively, if we were to redeem a large number of OP Units for cash, we may be required to expend significant amounts to pay the redemption price, which may limit our funds necessary to make distributions on our common stock. Further, if we do not have sufficient cash on hand at the time the OP Units are tendered for redemption, we may be forced to sell additional shares of our common stock or preferred stock to raise cash, which could cause dilution to our existing stockholders and adversely affect the market price of our common stock.

Our ability to pay distributions is limited by the requirements of Maryland law.

Our ability to pay distributions on our stock is limited by the laws of Maryland. Under applicable Maryland law, a Maryland corporation generally may not make a distribution if, after giving effect to the distribution, the corporation would not be able to pay its debts as the debts become due in the usual course of business or the corporation's total assets would be less than the sum of its total liabilities plus, unless the corporation's charter permits otherwise, the amount that would be needed, if the corporation were dissolved at the time of the distribution, to satisfy the preferential rights upon dissolution of stockholders whose preferential rights are superior to those receiving the distribution. Accordingly, we generally may not make a distribution on our stock if, after giving effect to the distribution, we would not be able to pay our debts as they become due in the usual course of business or our total assets would be less than the sum of our total liabilities plus, unless the terms of such class or series provide otherwise, the amount that would be needed to satisfy the preferential rights upon dissolution of the holders of shares of any class or series of stock then outstanding, if any, with preferences upon dissolution senior to those of such class of stock with respect to which the distribution would be made.

Cybersecurity risks and cyber incidents may adversely affect our business by causing a disruption to our operations, or the operations of businesses in which we invest, a compromise or corruption of our confidential information and/or damage to our business relationships, all of which could negatively impact our business, financial condition and operating results.

In the normal course of business we and our service providers collect and retain certain personal information provided by our tenants, employees of our Administrator and Adviser, and vendors. We also rely extensively on computer systems to process transactions and manage our business. A cyber incident is considered to be any adverse event that threatens the confidentiality, integrity or availability of our information resources. These incidents may be an intentional attack or an unintentional event and could involve gaining unauthorized access to our information systems for purposes of misappropriating assets, stealing confidential information, corrupting data or causing operational disruption. The result of these incidents may include disrupted operations, misstated or unreliable financial data, liability for stolen assets or information, increased cybersecurity protection and insurance costs, litigation and damage to our business relationships. As our reliance on technology has increased, so have the risks posed to our information systems, both internal and those provided to us by third-party service providers. We have implemented processes, procedures and internal controls to help prevent, detect and mitigate cybersecurity risks and cyber intrusions, but these measures, as well as our increased awareness of the nature and extent of a risk of a cyber-incident, do not guarantee that a cyber-incident will not occur and/or that our financial results, operations or confidential information will not be negatively impacted by such an incident.

Legislative or regulatory tax changes related to REITs could materially and adversely affect us.

The U.S. federal income tax laws and regulations governing REITs and their stockholders, as well as the administrative interpretations of those laws and regulations, constantly are under review and may be changed at any time, possibly with retroactive effect. No assurance can be given as to whether, when, or in what form, the U.S. federal income tax laws applicable

to us and our stockholders may be enacted. Changes to the U.S. federal income tax laws and interpretations of U.S. federal tax laws could adversely affect an investment in our stock.

Disruptions in the financial markets and uncertain economic conditions resulting from the ongoing outbreak of COVID-19 could adversely affect market rental rates, commercial real estate values and our ability to secure debt financing, service future debt obligations, or pay distributions to stockholders.

Currently, both the investing and leasing environments are highly competitive. While there was an increase in the amount of capital flowing into the U.S. real estate markets early in 2020, which resulted in an increase in real estate values in certain markets, the recent downturn and uncertainty regarding the economic and political environment has made businesses reluctant to make long-term commitments or changes in their business plans. Specifically, the ongoing and resurging outbreak of COVID-19, both in the U.S. and globally, has created significant disruptions to financial markets, has resulted in business shutdowns and has led to recessionary conditions in the economy in the short term. We expect the significance of the COVID-19 pandemic, including the extent of its effects on our financial and operational results, to be dictated by, among, other things, its nature, duration and scope, the success of efforts to contain the spread of COVID-19, including the adequate production and distribution of vaccines, and the impact of actions taken in response to the pandemic including travel bans and restrictions, quarantines, shelter in place orders, the promotion of social distancing and limitations on business activity, including business closures. Even if a vaccine is widely distributed and accepted, there can be no assurance that the vaccine will ultimately be successful in limiting or stopping the spread of COVID-19. At this point, the extent to which the COVID-19 pandemic may impact the United States and global economies and our business is uncertain, but pandemics or other significant public health events could have a material adverse effect on our business and results of operations.

Volatility in global markets and changing political environments can cause fluctuations in the performance of the U.S. commercial real estate markets. Economic slowdowns of large economies outside the United States are likely to negatively impact growth of the U.S. economy. Political uncertainties both home and abroad may discourage business investment in real estate and other capital spending. Possible future declines in rental rates and expectations of future rental concessions, including free rent to renew tenants early, to retain tenants who are up for renewal or to attract new tenants, or requests from tenants for rent abatements during periods when they are severely impacted by COVID-19, may result in decreases in our cash flows from investment properties. Increases in the cost of financing due to higher interest rates may cause difficulty in refinancing our debt obligations prior to maturity at terms as favorable as the terms of existing indebtedness. Market conditions can change quickly, potentially negatively impacting the value of our real estate investments. Management continuously reviews our investment and debt financing strategies to optimize our portfolio and the cost of our debt exposure.

The debt market remains sensitive to the macro-economic environment, such as Federal Reserve policy, market sentiment or regulatory factors affecting the banking and commercial mortgage backed securities ("CMBS") industries and the COVID-19 pandemic. We may experience more stringent lending criteria, which may affect our ability to finance certain property acquisitions or refinance any debt at maturity. Additionally, for properties for which we are able to obtain financing, the interest rates and other terms on such loans may be unacceptable. We expect to manage the current mortgage lending environment by considering alternative lending sources, including but not limited to securitized debt, fixed rate loans, short-term variable rate loans, assumed mortgage loans in connection with property acquisitions, interest rate cap or swap agreements, or any combination of the foregoing.

Item 1B. Unresolved Staff Comments.

None.

Item 2. Properties.

As of December 31, 2020, we wholly-owned 121 properties, comprised of 15.4 million square feet of rentable space in 28 states. Our properties were 95.3% leased with an average remaining lease term of 7.3 years. See Schedule III - Real Estate and Accumulated Depreciation included elsewhere in this Annual Report on Form 10-K for a detailed listing of the properties in our portfolio.

The following table summarizes the lease expirations by year for our properties for leases in place as of December 31, 2020 (dollars in thousands):

Year of Lease Expiration	Square Feet (1)	Number of Expiring Leases	Lease Revenue for the year ended December 31, 2020	% Expiring
2021	319,461	9	$ 7,098	5.3 %
2022	373,579	6	7,171	5.4 %
2023	1,466,432	15	13,060	9.8 %
2024	1,590,975	9	10,827	8.1 %
2025	653,896	10	14,389	10.8 %
Thereafter	10,280,706	81	73,353	55.1 %
Sold/terminated leases	N/A	N/A	7,254	5.5 %
	14,685,049	130	$ 133,152	100.0 %

(1) Our vacant square footage totaled 722,497 square feet as of December 31, 2020.
N/A - Not Applicable

The following table summarizes the geographic locations of our properties as of December 31, 2020, 2019, and 2018, respectively (dollars in thousands):

State	Lease Revenue for the year ended December 31, 2020	% of Lease Revenue	Number of Leases for the year ended December 31, 2020	Rentable Square Feet for the year ended December 31, 2020	Lease Revenue for the year ended December 31, 2019	% of Lease Revenue	Number of Leases for the year ended December 31, 2019	Rentable Square Feet for the year ended December 31, 2019	Lease Revenue for the year ended December 31, 2018	% of Lease Revenue	Number of Leases for the year ended December 31, 2018	Rentable Square Feet for the year ended December 31, 2018
Texas	$ 19,021	14.3 %	14	1,474,967	$ 16,436	14.4 %	15	1,388,940	$ 15,852	14.8 %	12	986,294
Florida	16,686	12.5	11	1,038,076	15,268	13.3	11	1,038,076	12,212	11.4	11	705,076
Ohio	14,008	10.5	15	1,094,871	11,016	9.6	16	1,442,990	9,969	9.3	16	1,388,560
Pennsylvania	13,978	10.5	10	2,224,007	13,640	11.9	9	2,068,740	13,626	12.8	9	2,068,740
Georgia	10,360	7.8	9	1,566,986	5,695	5.0	8	1,062,586	4,842	4.5	6	269,555
Utah	7,885	5.9	4	298,478	6,978	6.1	4	298,478	6,923	6.5	3	295,499
Michigan	6,293	4.7	6	973,638	6,035	5.3	6	973,638	4,625	4.3	6	973,638
North Carolina	6,101	4.6	8	944,943	5,666	5.0	7	894,465	6,195	5.8	8	894,465
South Carolina	4,826	3.6	2	424,683	4,638	4.1	2	424,683	4,626	4.3	2	424,683
Minnesota	4,291	3.2	6	281,248	3,790	3.3	6	281,248	3,783	3.5	6	281,248
All Other States	29,703	22.4	45	5,085,649	25,225	22.0	38	4,368,164	24,145	22.8	31	3,439,238
	$ 133,152	100.0 %	130	15,407,546	$ 114,387	100.0 %	122	14,242,008	$ 106,798	100.0 %	110	11,726,996

The following table summarizes lease revenue by tenant industries for the years ended December 31, 2020, 2019 and 2018 (dollars in thousands):

	For the year ended December 31,					
	2020		2019		2018	
Industry Classification	Lease Revenue	Percentage of Lease Revenue	Lease Revenue	Percentage of Lease Revenue	Lease Revenue	Percentage of Lease Revenue
Telecommunications	$ 22,222	16.9 %	$ 19,091	16.7 %	$ 16,366	15.4 %
Diversified/Conglomerate Services	16,587	12.5	15,330	13.4	14,440	13.5
Healthcare	16,133	12.1	13,209	11.5	12,944	12.1
Automobile	13,768	10.3	15,115	13.2	12,930	12.1
Banking	10,042	7.5	7,873	6.9	8,322	7.8
Buildings and Real Estate	9,050	6.8	4,102	3.6	4,555	4.3
Information Technology	6,899	5.2	6,154	5.4	6,106	5.7
Personal, Food & Miscellaneous Services	6,323	4.7	5,995	5.2	5,990	5.6
Diversified/Conglomerate Manufacturing	6,268	4.7	5,191	4.5	5,064	4.7
Electronics	4,412	3.3	4,539	4.0	4,289	4.0
Beverage, Food & Tobacco	4,268	3.2	2,811	2.5	1,503	1.4
Machinery	4,191	3.1	2,816	2.5	2,278	2.1
Chemicals, Plastics & Rubber	3,647	2.7	3,124	2.7	2,937	2.8
Personal & Non-Durable Consumer Products	2,450	1.8	2,420	2.1	2,684	2.5
Childcare	2,237	1.7	2,225	1.9	2,224	2.1
Containers, Packaging & Glass	1,972	1.5	2,035	1.8	1,826	1.7
Printing & Publishing	1,377	1.0	1,202	1.1	1,150	1.1
Education	823	0.6	660	0.6	660	0.6
Home & Office Furnishings	483	0.4	495	0.4	530	0.5
Total	$ 133,152	100.0 %	$ 114,387	100.0 %	$ 106,798	100.0 %

Item 3. Legal Proceedings.

We are not currently subject to any material legal proceedings, nor, to our knowledge, is any material legal proceeding threatened against us. However, from time to time we may be party to various litigation matters, typically involving ordinary course and routine claims incidental to our business, which we may not consider material.

Item 4. Mine Safety Disclosures.

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Our common stock is traded on the Nasdaq, under the symbol "GOOD." Since our inception in 2003, we have never reduced our per-share distributions nor have we missed payment of a scheduled distribution to our common stockholders. Our Board of Directors regularly evaluates our per share distribution payments as they monitor the capital markets and the impact that the economy has upon us. The decision whether to authorize and pay distributions on shares of our common stock in the future, as well as the timing, amount and composition of any such future distributions, will be at the sole and absolute discretion of our Board of Directors in light of conditions then existing, including our earnings, taxable income, FFO, financial condition, liquidity, capital requirements, debt maturities, the availability of capital, contractual prohibitions or other restrictions, applicable REIT and legal restrictions and general overall economic conditions and other factors. While the statements above concerning our distribution policy represent our current expectations, any actual distribution payable will be determined by our Board of Directors based upon the circumstances at the time of declaration and the actual number of common shares then outstanding, and any common distribution payable may vary from such expected amounts.

To qualify as a REIT, we are required to make ordinary dividend distributions to our common stockholders. The amount of these distributions must equal at least the sum of (A) 90% of our "REIT taxable income" (computed without regard to the dividends paid deduction and capital gain) and (B) 90% of the net income (after tax), if any, from foreclosure property.

For federal income tax purposes, our common distributions generally consist of ordinary income, capital gains, nontaxable return of capital or a combination of those items. Distributions that exceed our current and accumulated earnings and profits (calculated for tax purposes) constitute a return of capital rather than a dividend, which reduces a stockholder's basis in its shares of stock and will not be taxable to the extent of the stockholder's basis in its shares of our stock. To the extent a distribution exceeds the stockholder's share of both our current and accumulated earnings and profits and the stockholder's basis in its shares of our stock, that distribution will be treated as a gain from the sale or exchange of that stockholder's shares of our stock. Every year, we notify stockholders of the taxability of distributions paid to stockholders during the preceding year.

A covenant in the agreement governing our Credit Facility requires us to, among other things, limit our distributions to stockholders to 98% of our FFO, excluding extraordinary or non-routine items, and continued compliance with this covenant may require us to limit our distributions to stockholders in the future. For a discussion of our Credit Facility, including the financial and operating covenants required for us to access this source of financing, see "*Risk Factors – Our Credit Facility contains various covenants which, if not complied with, could accelerate our repayment obligations, thereby materially and adversely affecting our liquidity, financial condition, results of operations and ability to pay distributions to stockholders*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Liquidity and Capital Resources – Credit Facility* " herein.

As of February 9, 2021, there were 30,409 beneficial owners of our common stock.

We pay distributions on shares of our Senior Common Stock in an amount equal to $1.05 per share per annum, declared daily and paid at the rate of $0.0875 per share per month. The Senior Common Stock is not traded on any exchange or automated quotation system.

As of February 9, 2021, there were 230 beneficial owners of our Senior Common Stock.

Sale of Unregistered Securities

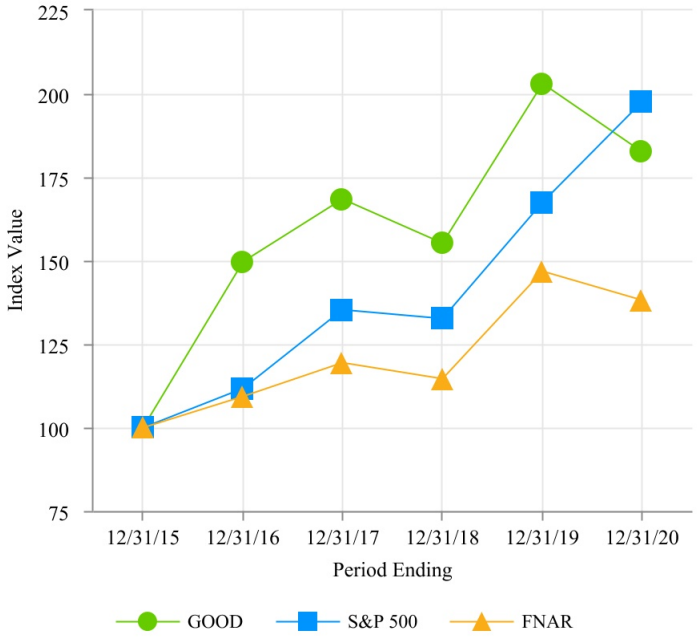
We did not sell unregistered shares of stock during the fiscal year ended December 31, 2020.

Issuer Purchaser of Equity Securities

We did not purchase any of our equity securities in the fourth quarter ended December 31, 2020.

Stock Performance Graph

The following graph compares the cumulative stockholder return (assuming reinvestment of distributions) of our common stock with the Standard and Poor's 500 Index ("S&P 500") and the FTSE NAREIT All REIT Index ("FNAR"), which is a market capitalization-weighted index that includes all REITs that are listed on the New York Stock Exchange, the American Stock Exchange or the Nasdaq National Market List. The stock performance graph assumes $100 was invested on December 31, 2015.



	At December 31,					
	2015	2016	2017	2018	2019	2020
GOOD	$ 100.00	$ 149.69	$ 168.42	$ 155.05	$ 202.99	$ 182.51
S&P 500	$ 100.00	$ 111.73	$ 135.10	$ 132.64	$ 167.33	$ 197.46
FNAR	$ 100.00	$ 109.28	$ 119.41	$ 114.51	$ 146.66	$ 138.04

Item 6. Reserved.

This item is reserved in light of the Company's early adoption of Item 301 of Regulation S-K pursuant to SEC Release Nos. 33-10890; 34-90459 (Management's Discussion and Analysis; Selected Financial Data, and Supplementary Financial Information) adopted by the SEC on November 19, 2020.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following analysis of our financial condition and results of operations should be read in conjunction with our financial statements and the notes thereto contained elsewhere in this Form 10-K.

General

We are an externally-advised REIT that was incorporated under the General Corporation Law of the State of Maryland on February 14, 2003. We focus on acquiring, owning, and managing primarily office and industrial properties. Our properties are geographically diversified and our tenants cover a broad cross section of business sectors and range in size from small to very large private and public companies, many of which are corporations that do not have publicly-rated debt. We have historically entered into, and intend in the future to enter into, purchase agreements primarily for real estate having net leases with remaining terms of approximately seven to 15 years and built-in rental rate increases. Under a net lease, the tenant is required to pay most or all operating, maintenance, repair and insurance costs and real estate taxes with respect to the leased property.

We actively communicate with buyout funds, real estate brokers and other third parties to locate properties for potential acquisition or to provide mortgage financing in an effort to build our portfolio. We target secondary growth markets that possess favorable economic growth trends, diversified industries, and growing population and employment.

All references to annualized generally accepted accounting principles ("GAAP") rent are rents that each tenant pays in accordance with the terms of its respective lease reported evenly over the non-cancelable term of the lease.

As of February 16, 2021:

- we owned 122 properties totaling 15.6 million square feet of rentable space, located in 28 states;
- our occupancy rate was 95.4%;
- the weighted average remaining term of our mortgage debt was 4.5 years and the weighted average interest rate was 4.22%; and
- the average remaining lease term of the portfolio was 7.1 years;

Business Environment

In March 2020, the World Health Organization characterized COVID-19 as a pandemic, and widespread infection continues in the United States and many parts of the world. The rapid spread of the coronavirus identified as COVID-19 resulted in authorities throughout the United States and the world implementing widespread measures attempting to contain the spread and impact of COVID-19, such as travel bans and restrictions, quarantines, shelter in place orders, the promotion of social distancing and limitations on business activity, including business closures. These measures and the pandemic have caused a significant national and global economic downturn, disrupted business operations, including those of certain of our tenants, significantly increased unemployment and underemployment levels, and are expected to have an adverse effect on office demand for space in the short term, at a minimum. The demand for industrial space has continued due to the continuing growth of e-commerce and appears to be partially counterbalancing the adverse effects of COVID-19 on the commercial real estate industry. Industrial absorption increased by greater than 10% compared to 2019 according to research reports. Interest rates have been volatile and although interest rates are still low by historical standards (and in some cases have been reduced to help curb the impact of COVID-19), lenders have varied on their required spreads over the last several quarters. Investment sales volume across all product types, but especially office and retail, in recent months is lower year over year, as compared to 2019 as a direct result of COVID-19. After completing the 11th year of the current cycle, some national research firms had been estimating that both pricing and investment sales volume would be peaking and the national economy would be slowing in the near term, prior to the rapid spread of COVID-19. Global recessionary conditions are currently expected during 2021 as a direct result of the COVID-19 pandemic, although the actual impact and duration are unknown. See "*Impact of COVID-19 on Our Business*" below for the impact on the COVID-19 pandemic on our business.

From a more macro-economic perspective, there continues to be significant uncertainties associated with the COVID-19 pandemic, including with respect to the severity of the disease, the duration of the outbreak, actions that may be taken by governmental authorities and private businesses to attempt to contain the COVID-19 outbreak or to mitigate its impact, including adequate production and distribution of vaccines, the extent and duration of social distancing and the adoption of shelter-in-place orders, or reversal of reopening orders, and the ongoing impact of COVID-19 on business and economic activity. Much of the United States economy is now in the process of re-opening, but at the same time the COVID-19 pandemic is intensifying in most of the country.

Impact of COVID-19 on Our Business

The extent to which the COVID-19 pandemic may impact our business, financial condition, liquidity, results of operations, funds from operations or prospects will depend on numerous evolving factors that we are not be able to predict at this time, including the duration and long-term scope of the pandemic; the adequate production and distribution of vaccinations;

governmental, business and individuals' actions that have been and continue to be taken in response to the pandemic; the impact on economic activity from the pandemic (such as the effect on market rental rates and commercial real estate values) and actions taken in response; the effect on our tenants and their businesses; the ability of our tenants to make their rental payments, any closures of our tenants' properties, our ability to secure debt financing, service future debt obligations or pay distributions to our stockholders. Any of these events could materially adversely impact our business, financial condition, liquidity, results of operations, funds from operations or prospects.

As of February 16, 2021, we have collected 97% of all outstanding February 2021 cash base rent obligations and approximately 98% of January 2021 cash base rent obligations. In April 2020, we granted rent deferrals to three tenants representing approximately 2% of total portfolio rents. The agreements with these tenants include current partial payment in exchange for rent deferrals of varying terms with deferred amounts to be paid by the respective tenant back to us, for the period starting in July 2020 and ending in March 2021. Two of these tenants have repaid their deferred rent balance in full as of December 31, 2020. The other tenant was granted a second rent deferral in November 2020 in exchange for one year of additional lease term. The deferred rent will be repaid beginning May 2021 and through the tenant's remaining lease term. We may pursue additional loan relief agreements in the future. We have received and may receive additional rent modification requests in future periods from our tenants. However, we are unable to quantify the outcomes of the negotiation of relief packages, the success of any tenant's financial prospects or the amount of relief requests that we will ultimately receive or grant. We believe that we have a diverse tenant base, and specifically, we do not have significant exposure to tenants in the retail, hospitality, airlines, and oil and gas industries. These industries, among certain others, have generally been severely impacted by the COVID-19. Additionally, our properties are located in 28 states, which we believe mitigates our exposure to economic issues, including as a result of COVID-19, in any one geographic market or area. We also have a cap on industry sector concentration to further diversify our portfolio and mitigate risk.

We believe we currently have adequate liquidity in the near term, and we believe the availability on our Credit Facility is sufficient to cover all near term debt obligations and operating expenses and to continue our industrial growth strategy. We are in compliance with all of our debt covenants, and we amended our Credit Facility in 2019 to increase our borrowing capacity and extend its maturity date. In addition, on February 11, 2021, we added a new $65.0 million term loan component, inclusive of a $15.0 million delayed funding component. We have had numerous conversations with lenders and do not believe there will be a credit freeze in the near term. We continue to monitor our portfolio and intend to maintain a reasonably conservative liquidity position for the foreseeable future.

We will continue to actively monitor the situation and may take further actions that alter our business operations as may be required by federal, state or local authorities or that we determine are in the best interests of our personnel, tenants and stockholders. While we are unable to determine or predict the nature, duration or scope of the overall impact the COVID-19 pandemic will have on our business, financial condition, liquidity, results of operations, funds from operations or prospects, we believe that it is important to share where we stand today, how our response to COVID-19 is progressing and how our operations and financial condition may change as the fight against COVID-19 progresses.

Other Business Environment Considerations

The short-term and long-term economic implications of the presidential election result are unknown at this time, inclusive of any subsequent shift in policy, new regulations or the long-term impact of tax reform in the U.S. Finally, the continuing uncertainty surrounding the ability of the federal government to address its fiscal condition in both the near and long term, particularly with the ongoing discussions regarding additional fiscal stimulus as well as other geopolitical issues relating to the global economic slowdown has increased domestic and global instability. These developments could cause interest rates and borrowing costs to be volatile, which may adversely affect our ability to access both the equity and debt markets and could have an adverse impact on our tenants as well.

All of our variable rate debt is based upon the one month LIBOR rate, although LIBOR is currently anticipated to be phased out during late 2021. LIBOR is expected to transition to a new standard rate, SOFR, which will incorporate repo data collected from multiple data sets. The intent is to adjust the SOFR to minimize differences between the interest that a borrower would be paying using LIBOR versus what it will be paying using SOFR. We are currently monitoring the transition, as we cannot assess whether SOFR will become a standard rate for variable rate debt. Any further changes or reforms to the determination or supervision of LIBOR may result in a sudden or prolonged increase or decrease in reported LIBOR, which could have an adverse impact on the market for LIBOR-based debt, or the value of our portfolio of LIBOR-indexed, floating-rate debt.

We continue to focus on re-leasing vacant space, renewing upcoming lease expirations, re-financing upcoming loan maturities, and acquiring additional properties with associated long-term leases. Currently, we only have two partially vacant buildings and four fully vacant buildings, with one of these fully vacant buildings classified as held for sale as of December 31, 2020.

Our available vacant space as of December 31, 2020 represents 4.7% of our total square footage and the annual carrying costs on the vacant space, including real estate taxes and property operating expenses, are approximately $4.2 million. We continue to actively seek new tenants for these properties.

Our ability to make new investments is highly dependent upon our ability to procure financing. Our principal sources of financing generally include the issuance of equity securities, long-term mortgage loans secured by properties, and borrowings under our Credit Facility. While lenders' credit standards have tightened, we continue to look to national and regional banks, insurance companies and non-bank lenders, in addition to the CMBS market, to issue mortgages to finance our real estate activities.

In addition to obtaining funds through borrowing, we were active in the equity markets during 2020 by issuing shares of common stock and preferred stock under our ATM Programs, pursuant to our Common Stock Sales Agreement with the Common Stock Sales Agents, and the Series E Preferred Stock Sales Agreement with the Series E Preferred Stock Sales Agents, discussed in more detail below. We also began the Offering our newly designated Series F Preferred Stock and issued shares during the 3rd and 4th quarters of 2020.

Recent Developments

Sale Activity

During the year ended December 31, 2020, we continued to execute our capital recycling program, whereby we sell non-core properties and redeploy proceeds to fund property acquisitions in our target secondary growth markets, as well as repay outstanding debt. We will continue to execute our capital recycling plan and sell non-core properties as reasonable disposition opportunities become available. During the year ended December 31, 2020, we sold six non-core properties, located in Charlotte, North Carolina; Maple Heights, Ohio; Champaign, Illinois; and Austin, Texas, which are summarized in the table below (dollars in thousands):

Aggregate Square Footage Sold	Sales Price	Sales Costs	Gain on Sale of Real Estate, net
551,743	$ 37,532	$ 1,698	$ 8,096

Acquisition Activity

During the year ended December 31, 2020, we acquired nine properties, which are summarized below (dollars in thousands):

Aggregate Square Footage	Weighted Average Lease Term	Aggregate Purchase Price	Capitalized Acquisition Expenses	Aggregate Annualized GAAP Fixed Lease Payments	Aggregate Debt Issued
1,717,502	12.2 years	$ 129,974	$ 814	$ 9,696	$ 52,578

On January 22, 2021, we purchased a 180,152 square foot industrial property in Findlay, Ohio for $11.1 million. This property is fully leased to one tenant on a 14.2 year lease.

Leasing Activity

During the year ended December 31, 2020, we executed 20 lease extensions and/or modifications, which are summarized below (dollars in thousands):

Aggregate Square Footage	Weighted Average Remaining Lease Term		Aggregate Annualized GAAP Fixed Lease Payments	Aggregate Tenant Improvement	Aggregate Leasing Commissions
1,122,543	7.7 years	(1)	$ 11,266	$ 3,383	$ 1,354

(1) Weighted average remaining lease term is weighted according to the annualized GAAP rent earned by each lease. Our leases have remaining terms ranging from 1.3 years to 12.0 years.

During the year ended December 31, 2020, we had two lease contractions, which are aggregated below (dollars in thousands):

Aggregate Square Footage Reduced	Aggregate Termination Fee	Aggregate Deferred Rent Write Off
63,664	$ 1,239	$ 239

Financing Activity

During the year ended December 31, 2020, we repaid seven mortgages, collateralized by eight properties, which are summarized below (dollars in thousands):

Aggregate Fixed Rate Debt Repaid	Weighted Average Interest Rate on Fixed Rate Debt Repaid
$ 18,109	5.19 %

Aggregate Variable Rate Debt Repaid	Weighted Average Interest Rate on Variable Rate Debt Repaid
$ 19,284	LIBOR + 2.20%

During the year ended December 31, 2020, we issued six mortgages, collateralized by six properties, which are summarized below (dollars in thousands):

Aggregate Fixed Rate Debt Issued		Weighted Average Interest Rate on Fixed Rate Debt
$ 52,578	(1)	3.18 %

(1) We issued an aggregate of $18.3 million of fixed rate debt in connection with our three property portfolio acquisition on January 27, 2020, with a maturity date of February 1, 2030 and a rate of 3.625%. We issued $17.5 million of floating rate debt swapped to fixed of 2.8% in connection with our March 9, 2020 property acquisition, with a maturity date of March 9, 2030. We issued $10.3 million of fixed rate debt in connection with our December 18, 2020 property acquisition, with a maturity date of January 1, 2028 and a rate of 3.0%. We issued $6.4 million of floating rate debt swapped to fixed of 3.25% in connection with our December 21, 2020 property acquisition, with a maturity date of December 23, 2030.

On January 22, 2021, we issued $5.5 million of floating rate debt swapped to a fixed rate of 3.24% in connection with the industrial property acquisition on the same date, with a maturity date of February 15, 2031.

Equity Activity

Common Stock ATM Program

During the year ended December 31, 2020, we sold 2.7 million shares of common stock, raising $52.8 million in net proceeds under our At-the-Market Equity Offering Sales Agreements with sales agents Robert W. Baird & Co. Incorporated (“Baird”), Goldman Sachs & Co. LLC (“Goldman Sachs”), Stifel, Nicolaus & Company, Incorporated (“Stifel”), BTIG, LLC, and Fifth Third Securities, Inc. (“Fifth Third”), pursuant to which we may sell shares of our common stock in an aggregate offering price of up to $250.0 million (the “Common Stock ATM Program”). As of December 31, 2020, we had a remaining capacity to sell up to $183.9 million of common stock under the Common Stock Sales Agreement. The proceeds from these issuances were used to acquire real estate, repay outstanding debt and for other general corporate purposes.

Mezzanine Equity

Both our Series D Preferred Stock, and Series E Preferred Stock are classified as mezzanine equity in our consolidated balance sheet because both are redeemable at the option of the shareholder upon a change of control of greater than 50% in accordance with ASC 480-10-S99 “Distinguishing Liabilities from Equity,” which requires mezzanine equity classification for preferred stock issuances with redemption features which are outside of the control of the issuer. A change in control of our company, outside of our control, is only possible if a tender offer is accepted by over 90% of our shareholders. All other change in control situations would require input from our Board of Directors. In addition, our Series E Preferred Stock is redeemable at the option

of the shareholder in the event a delisting event occurs. We will periodically evaluate the likelihood that a change of control or delisting event of greater than 50% will take place, and if we deem this probable, we would adjust the Series D Preferred Stock and Series E Preferred Stock presented in mezzanine equity to their redemption value, with the offset to gain (loss) on extinguishment. We currently believe the likelihood of a change of control of greater than 50% is remote.

We do not have an active At-the-Market program for our Series D Preferred Stock as of the date of the filing of this Annual Report on Form 10-K.

Series E Preferred ATM Program

We have an At-the-Market Equity Offering Sales Agreement (the "Series E Preferred Stock Sales Agreement") with sales agents Baird, Goldman Sachs, Stifel, Fifth Third, and U.S. Bancorp Investments, Inc., pursuant to which we may, from time to time, offer to sell shares of our Series E Preferred Stock in an aggregate offering price of up to $100.0 million (the "Series E Preferred ATM Program"). We sold 0.3 million shares of our Series E Preferred Stock, raising $7.1 million in net proceeds pursuant to the Series E Preferred Stock Sales Agreement during the year ended December 31, 2020. As of December 31, 2020, we had remaining capacity to sell up to $92.8 million of Series E Preferred Stock under the program.

Universal Shelf Registration Statement

On January 11, 2019, we filed a universal registration statement on Form S-3, File No. 333-229209, and an amendment thereto on Form-S-3/A on January 24, 2019 (collectively referred to as the "Universal Shelf"). The Universal Shelf became effective on February 13, 2019 and replaced our prior universal shelf registration statement. The Universal Shelf allows us to issue up to $500.0 million of securities. As of December 31, 2020, we had the ability to issue up to $377.2 million under the Universal Shelf.

On January 29, 2020, we filed an additional universal registration statement on Form S-3, File No. 333-236143 (the "2020 Universal Shelf"). The 2020 Universal Shelf was declared effective on February 11, 2020 and is in addition to the 2019 Universal Shelf. The 2020 Universal Shelf allows us to issue up to an additional $800.0 million of securities. Of the $800.0 million of available capacity under our 2020 Universal Shelf, approximately $636.5 million is reserved for the sale of our 6.00% Series F Cumulative Redeemable Preferred Stock of the Company, par value $0.001 per share (the "Series F Preferred Stock"). As of December 31, 2020, we had the ability to issue up to $797.1 million of securities under the 2020 Universal Shelf.

Preferred Series F Continuous Offering

On February 20, 2020, we filed with the Maryland Department of Assessments and Taxation Articles Supplementary (i) setting forth the rights, preferences and terms of the Series F Preferred Stock and (ii) reclassifying and designating 26,000,000 shares of the Company's authorized and unissued shares of common stock as shares of Series F Preferred Stock. The reclassification decreased the number of shares classified as common stock from 86,290,000 shares immediately prior to the reclassification to 60,290,000 shares immediately after the reclassification. We sold 0.1 million shares of our Series F Preferred Stock, raising $2.7 million in net proceeds during the year ended December 31, 2020. As of December 31, 2020, we had remaining capacity to sell up to $633.6 million of Series F Preferred Stock.

Amendment to Operating Partnership Agreement

In connection with the authorization of the Series F Preferred Stock in February of 2020, the Operating Partnership controlled by the Company through its ownership of GCLP Business Trust II, the general partner of the Operating Partnership, adopted the Second Amendment to its Second Amended and Restated Agreement of Limited Partnership (collectively, the "Amendment"), as amended from time to time, establishing the rights, privileges and preferences of 6.00% Series F Cumulative Redeemable Preferred Units, a newly-designated class of limited partnership interests (the "Series F Preferred Units"). The Amendment provides for the Operating Partnership's establishment and issuance of an equal number of Series F Preferred Units as are issued shares of Series F Preferred Stock by the Company in connection with the offering upon the Company's contribution to the Operating Partnership of the net proceeds of the offering. Generally, the Series F Preferred Units provided for under the Amendment have preferences, distribution rights and other provisions substantially equivalent to those of the Series F Preferred Stock.

Amendment to the Advisory Agreement

On July 14, 2020, the Company amended and restated the Advisory Agreement by entering into the Sixth Amended and Restated Investment Advisory Agreement between the Company and the Adviser (the "Sixth Amended Advisory Agreement"). The Company's entrance into the Sixth Amended Advisory Agreement was approved by its Board of Directors, including, specifically, unanimously by its independent directors. The Sixth Amended Advisory Agreement revised and replaced the Fifth Amended and Restated Investment Advisory Agreement between the Company and the Adviser (the "Fifth Amended Advisory Agreement"), under which the calculation of the Base Management Fee was based on Total Equity (as was defined in the Fifth Amended Advisory Agreement), with a calculation based on Gross Tangible Real Estate (as defined in the Sixth Amended Advisory Agreement). The revised Base Management Fee will be payable quarterly in arrears and shall be calculated at an annual rate of 0.425% (0.10625% per quarter) of the prior calendar quarter's "Gross Tangible Real Estate," defined as the current gross value of the Company's property portfolio (meaning the aggregate of each property's original acquisition price plus the cost of any subsequent capital improvements thereon). The calculation of the other fees in the Advisory Agreement remained unchanged. The revised Base Management Fee calculation began with the fee calculations for the quarter ended September 30, 2020.

Non-controlling Interests in Operating Partnership

As of each of December 31, 2020 and 2019, we owned approximately 98.6%, of the outstanding OP Units. On October 30, 2018, we issued 742,937 OP units as partial consideration to acquire a 218,703 square foot, two property portfolio located in Detroit, Michigan for $21.7 million. During November 2019, 263,300 OP units were redeemed for common stock. On January 8, 2020, we issued 23,396 OP units as partial consideration to acquire a 64,800 square foot property located in Indianapolis, Indiana for $5.3 million.

The Operating Partnership is required to make distributions on each OP Unit in the same amount as those paid on each share of the Company's common stock, with the distributions on the OP Units held by the Company being utilized to make distributions to the Company's common stockholders.

As of December 31, 2020 and 2019, there were 503,033 and 479,637 outstanding OP Units held by Non-controlling OP Unitholders, respectively.

Our Adviser and Administrator

Our Adviser is led by a management team with extensive experience purchasing real estate. Our Adviser and Administrator are controlled by Mr. Gladstone, who is also our chairman and chief executive officer. Mr. Gladstone also serves as the chairman and chief executive officer of both our Adviser and Administrator. Mr. Brubaker, our vice chairman and chief operating officer, is also the vice chairman and chief operating officer of our Adviser and Administrator. Mr. Cutlip, our president, is also an executive managing director of our Adviser. The Administrator employs our chief financial officer, treasurer, chief compliance officer, and general counsel and secretary (who also serves as our Administrator's president, general counsel, and secretary) and their respective staffs.

Our Adviser and Administrator also provide investment advisory and administrative services, respectively, to certain of our affiliates, including, but not limited to, Gladstone Capital and Gladstone Investment, both publicly-traded business development companies, as well as Gladstone Land, a publicly-traded REIT that primarily invests in farmland. With the exception of Mr. Sodo, our chief financial officer, Jay Beckhorn, our treasurer, and Mr. Cutlip, our president, all of our executive officers and all of our directors serve as either directors or executive officers, or both, of Gladstone Capital and Gladstone Investment. In addition, with the exception of Mr. Cutlip and Mr. Sodo, all of our executive officers and all of our directors, serve as either directors or executive officers, or both, of Gladstone Land. Mr. Cutlip and Mr. Sodo generally spend all of their time focused on Gladstone Commercial, and do not put forth any material efforts in assisting affiliated companies. In the future, our Adviser may provide investment advisory services to other companies, both public and private.

Advisory and Administration Agreements

Many of the services performed by our Adviser and Administrator in managing our day-to-day activities are summarized below. This summary is provided to illustrate the material functions which our Adviser and Administrator perform for us pursuant to the terms of the Advisory Agreement and Administration Agreement, respectively.

Advisory Agreement

Under the terms of the Amended Advisory Agreement, we continue to be responsible for all expenses incurred for our direct benefit. Examples of these expenses include legal, accounting, interest, directors' and officers' insurance, stock transfer services, stockholder-related fees, consulting and related fees. In addition, we are also responsible for all fees charged by third parties that are directly related to our business, which include real estate brokerage fees, mortgage placement fees, lease-up fees and transaction structuring fees (although we may be able to pass some or all of such fees on to our tenants and borrowers).

Base Management Fee

Prior to entering into the Sixth Amended Advisory Agreement in July of 2020, on January 8, 2019, we entered into a Fifth Amended Advisory Agreement, effective as of October 1, 2018, to clarify that the definition of Total Equity included outstanding OP Units issued to Non-controlling OP Unitholders. Our entrance into the Advisory Agreement, and all amendments thereto, have been approved unanimously by our Board of Directors. Our Board of Directors also reviews and considers renewing the agreement with our Adviser each July.

As a result of the Fifth Amended Advisory Agreement, the calculation of the Base Management Fee equaled 1.5% of our Total Equity, which was our total stockholders' equity plus total mezzanine equity (before giving effect to the Base Management Fee and incentive fee), adjusted to exclude the effect of any unrealized gains or losses that do not affect realized net income (including impairment charges), adjusted for any one-time events and certain non-cash items (the later to occur for a given quarter only upon the approval of our Compensation Committee), and adjusted to include OP Units held by Non-controlling OP Unitholders. The fee was calculated and accrued quarterly as 0.375% per quarter of such adjusted total stockholders' equity figure. Our Adviser does not charge acquisition or disposition fees when we acquire or dispose of properties as is common in other externally managed REITs; however, our Adviser may earn fee income from our borrowers, tenants or other sources.

On July 14, 2020, the Company entered into the Sixth Amended Advisory Agreement, which replaced the previous calculation of the Base Management Fee. Under the Sixth Amended Advisory Agreement, the Base Management Fee is payable quarterly in arrears and shall be calculated at an annual rate of 0.425% (0.10625% per quarter) of the prior calendar quarter's "Gross Tangible Real Estate," defined in the agreement as the current gross value of the Company's property portfolio (meaning the aggregate of each property's original acquisition price plus the cost of any subsequent capital improvements thereon). The calculation of the other fees remained unchanged. The revised Base Management Fee calculation began with the fee calculations for the quarter ended September 30, 2020.

Incentive Fee

Pursuant to the Advisory Agreement, the calculation of the incentive fee rewards the Adviser in circumstances where our quarterly Core FFO (defined at the end of this paragraph), before giving effect to any incentive fee, or pre-incentive fee Core FFO, exceeds 2.0% quarterly, or 8.0% annualized, of adjusted total equity (after giving effect to the base management fee but before giving effect to the incentive fee). We refer to this as the new hurdle rate. The Adviser will receive 15.0% of the amount of our pre-incentive fee Core FFO that exceeds the new hurdle rate. However, in no event shall the incentive fee for a particular quarter exceed by 15.0% (the cap) the average quarterly incentive fee paid by us for the previous four quarters (excluding quarters for which no incentive fee was paid). Core FFO (as defined in the Advisory Agreement) is GAAP net income (loss) available to common stockholders, excluding the incentive fee, depreciation and amortization, any realized and unrealized gains, losses or other non-cash items recorded in net income (loss) available to common stockholders for the period, and one-time events pursuant to changes in GAAP.

Capital Gain Fee

Under the Advisory Agreement, we will pay to the Adviser a capital gains-based incentive fee that will be calculated and payable in arrears as of the end of each fiscal year (or upon termination of the Advisory Agreement). In determining the capital gain fee, we will calculate aggregate realized capital gains and aggregate realized capital losses for the applicable time period. For this purpose, aggregate realized capital gains and losses, if any, equals the realized gain or loss calculated by the difference between the sales price of the property, less any costs to sell the property and the all-in acquisition cost of the disposed property. At the end of the fiscal year, if this number is positive, then the capital gain fee payable for such time period shall equal 15.0% of such amount. No capital gain fee was recognized during the years ended December 31, 2020, 2019, and 2018.

Termination Fee

The Advisory Agreement includes a termination fee whereby, in the event of our termination of the agreement without cause (with 120 days' prior written notice and the vote of at least two-thirds of our independent directors), a termination fee would be payable to the Adviser equal to two times the sum of the average annual base management fee and incentive fee earned by the Adviser during the 24-month period prior to such termination. A termination fee is also payable if the Adviser terminates the Advisory Agreement after the Company has defaulted and applicable cure periods have expired. The Advisory Agreement may also be terminated for cause by us (with 30 days' prior written notice and the vote of at least two-thirds of our independent directors), with no termination fee payable. Cause is defined in the Advisory Agreement to include if the Adviser breaches any material provisions of the agreement, the bankruptcy or insolvency of the Adviser, dissolution of the Adviser and fraud or misappropriation of funds.

Administration Agreement

Under the terms of the Administration Agreement, we pay separately for our allocable portion of our Administrator's overhead expenses in performing its obligations to us including, but not limited to, rent and our allocable portion of the salaries and benefits expenses of our Administrator's employees, including, but not limited to, our chief financial officer, treasurer, chief compliance officer, general counsel and secretary (who also serves as our Administrator's president, general counsel and secretary), and their respective staffs. Our allocable portion of the Administrator's expenses are generally derived by multiplying our Administrator's total expenses by the approximate percentage of time the Administrator's employees perform services for us in relation to their time spent performing services for all companies serviced by our Administrator under contractual agreements. We believe that the methodology of allocating the Administrator's total expenses by approximate percentage of time services were performed among all companies serviced by our Administrator more closely approximates fees paid to actual services performed.

Critical Accounting Policies

The preparation of our financial statements in accordance with GAAP, requires management to make judgments that are subjective in nature to make certain estimates and assumptions. Application of these accounting policies involves the exercise of judgment regarding the use of assumptions as to future uncertainties, and as a result, actual results could materially differ from these estimates. A summary of all of our significant accounting policies is provided in Note 1, "Organization, Basis of Presentation and Significant Accounting Policies," to our consolidated financial statements included elsewhere in this Annual Report on Form 10-K, as well as a summary of recently issued accounting pronouncements and their expected impact to our current and future financial statements. There were no material changes to our critical accounting policies during the year ended December 31, 2020.

Allocation of Purchase Price

When we acquire real estate with an existing lease, we allocate the purchase price to (i) the acquired tangible assets and liabilities, consisting of land, building, tenant improvements and long-term debt and (ii) the identified intangible assets and liabilities, consisting of the value of above-market and below-market leases, in-place leases, unamortized lease origination costs, tenant relationships and capital lease obligations. We allocate the fair values in accordance with ASC 360, Property Plant and Equipment. All expenses related to the acquisition are capitalized and allocated among the identified assets.

Our Adviser estimates value using methods similar to those used by independent appraisers (e.g., discounted cash flow analysis). Factors considered by management in its analysis include an estimate of carrying costs during hypothetical expected lease-up periods, considering current market rental rates and costs to execute similar leases. Our Adviser also considers information obtained about each property as a result of our pre-acquisition due diligence, marketing and leasing activities in estimating the fair value of the tangible and intangible assets and liabilities acquired. In estimating carrying costs, management also includes real estate taxes, insurance and other operating expenses and estimates of lost rentals at market rates during the hypothetical expected lease-up periods, which primarily range from nine to 18 months, depending on specific local cap rates and discount rates. Our Adviser also estimates costs to execute similar leases, including leasing commissions, legal and other related expenses to the extent that such costs are not already incurred in connection with a new lease origination as part of the transaction. Our Adviser also considers the nature and extent of our existing business relationships with the tenant, growth prospects for developing new business with the tenant, the tenant's credit quality and management's expectations of lease renewals (including those existing under the terms of the lease agreement), among other factors. A change in any of the assumptions above, which are very subjective, could have a material impact on our results of operations.

The allocation of the purchase price directly affects the following in our consolidated financial statements:

- the amount of purchase price allocated to the various tangible and intangible assets and liabilities on our balance sheet;

- the amounts allocated to the value of above-market and below-market lease values are amortized to rental income over the remaining non-cancelable terms of the respective leases. The amounts allocated to all other tangible and intangible assets are amortized to depreciation or amortization expense. Thus, depending on the amounts allocated between land and other depreciable assets, changes in the purchase price allocation among our assets could have a material impact on our FFO, a metric which is used by many REIT investors to evaluate our operating performance; and

- the period of time over which tangible and intangible assets are depreciated varies greatly, and thus, changes in the amounts allocated to these assets will have a direct impact on our results of operations. Intangible assets are generally amortized over the respective life of the leases, which normally range from 10 to 15 years. Also, we depreciate our buildings over up to 39 years, but do not depreciate our land. These differences in timing could have a material impact on our results of operations.

Asset Impairment Evaluation

We periodically review the carrying value of each property to determine if circumstances that indicate impairment in the carrying value of the investment exist or that depreciation periods should be modified. In determining if impairment exists, our Adviser considers such factors as our tenants' payment histories, the financial condition of our tenants, including calculating the current leverage ratios of tenants, the likelihood of lease renewal, business conditions in the industries in which our tenants operate, whether the fair value of our real estate has decreased and whether our hold period has shortened. If any of the factors above indicate the possibility of impairment, we prepare a projection of the undiscounted future cash flows, without interest charges, of the specific property and determine if the carrying amount of such property is recoverable. In preparing the projection of undiscounted future cash flows, we estimate cap rates and market rental rates using information that we obtain from market comparability studies and other comparable sources, and apply the undiscounted cash flows against our expected holding period. If impairment were indicated, the carrying value of the property would be written down to its estimated fair value based on our best estimate of the property's discounted future cash flows using market derived cap rates, discount rates and market rental rates applied against our expected hold period. Any material changes to the estimates and assumptions used in this analysis could have a significant impact on our results of operations, as the changes would impact our determination of whether impairment is deemed to have occurred and the amount of impairment loss that we would recognize.

Using the methodology discussed above, we evaluated our entire portfolio, as of December 31, 2020, for any impairment indicators and performed an impairment analysis on select properties that had an indication of impairment.

We will continue to monitor our portfolio for any other indicators of impairment.

Results of Operations

The weighted average yield on our total portfolio, which was 8.1% and 8.5% at December 31, 2020 and 2019, respectively, is calculated by taking the annualized straight-line rents, reflected as lease revenue on our consolidated statements of operations, of each acquisition as a percentage of the acquisition cost. The weighted average yield does not account for the interest expense incurred on the mortgages placed on our properties or other types of existing indebtedness.

A comparison of our operating results for the year ended December 31, 2020 and 2019 is below (dollars in thousands, except per share amounts):

	For the year ended December 31,			
	2020	2019	$ Change	% Change
Operating revenues				
Lease revenue	$ 133,152	$ 114,387	$ 18,765	16.4 %
Total operating revenues	133,152	114,387	18,765	16.4 %
Operating expenses				
Depreciation and amortization	55,424	52,039	3,385	6.5 %
Property operating expenses	26,004	12,592	13,412	106.5 %
Base management fee	5,648	5,174	474	9.2 %
Incentive fee	4,301	3,688	613	16.6 %
Administration fee	1,598	1,690	(92)	(5.4)%
General and administrative	3,259	3,235	24	0.7 %
Impairment charge	3,621	1,813	1,808	99.7 %
Total operating expenses	99,855	80,231	19,624	24.5 %
Other (expense) income				
Interest expense	(26,803)	(28,279)	1,476	(5.2)%
Gain on sale of real estate, net	8,096	2,952	5,144	174.3 %
Other income	395	712	(317)	(44.5)%
Total other expense, net	(18,312)	(24,615)	6,303	(25.6)%
Net income	14,985	9,541	5,444	57.1 %
Distributions attributable to Series A, B, D, E, and F preferred stock	(10,973)	(10,822)	(151)	1.4 %
Series A and B preferred stock offering costs write off	—	(2,674)	2,674	(100.0)%
Distributions attributable to senior common stock	(816)	(892)	76	(8.5)%
Net income (loss) available (attributable) available to common stockholders and Non-controlling OP Unitholders	$ 3,196	$ (4,847)	$ 8,043	(165.9)%
Net income (loss) available (attributable) available to common stockholders and Non-controlling OP Unitholders per weighted average share of total stock - basic & diluted	$ 0.09	$ (0.16)	$ 0.25	(156.3)%
FFO available to common stockholders and Non-controlling OP Unitholders - basic (1)	$ 54,145	$ 46,053	$ 8,092	17.6 %
FFO available to common stockholders and Non-controlling OP Unitholders - diluted (1)	$ 54,961	$ 46,945	$ 8,016	17.1 %
FFO available to common stockholders and Non-controlling OP Unitholders - diluted, as adjusted for comparability (2)	$ 54,961	$ 49,619	$ 5,342	10.8 %
FFO per weighted average share of common stock and Non-controlling OP Unit - basic (1)	$ 1.57	$ 1.47	$ 0.10	6.8 %
FFO per weighted average share of common stock and Non-controlling OP Unit - diluted (1)	$ 1.56	$ 1.46	$ 0.10	6.8 %
FFO per weighted average share of common stock and Non-controlling OP Unit - diluted, as adjusted for comparability (2)	$ 1.56	$ 1.55	$ 0.01	0.6 %

(1) Refer to the “Funds from Operations” section below within the Management’s Discussion and Analysis section for the definition of FFO.
(2) Refer to the “Funds from Operations” section below within the Management’s Discussion and Analysis section for the definition of FFO as adjusted for comparability.

Same Store Analysis

For the purposes of the following discussion, same store properties are properties we owned as of January 1, 2019, which have not been subsequently vacated or disposed. Acquired and disposed properties are properties which were either acquired, disposed of or classified as held for sale at any point subsequent to December 31, 2018. Properties with vacancy are properties that were fully vacant or had greater than 5% vacancy, based on square footage, at any point subsequent to January 1, 2019.

Operating Revenues

	For the year ended December 31, (Dollars in Thousands)			
Lease Revenues	2020	2019	$ Change	% Change
Same Store Properties	$ 102,154	$ 92,700	$ 9,454	10.2 %
Acquired & Disposed Properties	19,678	7,777	11,901	153.0 %
Properties with Vacancy	11,320	13,910	(2,590)	(18.6)%
	$ 133,152	$ 114,387	$ 18,765	16.4 %

Lease revenues consist of rental income and operating expense recoveries earned from our tenants. Lease revenues from same store properties increased for the year ended December 31, 2020, primarily due to increased rental charges from lease renewals and increased operating expense recoveries from triple net leased properties. Lease revenues increased for acquired and disposed of properties for the year ended December 31, 2020, as compared to the year ended December 31, 2019, primarily as a result of our acquisition of nine properties during the year ended December 31, 2020, and the inclusion of a full year of lease revenues recorded in 2020 for 18 properties acquired during the year ended December 31, 2019, partially offset by a decrease in lease revenues from the six properties that we sold during the year ended December 31, 2020. Lease revenues decreased for properties with vacancy for the year ended December 31, 2020, as our occupancy percentage has decreased from December 31, 2019, due to 2020 lease expirations for certain properties that have not yet been re-leased.

On January 1, 2020, we completed the integration of the accounting records of certain of our triple net leased third-party asset managed properties into our accounting system and paid property operating expenses out of our operating bank accounts. For periods prior to January 1, 2020, we recorded property operating expenses and offsetting lease revenues for these certain triple net leased properties on a net basis. Beginning January 1, 2020, we now record the property operating expenses and offsetting lease revenues for these triple net leased properties on a gross basis, as we have amended our process whereby we are paying operating expenses on behalf of our tenants and receiving reimbursement, whereas, previously these tenants were paying these expenses directly with limited insight provided to us. See the table below for a reconciliation of lease revenue for the year ended December 31, 2020, and the comparable 2019 period. Fixed rental payments consist of fixed rental charges that are contractually due to us, and variable rental payments consist of operating expense recoveries that we collect to pay for property operating expenses incurred at certain properties. Lease revenues related to the December 31, 2019 reporting period have not been amended.

	For the twelve months ended December 31, (Dollars in Thousands)			
Lease revenue reconciliation	2020	2019	$ Change	% Change
Fixed lease payments	$ 117,248	$ 110,273	$ 6,975	6.3 %
Variable lease payments	15,904	4,114	11,790	286.6 %
	$ 133,152	$ 114,387	$ 18,765	16.4 %

Operating Expenses

Depreciation and amortization increased for the year ended December 31, 2020, as compared to the year ended December 31, 2019, primarily due to recognizing a full year of depreciation for the 18 properties acquired during the year ended December 31, 2019, as well as increased depreciation expense from the nine properties acquired during the year ended December 31, 2020, partially offset by a decrease in depreciation expense for the six properties sold during the year ended December 31, 2020.

	For the year ended December 31, (Dollars in Thousands)			
Property Operating Expenses	2020	2019	$ Change	% Change
Same Store Properties	$ 18,973	$ 10,682	$ 8,291	77.6 %
Acquired & Disposed Properties	1,479	673	806	119.8 %
Properties with Vacancy	5,552	1,237	4,315	348.8 %
	$ 26,004	$ 12,592	$ 13,412	106.5 %

Property operating expenses consist of franchise taxes, management fees, insurance, ground lease payments, property maintenance and repair expenses paid on behalf of tenants at certain of our properties. The increase in property operating expenses for same store properties for the year ended December 31, 2020, as compared to the year ended December 31, 2019, is primarily a result of an increase in our property operating expenses at our triple net leased properties. The increase in property operating expenses on acquired and disposed of properties for the year ended December 31, 2020, as compared to the year ended December 31, 2019, is a result of property operating expenses on the nine properties we acquired during the year ended December 31, 2020, coupled with a full year of property operating expenses for the 18 properties acquired during the year ended December 31, 2019, partially offset by a decrease in property operating expenses for the six properties sold during the year ended December 31, 2020. The increase in property operating expenses for properties with vacancy for the year ended December 31, 2020, as compared to the year ended December 31, 2019, is due to increased vacancy in our portfolio due to 2020 lease expirations for certain properties that have not been re-leased.

The base management fee paid to the Adviser increased for the year ended December 31, 2020, as compared to the year ended December 31, 2019, due to an increase in total equity and gross tangible real estate, the main components of the base management fee calculation under the Amended Advisory Agreement and the prior version thereof, respectively. The calculation of the base management fee is described in detail above within *"Advisory and Administration Agreements."*

The incentive fee paid to the Adviser increased for the year ended December 31, 2020, as compared to the year ended December 31, 2019, because of an increase in pre-incentive fee FFO. The increase in pre-incentive fee FFO was primarily due to an increase in lease revenues from the nine properties acquired during the year ended December 31, 2020, coupled with a full year of lease revenues from the 18 properties acquired during the year ended December 31, 2019, partially offset by an increase in property operating expenses due to increased portfolio vacancy. The calculation of the incentive fee is described in detail above within *"Advisory and Administration Agreements."*

The administration fee paid to the Administrator decreased for the year ended December 31, 2020, as compared to the year ended December 31, 2019. The decrease is a result of our Administrator incurring fewer costs that are allocated to the Company. The calculation of the administration fee is described in detail above within "*Advisory and Administration Agreements."*

General and administrative expenses increased for the year ended December 31, 2020, as compared to the year ended December 31, 2019, primarily as a result of an increase in legal and accounting expenses, slightly offset by a decrease in due diligence expenses.

The impairment charge during the year ended December 31, 2020 resulted from impairment charges recorded on our Blaine, Minnesota, Champaign, Illinois and Rancho Cordova, California properties. The impairment charge during the year ended December 31, 2019 resulted from an impairment charge on our Charlotte, North Carolina property. This property was sold during the year ended December 31, 2020.

Other Income and Expenses

Interest expense decreased for the year ended December 31, 2020, as compared to the year ended December 31, 2019. This decrease is primarily a result of a decrease in one month LIBOR, which is what our variable rate debt is based upon. As a result of the COVID-19 pandemic, central banks across the world loosened monetary policy, including by lowering interest rates, and one month LIBOR decreased from 1.76% at December 31, 2019 to 0.14% at December 31, 2020.

The gain on sale of real estate, net, during the year ended December 31, 2020 is a result of a gain on sale from six property sales. The gain on sale of real estate, net, during the year ended December 31, 2019 was a result of the sale of one of our properties.

Other income decreased during the year ended December 31, 2020, as compared to the year ended December 31, 2019, from decreased settlement income earned from certain tenants vacating our properties.

Net Income (Loss) Available (Attributable) to Common Stockholders and Non-controlling OP Unitholders

Net income (loss) available (attributable) to common stockholders and Non-controlling OP Unitholders increased for the year ended December 31, 2020, as compared to the year ended December 31, 2019, primarily because of gains on sale, net recognized on six property sales, an increase in lease revenue due to nine property acquisitions during 2020, and a decrease in interest expense due to lower interest rates on our LIBOR based debt due to the COVID-19 pandemic. This is partially offset by

an increase in property operating expenses, impairment charges on three of our properties and increased base management and incentive fees due to portfolio growth and FFO growth.

A discussion of the results of operations for the year ended December 31, 2018 is found in Item 7 of Part II of our Annual Report on Form 10-K for the year ended December 31, 2019, filed with the SEC on February 12, 2020, which is available free of charge on the SECs website at *www.sec.gov* and on the investors section of our website at *www.GladstoneCommercial.com*

Liquidity and Capital Resources

Overview

Our sources of liquidity include cash flows from operations, cash and cash equivalents, borrowing capacity under our Revolver and issuing additional equity securities. Our available liquidity as of December 31, 2020, was $30.2 million, including $11.0 million in cash and cash equivalents and an available borrowing capacity of $19.2 million under our Revolver. Our available borrowing capacity under the Revolver has increased to $20.3 million as of February 16, 2021.

Future Capital Needs

We actively seek conservative investments that are likely to produce income to allow us to pay distributions to our stockholders and Non-controlling OP Unitholders. We intend to use the proceeds received from future equity raised and debt capital borrowed to continue to invest in industrial and office real property, or pay down outstanding borrowings under our Revolver. Accordingly, to ensure that we are able to effectively execute our business strategy, we routinely review our liquidity requirements and continually evaluate all potential sources of liquidity. Our short-term liquidity needs include proceeds necessary to fund our distributions to stockholders, pay the debt service costs on our existing long-term mortgages, refinancing maturing debt and fund our current operating costs. Our long-term liquidity needs include proceeds necessary to grow and maintain our portfolio of investments.

We believe that our available liquidity is sufficient to fund our distributions to stockholders, pay the debt service costs on our existing long-term mortgages and fund our current operating costs in the near term. We also believe we will be able to refinance our mortgage debt as it matures. Additionally, to satisfy our short-term obligations, we may request credits to our management fees that are issued from our Adviser, although our Adviser is under no obligation to provide any such credits, either in whole or in part. We further believe that our cash flow from operations, coupled with the financing capital available to us in the future, are sufficient to fund our long-term liquidity needs.

Equity Capital

The following table summarizes net proceeds raised from our various equity sales during the year ended December 31, 2020 (dollars in thousands, except for share price):

	Net Proceeds	Number of Shares Sold	Weighted Average Share Price
Common Stock ATM Program	$ 52,835	2,691,971	$ 19.89
Series E Preferred Stock ATM Program	7,132	301,448	23.85
Series F Preferred Stock Continuous Public Offering	2,654	116,674	24.75
	$ 62,621	3,110,093	

As of February 16, 2021, we had the ability to raise up to $370.4 million of additional equity capital through the sale and issuance of securities that are registered under our Universal Shelf, in one or more future public offerings. Of the $370.4 million capacity under our Universal Shelf, approximately $177.1 million is reserved for additional sales under our Common ATM Program, and approximately $92.8 million is reserved for additional sales under our Series E Preferred Stock Sales Agreement as of February 16, 2021.

As of February 16, 2021, we had the ability to raise up to $797.1 million of additional equity capital through the sale and issuance of securities that are registered under the 2020 Universal Shelf, in one or more future public offerings. Of the $797.1 million of available capacity under our 2020 Universal Shelf, approximately $633.6 million is reserved for the sale of our Series F Preferred Stock as of February 16, 2021.

Debt Capital

As of December 31, 2020, we had 53 mortgage notes payable in the aggregate principal amount of $459.8 million, collateralized by a total of 68 properties with a remaining weighted average maturity of 4.6 years. The weighted-average interest rate on the mortgage notes payable as of December 31, 2020 was 4.24%.

We continue to see banks and other non-bank lenders willing to issue mortgages. Consequently, we remain focused on obtaining mortgages through regional banks, non-bank lenders and the CMBS market.

As of December 31, 2020, we had mortgage debt in the aggregate principal amount of $23.1 million payable during 2021 and $105.8 million payable during 2022. The 2021 principal amounts payable include both amortizing principal payments and two balloon principal payments. We anticipate being able to refinance our mortgages that come due during 2021 and 2022 with a combination of new mortgage debt, availability under our Credit Facility and the issuance of additional equity securities. We have successfully repaid $37.4 million of debt over the past 12 months with either new mortgage debt or by generating additional availability by adding properties to our unsecured pool under our Credit Facility, as well as additional funds generated from our July 2019 Credit Facility amendment, which resulted in us expanding our Term Loan from $75.0 million to $160.0 million, and increasing our Revolver from $85.0 million to $100.0 million. In addition, on February 11, 2021, we added a new $65.0 million term loan component, inclusive of a $15.0 million delayed funding component.

Operating Activities

Net cash provided by operating activities during the year ended December 31, 2020, was $65.5 million, as compared to net cash provided by operating activities of $60.2 million for the year ended December 31, 2019. This increase was primarily a result of an increase in operating revenues received from the properties acquired during the past 12 months, coupled with a decrease in interest expense due to one month LIBOR decreasing as a result of the COVID-19 pandemic, partially offset by an increase in property operating expenses, due to increased portfolio vacancy. The majority of cash from operating activities is generated from the rental payments and operating expense recoveries that we receive from our tenants. We utilize this cash to fund our property-level operating expenses and use the excess cash primarily for debt and interest payments on our mortgage notes payable, interest payments on our Credit Facility, distributions to our stockholders, management fees to our Adviser, administration fees to our Administrator and other entity-level operating expenses.

Investing Activities

Net cash used in investing activities during the year ended December 31, 2020, was $100.3 million, which primarily consisted of the acquisition of nine properties and tenant improvements performed at certain of our properties, coupled with the capital improvements performed at certain of our properties, partially offset by proceeds from the sale of real estate. Net cash used in investing activities during the year ended December 31, 2019, was $132.0 million, which primarily consisted of the acquisition of 18 properties, coupled with the capital improvements performed at certain of our properties, partially offset by proceeds from sale of real estate.

Financing Activities

Net cash provided by financing activities during the year ended December 31, 2020, was $39.4 million, which primarily consisted of proceeds from our common and preferred equity offerings, mortgage borrowings on new acquisitions and borrowings from our Term Loan, partially offset by distributions paid to our stockholders and Non-controlling OP Unitholders. Net cash provided by financing activities for the year ended December 31, 2019, was $74.2 million, which primarily consisted of proceeds from our common stock and Series E Preferred Stock offerings, mortgage borrowings on new acquisitions and borrowings on our Credit Facility, partially offset by distributions paid to our stockholders and Non-controlling OP Unitholders.

Credit Facility

On July 2, 2019, we amended, extended and upsized our Credit Facility, expanding the Term Loan from $75.0 million to $160.0 million, inclusive of a delayed draw component whereby we can incrementally borrow on the Term Loan up to the $160.0 million commitment, and increasing the Revolver from $85.0 million to $100.0 million. The Term Loan has a new five-year term, with a maturity date of July 2, 2024, and the Revolver has a new four-year term, with a maturity date of July 2, 2023. The interest rate margin for the Credit Facility was reduced by 10 basis points at each of the leverage tiers. We entered into multiple interest rate cap agreements on the amended Term Loan, which cap LIBOR ranging from 2.50% to 2.75%, to hedge our exposure to variable interest rates. We used the net proceeds derived from the amended Credit Facility to repay all previously existing borrowings under the Revolver. We incurred fees of approximately $1.3 million in connection with the

Credit Facility amendment. The bank syndicate for the Credit Facility is now comprised of KeyBank, Fifth Third Bank, U.S. Bank National Association, The Huntington National Bank, Goldman Sachs Bank USA, and Wells Fargo Bank, National Association.

On February 11, 2021, we added a new $65 million term loan component, inclusive of a $15 million delayed funding component. The New Term Loan has a maturity date of 60 months from the closing of the amended Credit Facility and a London Inter-bank Offered Rate floor of 25 basis points.

As of December 31, 2020, there was $213.9 million outstanding under our Credit Facility at a weighted average interest rate of approximately 1.76% and $16.4 million outstanding under letters of credit at a weighted average interest rate of 1.65%. As of February 16, 2021, the maximum additional amount we could draw under the Credit Facility was $20.3 million. We were in compliance with all covenants under the Credit Facility as of December 31, 2020.

Contractual Obligations

The following table reflects our material contractual obligations as of December 31, 2020 (in thousands):

	Payments Due by Period				
Contractual Obligations	Total	Less than 1 Year	1-3 Years	3-5 Years	More than 5 Years
Debt Obligations (1)	$ 673,738	$ 23,056	$ 232,151	$ 247,187	$ 171,344
Interest on Debt Obligations (2)	90,802	21,772	36,549	18,667	13,814
Operating Lease Obligations (3)	9,750	477	981	987	7,305
Purchase Obligations (4)	2,818	2,810	—	8	—
	$ 777,108	$ 48,115	$ 269,681	$ 266,849	$ 192,463

(1) Debt obligations represent borrowings under our Revolver, which represents $53.9 million of the debt obligation due in 2023, our Term Loan, which represents $160.0 million of the debt obligation due in 2024, and mortgage notes payable that were outstanding as of December 31, 2020. This figure does not include $(0.2) million of premiums and (discounts), net, and $4.9 million of deferred financing costs, net, which are reflected in mortgage notes payable, net, borrowings under Revolver, and borrowings under Term Loan, net, on the consolidated balance sheet.
(2) Interest on debt obligations includes estimated interest on our borrowings under our Revolver and Term Loan and mortgage notes payable. The balance and interest rate on our Revolver and Term Loan is variable; thus, the interest payment obligation calculated for purposes of this table was based upon rates and balances as of December 31, 2020.
(3) Operating lease obligations represent the ground lease payments due on four of our properties.
(4) Purchase obligations consist of tenant and capital improvements at seven of our properties.

Off-Balance Sheet Arrangements

We did not have any material off-balance sheet arrangements as of December 31, 2020.

Funds from Operations

The National Association of Real Estate Investment Trusts (“NAREIT”) developed FFO as a relevant non-GAAP supplemental measure of operating performance of an equity REIT to recognize that income-producing real estate historically has not depreciated on the same basis determined under GAAP. FFO, as defined by NAREIT, is net income (computed in accordance with GAAP), excluding gains or losses from sales of property and impairment losses on property, plus depreciation and amortization of real estate assets, and after adjustments for unconsolidated partnerships and joint ventures.

FFO does not represent cash flows from operating activities in accordance with GAAP, which, unlike FFO, generally reflects all cash effects of transactions and other events in the determination of net income. FFO should not be considered an alternative to net income as an indication of our performance or to cash flows from operations as a measure of liquidity or ability to make distributions. Comparison of FFO, using the NAREIT definition, to similarly titled measures for other REITs may not necessarily be meaningful due to possible differences in the application of the NAREIT definition used by such REITs.

FFO available to common stockholders and holders of Non-controlling interests in the Operating Partnership (“Non-controlling OP Unitholders”) is FFO adjusted to subtract preferred share and Senior Common Stock share distributions. We believe that net loss attributable to common stockholders is the most directly comparable GAAP measure to FFO available to the aggregate of our common stockholders and Non-controlling OP Unitholders.

Basic funds from operations per share ("Basic FFO per share"), and diluted funds from operations per share ("Diluted FFO per share"), is FFO available to common stockholders and Non-controlling OP Unitholders divided by the number of weighted average shares of the aggregate of shares of common stock and OP Units held by Non-controlling OP Unitholders outstanding and FFO available to common stockholders and Non-controlling OP Unitholders divided by the number of weighted average shares of the aggregate of shares of common stock and OP Units held by Non-controlling OP Units outstanding on a diluted basis, respectively, during a period. We believe that net income is the most directly comparable GAAP measure to FFO, Basic EPS is the most directly comparable GAAP measure to Basic FFO per share, and that Diluted EPS is the most directly comparable GAAP measure to Diluted FFO per share.

We also present FFO available to our common stockholders and Non-controlling OP Unitholders as adjusted for comparability as an additional supplemental measure, as we believe it is more reflective of our core operating performance, and provides investors and analysts an additional measure to compare our performance across reporting periods on a consistent basis by excluding items that we do not believe are indicative of our core operating performance. FFO as adjusted for comparability is generally calculated as FFO available to common stockholders and Non-controlling OP Unitholders, excluding certain non-recurring and non-cash income and expense adjustments, which management believes are not reflective of the results within our operating real estate portfolio.

The following table provides a reconciliation of our FFO and FFO as adjusted for comparability for the years ended December 31, 2020 and 2019 to the most directly comparable GAAP measure, net income (loss), and a computation of basic and diluted FFO and diluted FFO as adjusted for comparability per weighted average total share:

	For the twelve months ended December 31, (Dollars in Thousands, Except for Per Share Amounts)	
	2020	2019
Calculation of basic FFO per share of common stock and Non-controlling OP Unit		
Net income	$ 14,985	$ 9,541
Less: Distributions attributable to preferred and senior common stock	(11,789)	(14,388)
Net income (loss) available (attributable) to common stockholders and Non-controlling OP Unitholders	$ 3,196	$ (4,847)
Adjustments:		
Add: Real estate depreciation and amortization	55,424	52,039
Add: Impairment charge	3,621	1,813
Less: Gain on sale of real estate, net	(8,096)	(2,952)
FFO available to common stockholders and Non-controlling OP Unitholders - basic	$ 54,145	$ 46,053
Weighted average common shares outstanding - basic	34,040,085	30,695,902
Weighted average Non-controlling OP Units outstanding	502,586	700,924
Total common shares and Non-controlling OP Units	34,542,671	31,396,826
Basic FFO per weighted average share of common stock and Non-controlling OP Unit	$ 1.57	$ 1.47
Calculation of diluted FFO per share of common stock and Non-controlling OP Unit		
Net income	$ 14,985	$ 9,541
Less: Distributions attributable to preferred and senior common stock	(11,789)	(14,388)
Net income (loss) available (attributable) to common stockholders and Non-controlling OP Unitholders	$ 3,196	$ (4,847)
Adjustments:		
Add: Real estate depreciation and amortization	55,424	52,039
Add: Impairment charge	3,621	1,813
Add: Income impact of assumed conversion of senior common stock	816	892
Less: Gain on sale of real estate, net	(8,096)	(2,952)
FFO available to common stockholders and Non-controlling OP Unitholders plus assumed conversions	$ 54,961	$ 46,945
Weighted average common shares outstanding - basic	34,040,085	30,695,902
Weighted average Non-controlling OP Units outstanding	502,586	700,924
Effect of convertible senior common stock	628,263	674,611
Weighted average common shares and Non-controlling OP Units outstanding - diluted	35,170,934	32,071,437
Diluted FFO per weighted average share of common stock and Non-controlling OP Unit	$ 1.56	$ 1.46
Calculation of diluted FFO per share of common stock and Non-controlling OP Unit, as adjusted for comparability		
FFO available to common stockholders and Non-controlling OP Unitholders plus assumed conversions	$ 54,961	$ 46,945
Add: Series A and B preferred stock offering costs write off	—	2,674
FFO available to common stockholders and Non-controlling OP Unitholders plus assumed conversions, as adjusted for comparability	$ 54,961	$ 49,619
Weighted average common shares and Non-controlling OP Units outstanding - diluted	35,170,934	32,071,437
Diluted FFO per weighted average share of common stock and Non-controlling OP Unit, as adjusted for comparability	$ 1.56	$ 1.55
Distributions declared per share of common stock and Non-controlling OP Unit	$ 1.5018	$ 1.5000

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

Market risk includes risks that arise from changes in interest rates, foreign currency exchange rates, commodity prices, equity prices and other market changes that affect market sensitive instruments. The primary risk that we believe we are and will be exposed to is interest rate risk. Certain of our leases contain escalations based on market indices, and the interest rate on our Credit Facility is variable. Although we seek to mitigate this risk by structuring such provisions of our loans and leases to contain a minimum interest rate or escalation rate, as applicable, these features do not eliminate this risk. To that end, we have entered into derivative contracts to cap interest rates for our variable rate notes payable, and we have entered into interest rate swaps whereby we pay a fixed interest rate to our respective counterparty, and receive one month LIBOR in return. For details regarding our rate cap agreements and our interest rate swap agreements see *Note 6 – Mortgage Notes Payable and Credit Facility* of the accompanying consolidated financial statements.

To illustrate the potential impact of changes in interest rates on our net income for the year ended December 31, 2020, we have performed the following analysis, which assumes that our balance sheet remains constant and that no further actions beyond a minimum interest rate or escalation rate are taken to alter our existing interest rate sensitivity.

The following table summarizes the annual impact of a 1%, 2% and 3% increase in the one month LIBOR as of December 31, 2020. As of December 31, 2020, our effective LIBOR was 0.14%. Given that a 1%, 2% or 3% decrease in LIBOR would result in a negative rate, the impact of this fluctuation is not presented below (dollars in thousands).

Interest Rate Change	Increase to Interest Expense	Net decrease to Net Income
1% Increase to LIBOR	$ 2,420	$ (2,420)
2% Increase to LIBOR	4,826	(4,826)
3% Increase to LIBOR	6,284	(6,284)

As of December 31, 2020, the fair value of our mortgage debt outstanding was $468.6 million. Interest rate fluctuations may affect the fair value of our debt instruments. If interest rates on our debt instruments, using rates at December 31, 2020, had been one percentage point higher or lower, the fair value of those debt instruments on that date would have decreased or increased by $16.8 million and $17.9 million, respectively.

The amount outstanding under the Credit Facility approximates fair value as of December 31, 2020.

In the future, we may be exposed to additional effects of interest rate changes, primarily as a result of our Revolver, Term Loan or long-term mortgage debt, which we use to maintain liquidity and fund expansion of our real estate investment portfolio and operations. Our interest rate risk management objectives are to limit the impact of interest rate changes on earnings and cash flows and to lower overall borrowing costs. To achieve these objectives, we will borrow primarily at fixed rates or variable rates with the lowest margins available and, in some cases, with the ability to convert variable rates to fixed rates. We may also enter into derivative financial instruments, such as interest rate swaps and caps, to mitigate the interest rate risk on a related financial instrument. We will not enter into derivative or interest rate transactions for speculative purposes.

In addition to changes in interest rates, the value of our real estate is subject to fluctuations based on changes in local and regional economic conditions and changes in the creditworthiness of lessees and borrowers, all of which may affect our ability to refinance debt, if necessary.

As of December 31, 2020, approximately $435.0 million of our debt bore interest at fixed rates, as shown in the future principal debt payment table below (dollars in thousands):

	2021	2022	2023	2024	2025	Thereafter	Total
Fixed rate	$ 14,757	$ 97,576	$ 64,165	$ 49,616	$ 37,571	$ 171,344	$ 435,029
Variable rate	$ 8,299	$ 8,180	$ 62,230	$ 160,000	$ —	$ —	$ 238,709
	$ 23,056	$ 105,756	$ 126,395	$ 209,616	$ 37,571	$ 171,344	$ 673,738

Item 8. Financial Statements and Supplementary Data.

Index to Consolidated Financial Statements

Report of Management on Internal Controls over Financial Reporting

To the Stockholders and Board of Directors of Gladstone Commercial Corporation:

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rule 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934. Our internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles and include those policies and procedures that pertain to the maintenance of records that in reasonable detail accurately and fairly reflect our transactions and the dispositions of our assets, provide reasonable assurance that our transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with appropriate authorizations; and provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on our financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Under the supervision and with the participation of our management, we assessed the effectiveness of our internal control over financial reporting based on the framework in *Internal Control—Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations (COSO). Based on our assessment, management concluded that our internal control over financial reporting was effective as of December 31, 2020.

The effectiveness of our internal control over financial reporting as of December 31, 2020 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report which is included herein.

February 16, 2021

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of Gladstone Commercial Corporation

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of Gladstone Commercial Corporation and its subsidiaries (the "Company") as of December 31, 2020 and 2019, and the related consolidated statements of operations and comprehensive income, of equity and of cash flows for each of the three years in the period ended December 31, 2020, including the related notes and financial statement schedule listed in the accompanying index (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of December 31, 2020, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2020 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2020, based on criteria established in Internal Control - Integrated Framework (2013) issued by the COSO.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the Report of Management on Internal Controls over Financial Reporting appearing under Item 8. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB. We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Impairment Assessment of Real Estate – Undiscounted Future Cash Flows

As described in Notes 1, 4, and 5 to the consolidated financial statements, the Company's consolidated total real estate, net balance was $900.2 million as of December 31, 2020. During 2020, the Company recognized an impairment charge of $3.6 million. Management periodically reviews the carrying value of each property to determine if circumstances indicate impairment of the carrying value of the investment exists. If circumstances indicate the possibility of impairment, management prepares a projection of the undiscounted future cash flows, without interest charges, of the specific property and determines if the carrying value of the investment in such property is recoverable. As disclosed by management, in preparing the projection of undiscounted future cash flows, management estimates cap rates and market rental rates using information obtained from market comparability studies and other comparable sources, and applies the undiscounted cash flows against their expected holding period.

The principal considerations for our determination that performing procedures relating to the undiscounted future cash flows used in the impairment assessment of real estate is a critical audit matter are the significant judgment by management when determining the projection of undiscounted future cash flows, which led to a high degree of auditor judgment, subjectivity and effort in applying procedures and evaluating audit evidence relating to the cap rates, market rental rates and expected holding period assumptions.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management's impairment assessment of real estate, including controls over the projection of undiscounted future cash flows. These procedures also included, among others (i) testing management's process for determining the projection of undiscounted future cash flows; (ii) evaluating the appropriateness of the model; (iii) testing the completeness and accuracy of underlying data used in the model; and (iv) evaluating the reasonableness of the cap rates, market rental rates and expected holding period assumptions. Evaluating management's assumptions related to the cap rates, market rental rates and expected holding period involved evaluating whether the assumptions were reasonable considering the consistency with external market and industry data and evidence obtained in other areas of the audit.

/s/ PricewaterhouseCoopers LLP
McLean, Virginia
February 16, 2021
We have served as the Company's auditor since 2003.

Gladstone Commercial Corporation
Consolidated Balance Sheets
(Dollars in Thousands, Except Share and Per Share Data)

	December 31, 2020	December 31, 2019
ASSETS		
Real estate, at cost	$ 1,128,683	$ 1,056,978
Less: accumulated depreciation	228,468	207,523
Total real estate, net	900,215	849,455
Lease intangibles, net	117,379	115,465
Real estate and related assets held for sale	8,498	3,990
Cash and cash equivalents	11,016	6,849
Restricted cash	5,060	4,639
Funds held in escrow	9,145	7,226
Right-of-use assets from operating leases	5,582	5,794
Deferred rent receivable, net	36,555	37,177
Other assets	4,458	8,913
TOTAL ASSETS	$ 1,097,908	$ 1,039,508
LIABILITIES, MEZZANINE EQUITY AND EQUITY		
LIABILITIES		
Mortgage notes payable, net (1)	$ 456,177	$ 453,739
Borrowings under Revolver, net	53,312	51,579
Borrowings under Term Loan, net	159,203	121,276
Deferred rent liability, net	20,633	19,322
Operating lease liabilities	5,687	5,847
Asset retirement obligation	3,086	3,137
Accounts payable and accrued expenses	4,459	5,573
Liabilities related to assets held for sale	—	21
Due to Adviser and Administrator (1)	2,960	2,904
Other liabilities	17,068	12,920
TOTAL LIABILITIES	$ 722,585	$ 676,318
Commitments and contingencies (2)		
MEZZANINE EQUITY		
Series D and E redeemable preferred stock, net, par value $0.001 per share; $25 per share liquidation preference; 12,760,000 shares authorized; and 6,571,003 and 6,269,555 shares issued and outstanding at December 31, 2020 and December 31, 2019, respectively (3)	$ 159,286	$ 152,153
TOTAL MEZZANINE EQUITY	$ 159,286	$ 152,153
EQUITY		
Senior common stock, par value $0.001 per share; 950,000 shares authorized; and 750,372 and 806,435 shares issued and outstanding at December 31, 2020 and December 31, 2019, respectively (3)	$ 1	$ 1
Common stock, par value $0.001 per share, 60,290,000 and 86,290,000 shares authorized and 35,331,970 and 32,593,651 shares issued and outstanding at December 31, 2020 and December 31, 2019, respectively (3)	35	32
Series F redeemable preferred stock, par value $0.001 per share; $25 per share liquidation preference; 26,000,000 and 0 shares authorized and 116,674 and 0 shares issued and outstanding at December 31, 2020 and December 31, 2019, respectively (3)	—	—
Additional paid in capital	626,533	571,205
Accumulated other comprehensive income	(4,345)	(2,126)
Distributions in excess of accumulated earnings	(409,041)	(360,978)
TOTAL STOCKHOLDERS' EQUITY	$ 213,183	$ 208,134
OP Units held by Non-controlling OP Unitholders (3)	2,854	2,903
TOTAL EQUITY	$ 216,037	$ 211,037
TOTAL LIABILITIES, MEZZANINE EQUITY AND EQUITY	$ 1,097,908	$ 1,039,508

(1) Refer to Note 2 “Related-Party Transactions”
(2) Refer to Note 7 “Commitments and Contingencies”
(3) Refer to Note 8 “Equity and Mezzanine Equity”

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

Gladstone Commercial Corporation
Consolidated Statements of Operations and Comprehensive Income
(Dollars in Thousands, Except Share and Per Share Data)

	For the year ended December 31,		
	2020	2019	2018
Operating revenues			
Lease revenue	$ 133,152	$ 114,387	$ 106,798
Total operating revenues	$ 133,152	$ 114,387	$ 106,798
Operating expenses			
Depreciation and amortization	$ 55,424	$ 52,039	$ 47,620
Property operating expenses	26,004	12,592	11,458
Base management fee (1)	5,648	5,174	5,054
Incentive fee (1)	4,301	3,688	3,042
Administration fee (1)	1,598	1,690	1,605
General and administrative	3,259	3,235	2,358
Impairment charge	3,621	1,813	—
Total operating expenses	$ 99,855	$ 80,231	$ 71,137
Other (expense) income			
Interest expense	$ (26,803)	$ (28,279)	$ (26,172)
Gain on sale of real estate, net	8,096	2,952	2,763
Other income	395	712	72
Total other expense, net	$ (18,312)	$ (24,615)	$ (23,337)
Net income	$ 14,985	$ 9,541	$ 12,324
Net (income) loss (available) attributable to OP Units held by Non-controlling OP Unitholders	(47)	87	(4)
Net income attributable to the Company	$ 14,938	$ 9,628	$ 12,320
Distributions attributable to Series A, B, D, E, and F preferred stock	(10,973)	(10,822)	(10,416)
Series A and B Preferred Stock offering costs write off	—	(2,674)	—
Distributions attributable to senior common stock	(816)	(892)	(931)
Net income (loss) available (attributable) to common stockholders	$ 3,149	$ (4,760)	$ 973
Earnings (loss) per weighted average share of common stock - basic & diluted			
Earnings (loss) available (attributable) to common shareholders	$ 0.09	$ (0.16)	$ 0.03
Weighted average shares of common stock outstanding			
Basic and Diluted	34,040,085	30,695,902	28,675,934
Distributions declared per common share	$ 1.5018	$ 1.5000	$ 1.5000
Earnings per weighted average share of senior common stock	$ 1.05	$ 1.05	$ 1.05
Weighted average shares of senior common stock outstanding - basic	774,658	849,348	887,081
Comprehensive income			
Change in unrealized loss related to interest rate hedging instruments, net	$ (2,219)	$ (1,978)	$ (183)
Other Comprehensive loss	(2,219)	(1,978)	(183)
Net income	$ 14,985	$ 9,541	$ 12,324
Comprehensive income	$ 12,766	$ 7,563	$ 12,141
Comprehensive (income) loss (available) attributable to OP Units held by Non-controlling OP Unitholders	(47)	87	(4)
Total comprehensive income available to the Company	$ 12,719	$ 7,650	$ 12,137

(1) Refer to Note 2 “Related-Party Transactions”

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

Gladstone Commercial Corporation
Consolidated Statements of Equity
(Dollars in Thousands)

	Series A and B Preferred Stock	Series F Preferred Stock	Common Stock	Senior Common Stock	Series A and B Preferred Stock	Senior Common Stock	Common Stock	Series F Preferred Stock	Additional Paid in Capital	Accumulated Other Comprehensive Income	Distributions in Excess of Accumulated Earnings	Total Stockholders' Equity	Non-Controlling Interest	Total Equity
Balance at December 31, 2017	2,264,000	—	28,384,016	904,819	$ 2	$ 1	$ 28	$ —	$ 534,790	$ 35	$ (268,058)	$ 266,798	$ —	$ 266,798
Issuance of Series A and B preferred stock and common stock, net	—	—	841,338	—	—	—	1	—	16,103	—	—	16,104	—	16,104
Conversion of senior common stock to common stock	—	—	29,545	(36,294)	—	—	—	—	—	—	—	—	—	—
Retirement of senior common stock, net	—	—	—	(2,266)	—	—	—	—	(34)	—	—	(34)	—	(34)
Distributions declared to common, senior common and preferred stockholders	—	—	—	—	—	—	—	—	—	—	(54,379)	(54,379)	(186)	(54,565)
Comprehensive income	—	—	—	—	—	—	—	—	—	(183)	—	(183)	—	(183)
Issuance of Non-controlling OP Units as consideration in real estate acquisitions, net	—	—	—	—	—	—	—	—	—	—	—	—	13,975	13,975
Adjustment to OP Units held by Non-controlling OP Unitholders resulting from changes in ownership of the Operating Partnership	—	—	—	—	—	—	—	—	9,118	—	—	9,118	(9,118)	—
Net income	—	—	—	—	—	—	—	—	—	—	12,320	12,320	4	12,324
Balance at December 31, 2018	2,264,000	—	29,254,899	866,259	$ 2	$ 1	$ 29	$ —	$ 559,977	$ (148)	$ (310,117)	$ 249,744	$ 4,675	$ 254,419
Issuance of Series A and B preferred stock and common stock, net	—	—	3,025,727	—	—	—	3	—	64,539	—	—	64,542	—	64,542
Conversion of senior common stock to common stock	—	—	49,725	(59,824)	—	—	—	—	—	—	—	—	—	—
Redemption of Series A and B preferred stock, net	(2,264,000)	—	—	—	(2)	—	—	—	(53,924)	—	(2,674)	(56,600)	—	(56,600)
Distributions declared to common, senior common, preferred stockholders and Non-controlling OP Unit holders	—	—	—	—	—	—	—	—	(23)	—	(57,815)	(57,838)	(1,049)	(58,887)
Comprehensive income	—	—	—	—	—	—	—	—	—	(1,978)	—	(1,978)	—	(1,978)
Redemptions of OP Units	—	—	263,300	—	—	—	—	—	6,143	—	—	6,143	(6,143)	—
Adjustment to OP Units held by Non-controlling OP Unitholders resulting from changes in ownership of the Operating Partnership	—	—	—	—	—	—	—	—	(5,507)	—	—	(5,507)	5,507	—
Net income	—	—	—	—	—	—	—	—	—	—	9,628	9,628	(87)	9,541
Balance at December 31, 2019	—	—	32,593,651	806,435	$ —	$ 1	$ 32	$ —	$ 571,205	$ (2,126)	$ (360,978)	$ 208,134	$ 2,903	$ 211,037
Issuance of common stock and Series F preferred stock, net	—	116,674	2,691,971	—	—	—	3	—	55,485	—	—	55,488	—	55,488
Conversion of senior common stock to common stock	—	—	46,348	(56,063)	—	—	—	—	—	—	—	—	—	—
Distributions declared to common, senior common, preferred stockholders and Non-controlling OP Unit holders	—	—	—	—	—	—	—	—	—	—	(63,001)	(63,001)	(756)	(63,757)
Comprehensive income	—	—	—	—	—	—	—	—	—	(2,219)	—	(2,219)	—	(2,219)

Issuance of Non-controlling OP Units as consideration in real estate acquisitions, net	—	—	—	—	—	—	—	—	—	—	—	—	503	503
Adjustment to OP Units held by Non-controlling OP Unitholders resulting from changes in ownership of the Operating Partnership	—	—	—	—	—	—	—	—	(157)	—	—	(157)	157	—
Net income	—	—	—	—	—	—	—	—	—	—	14,938	14,938	47	14,985
Balance at December 31, 2020	—	116,674	35,331,970	750,372	$ —	$ 1	$ 35	$ —	$ 626,533	$ (4,345)	$ (409,041)	$ 213,183	$ 2,854	$ 216,037

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

Gladstone Commercial Corporation
Consolidated Statements of Cash Flows
(Dollars in Thousands)

	For the year ended December 31,		
	2020	2019	2018
Cash flows from operating activities:			
Net income	$ 14,985	$ 9,541	$ 12,324
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	55,424	52,039	47,620
Impairment charge	3,621	1,813	—
Gain on sale of real estate, net	(8,096)	(2,952)	(2,763)
Amortization of deferred financing costs	1,531	1,641	1,445
Amortization of deferred rent asset and liability, net	(1,930)	(1,446)	(728)
Amortization of discount and premium on assumed debt, net	57	62	(20)
Asset retirement obligation expense	98	119	121
Amortization of right-of-use asset from operating leases and operating lease liabilities, net	52	53	—
Bad debt expense	56	152	—
Operating changes in assets and liabilities			
Decrease (increase) in other assets	2,875	(2,170)	(445)
Increase in deferred rent receivable	(1,899)	(1,477)	(2,548)
(Decrease) increase in accounts payable and accrued expenses	(1,680)	1,540	515
Increase in amount due to Adviser and Administrator	56	381	234
Increase in other liabilities	1,808	2,075	246
Leasing commissions paid	(1,464)	(1,177)	(402)
Net cash provided by operating activities	$ 65,494	$ 60,194	$ 55,599
Cash flows from investing activities:			
Acquisition of real estate and related intangible assets	$ (127,931)	$ (130,313)	$ (42,353)
Improvements of existing real estate	(6,360)	(7,570)	(4,328)
Proceeds from sale of real estate	35,834	6,318	12,835
Receipts from lenders for funds held in escrow	1,310	2,664	1,769
Payments to lenders for funds held in escrow	(3,229)	(3,880)	(2,376)
Receipts from tenants for reserves	2,406	4,782	2,682
Payments to tenants from reserves	(1,988)	(2,496)	(2,669)
Deposits on future acquisitions	(300)	(1,542)	—
Net cash used in investing activities	$ (100,258)	$ (132,037)	$ (34,440)
Cash flows from financing activities:			
Proceeds from issuance of equity	$ 63,609	$ 134,527	$ 18,565
Offering costs paid	(988)	(3,431)	(295)
Retirement of senior common stock	—	—	(34)
Redemption of Series A and B perpetual preferred stock	—	(56,600)	—
Borrowings under mortgage notes payable	52,578	69,650	14,125
Payments for deferred financing costs	(606)	(2,480)	(386)
Principal repayments on mortgage notes payable	(50,662)	(57,438)	(27,850)
Proceeds from issuance of term loan facility	37,700	47,300	—
Borrowings from revolving credit facility	142,700	165,400	88,600
Repayments on revolving credit facility	(141,200)	(163,600)	(59,400)
Decrease in security deposits	(22)	(192)	83
Distributions paid for common, senior common, preferred stock and Non-controlling OP Unitholders	(63,757)	(58,887)	(54,565)
Net cash provided by (used in) financing activities	$ 39,352	$ 74,249	$ (21,157)
Net increase in cash, cash equivalents, and restricted cash	$ 4,588	$ 2,406	$ 2
Cash, cash equivalents, and restricted cash at beginning of period	$ 11,488	$ 9,082	$ 9,080
Cash, cash equivalents, and restricted cash at end of period	$ 16,076	$ 11,488	$ 9,082
SUPPLEMENTAL AND NON-CASH INFORMATION			
Cash paid during year for interest	$ 26,098	$ 25,685	$ 24,987
Tenant funded fixed asset improvements	$ 2,978	$ 2,787	$ 1,608
Acquisition of real estate and related intangible assets	$ 1,542	$ —	$ —
Assumed mortgage in connection with acquisition	$ —	$ —	$ 6,918
Reserves released by title company to tenant	$ —	$ —	$ 3,966
Capital improvements and leasing commissions included in accounts payable and accrued expenses	$ 1,070	$ 390	$ 311

Unrealized loss related to interest rate hedging instruments, net	$ (2,219)	$ (1,978)	$ (183)
Increase in asset retirement obligation assumed in acquisition	$ —	$ 164	$ —
Non-controlling OP Units issued in connection with acquisition	$ 503	$ —	$ 13,975
Series A and B Preferred Stock offering cost write off	$ —	$ 2,674	$ —
Right-of-use asset from operating leases	$ —	$ 5,998	$ —
Operating lease liabilities	$ —	$ (5,998)	$ —
Property manager other assets	$ —	$ 1,676	$ —
Property manager accrued expenses and other liabilities	$ —	$ (1,676)	$ —

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the consolidated balance sheets that sum to the total of the same amounts shown in the consolidated statements of cash flows (dollars in thousands):

	For the year ended December 31,		
	2020	2019	2018
Cash and cash equivalents	$ 11,016	$ 6,849	$ 6,591
Restricted cash	5,060	4,639	2,491
Total cash, cash equivalents, and restricted cash shown in the consolidated statement of cash flows	$ 16,076	$ 11,488	$ 9,082

Restricted cash consists of security deposits and receipts from tenants for reserves. These funds will be released to the tenants upon completion of agreed upon tasks, as specified in the lease agreements, mainly consisting of maintenance and repairs on the buildings and upon receipt by us of evidence of insurance and tax payments.

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

Gladstone Commercial Corporation
Notes to Consolidated Financial Statements

1. Organization, Basis of Presentation and Significant Accounting Policies

Gladstone Commercial Corporation was incorporated under the General Corporation Law of the State of Maryland on February 14, 2003. We have elected to be taxed as a real estate investment trust ("REIT") for federal income tax purposes. We focus on acquiring, owning and managing primarily office and industrial properties. Subject to certain restrictions and limitations, our business is managed by Gladstone Management Corporation, a Delaware corporation (the "Adviser"), and administrative services are provided by Gladstone Administration, LLC, a Delaware limited liability company (the "Administrator"), each pursuant to a contractual arrangement with us. Our Adviser and Administrator collectively employ all of our personnel and pay their salaries, benefits, and general expenses directly. Gladstone Commercial Corporation conducts substantially all of its operations through a subsidiary, Gladstone Commercial Limited Partnership, a Delaware limited partnership (the "Operating Partnership").

All further references herein to "we," "our," "us" and the "Company" mean Gladstone Commercial Corporation and its consolidated subsidiaries, except where it is made clear that the term means only Gladstone Commercial Corporation. All references herein and throughout the Notes to Consolidated Financial Statements to the number of properties and square footage are unaudited.

Subsidiaries

We conduct substantially all of our operations through the Operating Partnership. We currently control the sole general partner of the Operating Partnership and own, directly or indirectly, a majority of the limited partnership interests in the Operating Partnership ("Non-controlling OP Units") through two of our subsidiaries, GCLP Business Trust I and II. The financial position and results of operations of the Operating Partnership are consolidated within our financial statements. As of December 31, 2020 and 2019, the Company owned 98.6% and 98.6%, respectively, of the outstanding OP Units (See Note 8, "Equity and Mezzanine Equity" for additional discussion regarding OP Units).

Gladstone Commercial Lending, LLC, a Delaware limited liability company ("Gladstone Commercial Lending"), a subsidiary of ours, was created to conduct all operations related to our real estate mortgage loans. As the Operating Partnership currently owns all of the membership interests of Gladstone Commercial Lending, the financial position and results of operations of Gladstone Commercial Lending are consolidated with ours.

Gladstone Commercial Advisers, Inc., a Delaware corporation ("Commercial Advisers"), and wholly-owned taxable REIT subsidiary ("TRS") of ours, was created to collect any non-qualifying income related to our real estate portfolio. There has been no such income earned to date. Since we own 100% of the voting securities of Commercial Advisers, the financial position and results of operations of Commercial Advisers are consolidated within our financial statements.

GCLP Business Trust I and GCLP Business Trust II, each a subsidiary and business trust of ours, were formed under the laws of the Commonwealth of Massachusetts on December 28, 2005. We transferred our 99% limited partnership interest in the Operating Partnership to GCLP Business Trust I in exchange for 100 shares of the trust. Gladstone Commercial Partners, LLC, a subsidiary of ours, transferred its 1% general partnership interest in the Operating Partnership to GCLP Business Trust II in exchange for 100 trust shares.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could materially differ from those estimates.

Real Estate and Lease Intangibles

We record investments in real estate at cost and capitalize improvements and replacements when they extend the useful life or improve the efficiency of the asset. We expense costs of repairs and maintenance as such costs are incurred. We compute depreciation using the straight-line method over the estimated useful life, or up to 39 years, for buildings and improvements, five to 20 years for equipment and fixtures, and the shorter of the useful life or the remaining lease term for tenant improvements and leasehold interests.

Most properties that we acquire are already being operated as rental properties, which we consider to be asset acquisitions under Accounting Standards Codification ("ASC") 360, "Property Plant and Equipment" ("ASC 360"). When an acquisition is considered an asset acquisition, ASC 360 requires that the purchase price of real estate be allocated to the acquired tangible assets and liabilities, consisting of land, building, tenant improvements, long-term debt assumed and identified intangible assets and liabilities, typically the value of above-market and below-market leases, the value of in-place leases, the value of lease origination costs and the value of tenant relationships, based in each case on their fair values. ASC 360 allows us to capitalize all expenses related to an acquisition accounted for as an asset acquisition into the cost of the acquisition.

Management's estimates of fair value are made using methods similar to those used by independent appraisers (e.g. discounted cash flow analysis). Factors considered by management in its analysis include an estimate of carrying costs during hypothetical expected lease-up periods considering current market conditions and costs to execute similar leases. We also consider information obtained about each property as a result of our pre-acquisition due diligence, marketing and leasing activities in estimating the fair value of the tangible and intangible assets acquired and liabilities assumed. In estimating carrying costs, management also includes lost reimbursement of real estate taxes, insurance and other operating expenses as well as estimates of lost rents at market rates during the hypothetical expected lease-up periods, which generally range from nine to 18 months, depending on specific local market conditions. Management also estimates costs to execute similar leases, including leasing commissions, legal and other related expenses to the extent that such costs are not already incurred in connection with a new lease origination as part of the transaction.

We allocate purchase price to the fair value of the tangible assets of an acquired property by valuing the property as if it were vacant. The "as-if-vacant" value is allocated to land, building and tenant improvements based on management's determination of the relative fair values of these assets on the date of acquisition.

Above-market and below-market in-place lease fair values for acquired properties are recorded based on the present value (using an interest rate which reflects the risks associated with the leases acquired) of the difference between (i) the contractual amounts to be paid pursuant to the in-place leases and (ii) management's estimate of fair market lease rates for the corresponding in-place leases, measured over a period equal to the remaining non-cancelable term of the lease. When determining the non-cancelable term of the lease, we evaluate which fixed-rate renewal options, if any, should be included. The capitalized above-market lease values, included in the accompanying consolidated balance sheets as part of deferred rent receivable, are amortized as a reduction of rental income over the remaining non-cancelable terms of the respective leases. Total amortization related to above-market lease values was $0.8 million, $1.1 million, and $1.1 million for the years ended December 31, 2020, 2019, and 2018, respectively. The capitalized below-market lease values, included in the accompanying consolidated balance sheets as part of deferred rent liability, are amortized as an increase to rental income over the remaining non-cancelable terms of the respective leases, including any below market renewal periods. Total amortization related to below-market lease values was $2.8 million, $2.5 million, and $2.0 million for the years ended December 31, 2020, 2019, and 2018, respectively.

The total amount of the remaining intangible assets acquired, which consists of in-place lease values, lease origination costs, and customer relationship intangible values, are allocated based on management's evaluation of the specific characteristics of each tenant's lease and our overall relationship with that respective tenant. Characteristics to be considered by management in determining these values include the nature and extent of our existing business relationships with the tenant, growth prospects for developing new business with the tenant, the tenant's credit quality and our expectations of lease renewals (including those existing under the terms of the lease agreement), among other factors.

The value of in-place leases and lease origination costs are amortized to amortization expense over the remaining term of the respective leases, which generally range from seven to 15 years. The value of customer relationship intangibles, which is the benefit to us resulting from the likelihood of an existing tenant renewing its lease, are amortized to amortization expense over the remaining term and any anticipated renewal periods in the respective leases, but in no event does the amortization period for intangible assets exceed the remaining depreciable life of the building. Total amortization expense related to these intangible assets and liabilities was $19.4 million, $19.2 million, and $17.7 million for the years ended December 31, 2020, 2019, and 2018, respectively.

Should a tenant terminate its lease, the unamortized portion of the above-market and below-market lease values would be charged to rental income and the unamortized portion of in-place lease values, lease origination costs and customer relationship intangibles will be charged to amortization expense through the revised termination date.

Impairment Charges

We account for the impairment of real estate in accordance with ASC 360-10-35, "Property, Plant, and Equipment," which requires us to periodically review the carrying value of each property to determine if circumstances indicate impairment of the carrying value of the investment exists or that depreciation periods should be modified. If circumstances indicate the possibility of impairment, we prepare a projection of the undiscounted future cash flows, without interest charges, of the specific property and determine if the carrying value of the investment in such property is recoverable. In performing the analysis, we consider such factors as each tenant's payment history and financial condition, the likelihood of lease renewal, business conditions in the industry in which the tenants operate, whether there are indications that the fair value of the real estate has decreased or our intended holding period of the property is shortened. If the carrying amount is more than the aggregate undiscounted future cash flows, we would recognize an impairment loss to the extent the carrying amount exceeds the estimated fair value of the property. We evaluate our entire portfolio of properties each quarter for any impairment indicators and perform an impairment analysis on those select properties that have an indication of impairment.

Held for Sale Property

For properties considered held for sale, we cease depreciating and amortizing the property and value the property at the lower of depreciated and amortized cost or fair value, less costs to dispose. We present qualifying assets and liabilities and the results of operations that have been sold, or otherwise qualify as held for sale, as discontinued operations in all periods when the sale meets the definition of discontinued operations. Under GAAP, the definition of discontinued operations is the disposal of a component or group of components that is disposed or is classified as held for sale and represents a strategic shift that has (or will have) a major effect on our operations and financial results. The components of the property's net income (loss) that are reflected as discontinued operations if classified as such include operating results, depreciation, amortization, and interest expense.

When properties are considered held for sale, but do not qualify as a discontinued operation, we present qualifying assets and liabilities as held for sale in the consolidated balance sheet in all periods that the qualifying assets and liabilities meet the held for sale criteria under ASC 360-10-49-9. The components of the held for sale property's net income (loss) is recorded within continuing operations under the consolidated statement of operations and comprehensive income.

Cash and Cash Equivalents

We consider cash equivalents to be short-term, highly-liquid investments that are both readily convertible to cash and have a maturity of three months or less at the time of purchase, except that any such investments purchased with funds held in escrow or similar accounts are classified as restricted cash. Items classified as cash equivalents include money-market deposit accounts. At times, the balance of our cash and cash equivalents may exceed federally insurable limits.

Restricted Cash

Restricted cash consists of security deposits and receipts from tenants for reserves. These funds will be released to the tenants upon completion of agreed upon tasks, as specified in the lease agreements, mainly consisting of maintenance and repairs on the buildings and upon receipt by us of evidence of insurance and tax payments. For purposes of the consolidated statements of cash flows, changes in restricted cash caused by changes in reserves held for tenants are shown as investing activities. Changes in restricted cash caused by changes in security deposits are reflected as financing activities.

Funds Held in Escrow

Funds held in escrow consist of funds held by certain of our lenders for properties held as collateral by these lenders. These funds will be released to us upon completion of agreed upon tasks, as specified in the mortgage agreements, mainly consisting of maintenance and repairs on the buildings, and when evidence of insurance and tax payments has been submitted to the lenders. For the purposes of the consolidated statements of cash flows, changes in funds held in escrow caused by changes in lender held reserve balances are shown as investing activities.

Deferred Financing Costs

Deferred financing costs consist of costs incurred to obtain financing, including legal fees, origination fees and administrative fees. The costs are deferred and amortized using the straight-line method, which approximates the effective interest method, over the term of the secured financing. We made payments of $0.6 million, $2.5 million, and $0.4 million for deferred financing costs during the years ended December 31, 2020, 2019, and 2018, respectively. Total amortization expense related to deferred

financing costs is included in interest expense and was $1.5 million, $1.6 million, and $1.4 million for the years ended December 31, 2020, 2019, and 2018, respectively.

Gains on Sale of Real Estate, Net

Gains on sale of real estate, net, consist of the excess consideration received for a property over the property carrying value at the time of sale, or gains on real estate, offset by consideration received for a property less than the property carrying value at the time of sale, or loss on sale of real estate.

Lease Revenue

Lease revenue includes rents that each tenant pays in accordance with the terms of its respective lease reported evenly over the non-cancelable term of the lease. Most of our leases contain rental increases at specified intervals. We recognize such revenues on a straight-line basis. Deferred rent receivable in the accompanying consolidated balance sheet includes the cumulative difference between lease revenue, as recorded on a straight-line basis, and rents received from the tenants in accordance with the lease terms, along with the capitalized above-market in-place lease values of certain acquired properties. Deferred rent liability in the accompanying consolidated balance sheet includes the capitalized below-market in-place lease values of certain acquired properties. Accordingly, we determine, in our judgment, to what extent the deferred rent receivable applicable to each specific tenant is collectible. We review deferred rent receivable, as it relates to straight line rents, on a quarterly basis and take into consideration the tenant's payment history, the financial condition of the tenant, business conditions in the industry in which the tenant operates and economic conditions in the geographic area in which the property is located. In the event that the collectability of deferred rent with respect to any given tenant is in doubt, we record an allowance for uncollectible accounts or record a direct write-off of the specific rent receivable. We incurred $0.2 million in deferred rent write offs during each of the years ended December 31, 2020 and 2018, respectively. No such reserves or direct write offs were recorded during the year ended 2019.

Tenant recovery revenue includes payments from tenants as reimbursements for franchise taxes, management fees, insurance, maintenance and repairs, utilities, and ground lease payments. We recognize tenant recovery revenue in the same periods that we incur the related expenses. We do not record any tenant recovery revenues or operating expenses associated with costs paid directly by our tenants for our net leased properties.

On January 1, 2020, we completed the integration of the accounting records of certain of our triple net leased third-party asset managed properties into our accounting system and paid out property operating expenses of our operating bank accounts. For periods prior to January 1, 2020, we recorded property operating expenses and offsetting lease revenues for these certain triple net leased properties on a net basis. Beginning January 1, 2020, we began to record the property operating expenses and offsetting lease revenues for these triple net leased properties on a gross basis, as we have amended our process whereby we are paying operating expenses on behalf of our tenants and receiving reimbursement, whereas, previously these tenants were paying these expenses directly, with limited insight provided to us.

Income Taxes

We have operated and intend to continue to operate in a manner that will allow us to qualify as a REIT under the Internal Revenue Code of 1986, as amended, and, accordingly, will not be subject to federal income taxes on amounts distributed to stockholders (except income from foreclosure property), provided that we distribute at least 90% of our REIT taxable income to our stockholders and meet certain other conditions. To the extent that we satisfy the distribution requirement but distribute less than 100% of our taxable income, we will be subject to federal corporate income tax on our undistributed income.

Commercial Advisers is a wholly-owned TRS that is subject to federal and state income taxes. Though Commercial Advisers has had no activity to date, we would account for any future income taxes in accordance with the provisions of ASC 740, "Income Taxes." Under ASC 740-10-25, we would account for income taxes using the asset and liability method under which deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases.

We may recognize a tax benefit from an uncertain tax position when it is more-likely-than-not (defined as a likelihood of more than 50%) that the position will be sustained upon examination, including resolutions of any related appeals or litigation processes, based on the technical merits. If a tax position does not meet the more-likely-than-not recognition threshold, despite our belief that the filing position is supportable, the benefit of that tax position is not recognized in the statements of operations. We recognize interest and penalties, as applicable, related to unrecognized tax benefits as a component of income tax expense. We recognize unrecognized tax benefits in the period that the uncertainty is eliminated by either affirmative agreement of the

uncertain tax position by the applicable taxing authority, or by expiration of the applicable statute of limitation. For the years ended December 31, 2020, 2019, and 2018, we did not record any provisions for uncertain tax positions.

Asset Retirement Obligations

ASC 410, "Asset Retirement and Environmental Obligation," requires an entity to recognize a liability for a conditional asset retirement obligation when incurred if the liability can be reasonably estimated. ASC 410-20-20 clarifies that the term "Conditional Asset Retirement Obligation" refers to a legal obligation (pursuant to existing laws or by contract) to perform an asset retirement activity in which the timing and/or method of settlement are conditional on a future event that may or may not be within the control of the entity. ASC 410-20-25-6 clarifies when an entity would have sufficient information to reasonably estimate the fair value of an asset retirement obligation. We have accrued a liability at the present value of the estimated payments expected to be made and corresponding increase to the cost of the related properties for disposal related to all properties constructed prior to 1985 that have, or may have, asbestos present in the building. The liabilities are accreted to their estimated obligation over the life of the leases for the respective properties. We accrued $0.2 million of liabilities in connection with acquisitions for the year ended December 31, 2019, and no liabilities in connection with acquisitions for the years ended December 31, 2020 and 2018. We recorded accretion expense of $0.1 million in each of the years ended December 31, 2020, 2019, and 2018, respectively, to general and administrative expense. Costs of future expenditures for obligations are discounted to their present value. The aggregate undiscounted obligation on all properties is $5.6 million and the discount rates used in the calculations range from 2.5% to 7.0%. We do not expect to make any material payments in conjunction with these obligations in each of the next five years.

Stock Issuance Costs

We account for stock issuance costs in accordance with SEC Staff Accounting Bulletin ("SAB") Topic 5.A, which states that incremental costs directly attributable to a proposed or actual offering of securities may properly be deferred and charged against the gross proceeds of the offering. Accordingly, we record costs incurred related to our ongoing equity offerings to other assets on our consolidated balance sheet and ratably apply these amounts to the cost of equity as stock is issued. If an equity offering is subsequently terminated and there are amounts remaining in other assets that have not been allocated to the cost of the offering, the remaining amounts are recorded as a general and administrative expense on our consolidated statements of operations.

Comprehensive Income

We record the effective portion of changes in the fair value of the interest rate cap and swap agreements that qualify as cash flow hedges to accumulated other comprehensive income. For the years ended December 31, 2020, 2019, and 2018, we reconciled net income to comprehensive income on the consolidated statements of operations and comprehensive income in the accompanying consolidated financial statements.

Segment Reporting

We manage our operations on an aggregated, single segment basis for purposes of assessing performance and making operating decisions, and, accordingly, have only one reporting and operating segment.

Recently Issued Accounting Pronouncements

In June 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update 2016-13, "Financial Instruments - Credit Losses (Topic 326)" ("ASU 2016-13"). The new standard requires more timely recognition of credit losses on loans and other financial instruments that are not accounted for at fair market value through net income. The standard also requires that financial assets measured at amortized cost be presented at the net amounts anticipated to be collected, through an allowance for credit losses that is deducted from the amortized cost basis. We are required to measure all expected credit losses based upon historical experience, current conditions, and reasonable and supportable forecasts that affect the collectability of the financial assets. We adopted ASU 2016-13 beginning with the three months ended March 31, 2020. Adopting ASU 2016-13 has not resulted in a material impact to our consolidated financial statements, as we do not have any loans receivable outstanding.

In March 2020, the FASB issued Accounting Standards Update 2020-04, "Reference Rate Reform (Topic 848)" ("ASU 2020-04"), subsequently clarified in January 2021 by Accounting Standards Update 2021-01 "Reference Rate Reform (Topic 848)" ("ASU 2021-01"). The main provisions of this update provide optional expedients and exceptions for contracts, hedging relationships, and other transactions that reference the London Inter-bank Offered Rate ("LIBOR") or another reference rate

expected to be discontinued because of reference rate reform. ASU 2020-04 is effective for all entities as of March 12, 2020, and ASU 2021-01 is effective for all entities as of January 31, 2021. We adopted ASU 2020-04 beginning with the three months ended March 31, 2020, and ASU 2021-01 as of January 31, 2021. Adopting ASU 2020-04 and ASU 2021-01 has not resulted in a material impact to our consolidated statements, as ASU 2020-04 and ASU 2021-01 allows for prospective application of any changes in the effective interest rate for our LIBOR based debt, and allows for practical expedients that will allow us to treat our derivative instruments designated as cash flow hedges consistent with how they are currently accounted for.

In April 2020, the FASB issued a staff question-and-answer document, Topic 842 and Topic 840: Accounting for Lease Concessions related to the Effects of the COVID-19 Pandemic ("COVID-19 Q&A"), to address frequently asked questions pertaining to lease concessions arising from the effects of the COVID-19 pandemic. Existing lease guidance requires entities to determine if a lease concession was a result of a new arrangement reached with the tenant, which would be addressed under the lease modification accounting framework, or if a lease concession was under the enforceable rights and obligations within the existing lease agreement, which would not fall under the lease modification accounting framework. The COVID-19 Q&A clarifies that entities may elect to not evaluate whether lease-related relief granted in light of the effects of COVID-19 is a lease modification, as long as the concession does not result in a substantial increase in rights of the lessor or obligations of the lessee. This election is available for concessions that result in the total payments required by the modified contract being substantially the same as or less than the total payments required by the original contract. At this time, we have granted rent deferrals to three tenants representing approximately 2% of total portfolio rents. The agreements with these tenants include current partial payments in exchange for rent deferrals of varying terms with deferred amounts to be paid by the respective tenant back to us, for the period starting in July 2020 and ending in March 2021. We have elected to not evaluate these leases under the lease modification accounting framework.

2. Related-Party Transactions

Gladstone Management Corporation and Gladstone Administration, LLC

We are externally managed pursuant to contractual arrangements with our Adviser and our Administrator, which collectively employ all of our personnel and pay their salaries, benefits, and general expenses directly. Both our Adviser and Administrator are affiliates of ours, as their parent company is owned and controlled by Mr. Gladstone, our chairman and chief executive officer. Two of our executive officers, Mr. Gladstone and Mr. Brubaker (our vice chairman and chief operating officer) serve as directors and executive officers of our Adviser and our Administrator. Our president, Mr. Cutlip, is an executive managing director of our Adviser. Michael LiCalsi, our general counsel and secretary, also serves as our Administrator's president, general counsel and secretary. We have entered into an advisory agreement with our Adviser, as amended from time to time (the "Advisory Agreement"), and an administration agreement with our Administrator (the "Administration Agreement"). The services and fees under the Advisory Agreement and Administration Agreement are described below. At December 31, 2020 and December 31, 2019, $3.0 million and $2.9 million, respectively, was collectively due to our Adviser and Administrator.

Base Management Fee

On January 8, 2019, we entered into a Fifth Amended and Restated Investment Advisory Agreement (the "Fifth Amended Advisory Agreement") with the Adviser, effective as of October 1, 2018, to clarify that the agreement's definition of Total Equity includes outstanding OP Units issued to Non-controlling OP Unitholders. Our entrance into the Advisory Agreement (and each amendment thereto) has been approved unanimously by our Board of Directors. Our Board of Directors also reviews and considers renewing the agreement with our Adviser each July.

Under the Fifth Amended Advisory Agreement, the calculation of the annual base management fee equaled 1.5% of our Total Equity, which was our total stockholders' equity plus total mezzanine equity (before giving effect to the base management fee and incentive fee), adjusted to exclude the effect of any unrealized gains or losses that did not affect realized net income (including impairment charges), adjusted for any one-time events and certain non-cash items (the later to occur for a given quarter only upon the approval of our Compensation Committee), and adjusted to include OP Units held by Non-controlling OP Unitholders. The fee was calculated and accrued quarterly as 0.375% per quarter of such Total Equity figure. Our Adviser does not charge acquisition or disposition fees when we acquire or dispose of properties as is common in other externally managed REITs; however, our Adviser may earn fee income from our borrowers, tenants or other sources.

On July 14, 2020, the Company amended and restated the Fifth Amended Advisory Agreement by entering into the Sixth Amended and Restated Investment Advisory Agreement between the Company and the Adviser (the "Sixth Amended Advisory Agreement"). The Sixth Amended Advisory Agreement replaced the Fifth Amended Advisory Agreement's previous calculation of the base management fee with a calculation based on Gross Tangible Real Estate. The revised Base Management

Fee will be payable quarterly in arrears and shall be calculated at an annual rate of 0.425% (0.10625% per quarter) of the prior calendar quarter's "Gross Tangible Real Estate," defined in the Sixth Amended Advisory Agreement as the current gross value of the Company's property portfolio (meaning the aggregate of each property's original acquisition price plus the cost of any subsequent capital improvements thereon). The calculation of the other fees in the agreement remained unchanged. The revised Base Management Fee calculation began with the fee calculations for the quarter ended September 30, 2020.

For the years ended December 31, 2020, 2019, and 2018, we recorded a base management fee of $5.6 million, $5.2 million, and $5.1 million, respectively.

Incentive Fee

Pursuant to the Advisory Agreement, the calculation of the incentive fee rewards the Adviser in circumstances where our quarterly Core FFO (defined at the end of this paragraph), before giving effect to any incentive fee, or pre-incentive fee Core FFO, exceeds 2.0% quarterly, or 8.0% annualized, of adjusted total stockholders' equity (after giving effect to the base management fee but before giving effect to the incentive fee). We refer to this as the new hurdle rate. The Adviser will receive 15.0% of the amount of our pre-incentive fee Core FFO that exceeds the new hurdle rate. However, in no event shall the incentive fee for a particular quarter exceed by 15.0% (the cap) the average quarterly incentive fee paid by us for the previous four quarters (excluding quarters for which no incentive fee was paid). Core FFO (as defined in the Advisory Agreement) is GAAP net income (loss) available to common stockholders, excluding the incentive fee, depreciation and amortization, any realized and unrealized gains, losses or other non-cash items recorded in net income (loss) available to common stockholders for the period, and one-time events pursuant to changes in GAAP.

For the years ended December 31, 2020, 2019, and 2018, we recorded an incentive fee of $4.3 million, $3.7 million, and $3.0 million, respectively. The Adviser did not waive any portion of the incentive fee for the years ended December 31, 2020, 2019, and 2018. Waivers cannot be recouped by the Adviser in the future.

Capital Gain Fee

Under the Advisory Agreement, we will pay to the Adviser a capital gains-based incentive fee that will be calculated and payable in arrears as of the end of each fiscal year (or upon termination of the Advisory Agreement). In determining the capital gain fee, we will calculate aggregate realized capital gains and aggregate realized capital losses for the applicable time period. For this purpose, aggregate realized capital gains and losses, if any, equals the realized gain or loss calculated by the difference between the sales price of the property, less any costs to sell the property and the all-in acquisition cost of the disposed property. At the end of the fiscal year, if this number is positive, then the capital gain fee payable for such time period shall equal 15.0% of such amount. No capital gain fee was recognized during the years ended December 31, 2020, 2019, and 2018.

Termination Fee

The Advisory Agreement includes a termination fee whereby, in the event of our termination of the agreement without cause (with 120 days' prior written notice and the vote of at least two-thirds of our independent directors), a termination fee would be payable to the Adviser equal to two times the sum of the average annual base management fee and incentive fee earned by the Adviser during the 24-month period prior to such termination. A termination fee is also payable if the Adviser terminates the Advisory Agreement after we have defaulted and applicable cure periods have expired. The Advisory Agreement may also be terminated for cause by us (with 30 days' prior written notice and the vote of at least two-thirds of our independent directors), with no termination fee payable. Cause is defined in the agreement to include if the Adviser breaches any material provisions thereof, the bankruptcy or insolvency of the Adviser, dissolution of the Adviser and fraud or misappropriation of funds.

Administration Agreement

Under the terms of the Administration Agreement, we pay separately for our allocable portion of our Administrator's overhead expenses in performing its obligations to us including, but not limited to, rent and our allocable portion of the salaries and benefits expenses of our Administrator's employees, including, but not limited to, our chief financial officer, treasurer, chief compliance officer, general counsel and secretary (who also serves as our Administrator's president, general counsel and secretary), and their respective staffs. Our allocable portion of the Administrator's expenses are generally derived by multiplying our Administrator's total expenses by the approximate percentage of time the Administrator's employees perform services for us in relation to their time spent performing services for all companies serviced by our Administrator under contractual agreements. We believe that the methodology of allocating the Administrator's total expenses by approximate percentage of time services were performed among all companies serviced by our Administrator more closely approximates fees paid to actual services performed. For the years ended December 31, 2020, 2019, and 2018, we recorded an administration

fee of $1.6 million, $1.7 million, and $1.6 million, respectively. Our Board of Directors reviews and considers approving or renewing the Administration Agreement each July.

Gladstone Securities, LLC

Gladstone Securities, LLC ("Gladstone Securities"), is a privately held broker dealer registered with the Financial Industry Regulatory Authority and insured by the Securities Investor Protection Corporation. Gladstone Securities is an affiliate of ours, as its parent company is owned and controlled by David Gladstone, our chairman and chief executive officer. Mr. Gladstone also serves on the board of managers of Gladstone Securities.

Mortgage Financing Arrangement Agreement

We entered into an agreement with Gladstone Securities, effective June 18, 2013, for it to act as our non-exclusive agent to assist us with arranging mortgage financing for properties we own. In connection with this engagement, Gladstone Securities will, from time to time, continue to solicit the interest of various commercial real estate lenders or recommend to us third party lenders offering credit products or packages that are responsive to our needs. We pay Gladstone Securities a financing fee in connection with the services it provides to us for securing mortgage financing on any of our properties. The amount of these financing fees, which are payable upon closing of the financing, are based on a percentage of the amount of the mortgage, generally ranging from 0.15% to a maximum of 1.0% of the mortgage obtained. The amount of the financing fees may be reduced or eliminated, as determined by us and Gladstone Securities, after taking into consideration various factors, including, but not limited to, the involvement of any third party brokers and market conditions. We paid financing fees to Gladstone Securities of $0.1 million, $0.2 million, and $0.1 million during the years ended December 31, 2020, 2019, and 2018, respectively, which are included in mortgage notes payable, net, in the consolidated balance sheets, or 0.25%, 0.20%, and 0.11% of total mortgage principal secured or extended during the respective periods. Our Board of Directors renewed the agreement for an additional year, through August 31, 2021, at its July 2020 meeting.

Dealer Manager Agreement

On February 20, 2020 we entered into a dealer manager agreement (the "Dealer Manager Agreement"), whereby Gladstone Securities will act as the exclusive dealer manager in connection with our offering (the "Offering") of up to (i) 20,000,000 shares of our 6.00% Series F Cumulative Redeemable Preferred Stock of the Company, par value $0.001 per share (the "Series F Preferred Stock") on a "reasonable best efforts" basis (the "Primary Offering"), and (ii) 6,000,000 shares of Series F Preferred Stock pursuant to our distribution reinvestment plan (the "DRIP") to those holders of the Series F Preferred Stock who participate in such DRIP. The Series F Preferred Stock is registered with the SEC pursuant to a registration statement on Form S-3 (File No. 333-236143), as the same may be amended and/or supplemented (the "Registration Statement"), under the Securities Act of 1933, as amended, and will be offered and sold pursuant to a prospectus supplement, dated February 20, 2020, and a base prospectus dated February 11, 2020 relating to the Registration Statement (the "Prospectus").

Under the Dealer Manager Agreement, Gladstone Securities, as dealer manager, will provide certain sales, promotional and marketing services to the Company in connection with the Offering, and the Company will pay Gladstone Securities (i) selling commissions of 6.0% of the gross proceeds from sales of Series F Preferred Stock in the Primary Offering (the "Selling Commissions"), and (ii) a dealer manager fee of 3.0% of the gross proceeds from sales of Series F Preferred Stock in the Primary Offering (the "Dealer Manager Fee"). No Selling Commissions or Dealer Manager Fee shall be paid with respect to Shares sold pursuant to the DRIP. Gladstone Securities may, in its sole discretion, reallow a portion of the Dealer Manager Fee to participating broker-dealers in support of the Offering.

3. Earnings per Share of Common Stock

The following tables set forth the computation of basic and diluted earnings (loss) per share of common stock for the years ended December 31, 2020, 2019 and 2018, respectively. The OP Units held by Non-controlling OP Unitholders (which may be redeemed for shares of common stock) have been excluded from the diluted earnings per share calculation, as there would be no effect on the amounts since the Non-controlling OP Unitholders' share of income would also be added back to net income. Net income figures are presented net of such non-controlling interests in the earnings per share calculation.

We computed basic earnings (loss) per share for the years ended December 31, 2020, 2019 and 2018, respectively, using the weighted average number of shares outstanding during the periods. Diluted earnings (loss) per share for the years ended December 31, 2020, 2019 and 2018, reflects additional shares of common stock related to our convertible Senior Common Stock, if the effect would be dilutive, that would have been outstanding if dilutive potential shares of common stock had been

issued, as well as an adjustment to net income (loss) available (attributable) to common stockholders as applicable to common stockholders that would result from their assumed issuance (dollars in thousands, except per share amounts).

	For the year ended December 31,		
	2020	2019	2018
Calculation of basic earnings (loss) per share of common stock:			
Net income (loss) available (attributable) to common stockholders	$ 3,149	$ (4,760)	$ 973
Denominator for basic weighted average shares of common stock (1)	34,040,085	30,695,902	28,675,934
Basic earnings (loss) per share of common stock	$ 0.09	$ (0.16)	$ 0.03
Calculation of diluted earnings (loss) per share of common stock:			
Net income (loss) available (attributable) to common stockholders	$ 3,149	$ (4,760)	$ 973
Net income (loss) available (attributable) to common stockholders plus assumed conversions (2)	$ 3,149	$ (4,760)	$ 973
Denominator for basic weighted average shares of common stock (1)	34,040,085	30,695,902	28,675,934
Effect of convertible Senior Common Stock (2)	—	—	—
Denominator for diluted weighted average shares of common stock (2)	34,040,085	30,695,902	28,675,934
Diluted earnings (loss) per share of common stock	$ 0.09	$ (0.16)	$ 0.03

(1) The weighted average number of OP Units held by Non-controlling OP Unitholders was 502,586, 700,924, and 128,233 for the years ended December 31, 2020, 2019, and 2018, respectively.

(2) We excluded convertible shares of Senior Common Stock of 628,263, 674,611 and 724,336 from the calculation of diluted earnings per share for the years ended December 31, 2020, 2019 and 2018, respectively, because it was anti-dilutive.

4. Real Estate and Intangible Assets

Real Estate

The following table sets forth the components of our investments in real estate as of December 31, 2020 and 2019, respectively, excluding real estate held for sale as of December 31, 2020 and 2019, respectively (dollars in thousands):

	December 31, 2020	December 31, 2019
Real estate:		
Land (1)	$ 142,853	$ 137,532
Building and improvements	916,601	851,245
Tenant improvements	69,229	68,201
Accumulated depreciation	(228,468)	(207,523)
Real estate, net	$ 900,215	$ 849,455

(1) This amount includes $4,436 of land value subject to land lease agreements which we may purchase at our option for a nominal fee.

Real estate depreciation expense on building and tenant improvements was $36.0 million, $32.8 million, and $29.9 million for the years ended December 31, 2020, 2019, and 2018, respectively.

Acquisitions

During the year ended December 31, 2020 and 2019 we acquired nine and 18 properties, respectively, which are summarized below (dollars in thousands):

Year Ended		Aggregate Square Footage	Weighted Average Lease Term	Aggregate Purchase Price	Capitalized Acquisition Costs	
December 31, 2020	(1)	1,717,502	12.2 years	$ 129,974	$ 814	(3)
December 31, 2019	(2)	2,562,483	12.8 years	$ 130,313	$ 1,231	(3)

(1) On January 8, 2020, we acquired a 64,800 square foot property in Indianapolis, Indiana for $5.3 million. The property is leased to three tenants, with a weighted average lease term of 7.2 years. On January 27, 2020, we acquired a 320,838 square foot, three-property portfolio in Houston, Texas, Charlotte, North Carolina, and St. Charles, Missouri for $34.7

million. The portfolio has a weighted average lease term of 20.0 years. On March 9, 2020, we acquired a 504,400 square foot property in Crandall, Georgia for $32.0 million. This property is fully leased to one tenant for 10.5 years. On September 1, 2020, we acquired a 153,600 square foot property in Terre Haute, Indiana for $10.6 million. This property is fully leased to one tenant for 9.7 years. On October 14, 2020, we acquired a 240,714 square foot property in Montgomery, Alabama for $14.3 million. This property is fully leased to one tenant for 7.2 years. On December 18, 2020, we acquired a 277,883 square foot property in Huntsville, Alabama for $20.0 million. This property is fully leased to one tenant for 9.2 years. On December 21, 2020, we acquired a 155,267 square foot property in Pittsburgh, Pennsylvania for $13.0 million. This property is fully leased to one tenant for 10.0 years.

(2) On February 8, 2019, we acquired a 26,050 square foot property in Moorestown, New Jersey for $2.7 million. This property is fully leased to one tenant for 15.1 years. On February 28, 2019, we acquired a 34,800 square foot property in Indianapolis, Indiana for $3.6 million. This property is fully leased to one tenant for 10.0 years. On April 5, 2019, we acquired a 383,000 square foot, two property portfolio located in Ocala, Florida for $19.2 million. This portfolio is leased to one tenant, and has a weighted average lease term of 20.1 years. On April 30, 2019, we acquired a 54,430 square foot property in Columbus, Ohio for $3.2 million. This property is fully leased to one tenant for 7.0 years. On June 18, 2019, we acquired a 676,031 square foot property in Tifton, Georgia, for $17.9 million. This property is fully leased to one tenant for 8.5 years. On July 30, 2019, we acquired a 78,452 square foot property in Denton, Texas, for $6.6 million. This property is fully leased to one tenant for 11.9 years. On September 26, 2019, we acquired a 211,000 square foot two property portfolio in Temple, Texas, for $14.1 million. This portfolio is leased to one tenant, and has a weighted average lease term of 20.0 years. On November 14, 2019, we acquired a 231,509 square foot property in Indianapolis, Indiana, for $8.2 million. This property is fully leased to one tenant for 13.5 years. On December 16, 2019, we acquired a 241,000 square foot property in Jackson, Tennessee, for $9.1 million. This property is fully leased to one tenant for 9.7 years. On December 17, 2019, we acquired a 117,000 square foot property in Carrollton, Georgia, for $8.1 million. This property is fully leased to one tenant for 12.0 years. On December 17, 2019, we acquired a 509,211 square foot six property portfolio, for $37.6 million. The portfolio is fully leased to one tenant, and has a weighted average lease term of 10.0 years.

(3) During the years ended December 31, 2020 and 2019, we capitalized $0.8 million and $1.2 million, respectively, of acquisition costs.

We determined the fair value of assets acquired and liabilities assumed related to the properties acquired during the year ended December 31, 2020 and 2019, respectively, as follows (dollars in thousands):

	Year ended December 31, 2020		Year ended December 31, 2019
Acquired assets and liabilities	Purchase price		Purchase price
Land	$ 11,264	(1)	$ 12,351
Building	97,101		93,502
Tenant Improvements	2,684		3,119
In-place Leases	9,076		9,013
Leasing Costs	6,352		7,274
Customer Relationships	5,239		5,019
Above Market Leases	529	(2)	1,950
Below Market Leases	(2,271)	(3)	(1,915) (4)
Total Purchase Price	$ 129,974		$ 130,313

(1) This amount includes $2,711 of land value subject to a land lease agreement, which we may purchase for a nominal fee.
(2) This amount includes $53 of loans receivable included in Other assets on the consolidated balance sheets.
(3) This amount includes $62 of prepaid rent included in Other liabilities on the consolidated balance sheets.
(4) This amount includes $187 of prepaid rent included in Other liabilities on the consolidated balance sheets.

Future Lease Payments

Future operating lease payments from tenants under non-cancelable leases, excluding tenant reimbursement of expenses, for each of the five succeeding fiscal years and thereafter is as follows (dollars in thousands):

Year	Tenant Lease Payments
2021	$ 110,417
2022	106,438
2023	99,170
2024	91,083
2025	83,418
Thereafter	323,814
	$ 814,340

In accordance with the lease terms, substantially all operating expenses are required to be paid by the tenant; however, we would be required to pay operating expenses on the respective properties in the event the tenants fail to pay them.

Lease Revenue Reconciliation

The table below sets forth the allocation of lease revenue between fixed contractual payments and variable lease payments for the years ended December 31, 2020 and 2019, respectively (dollars in thousands):

	For the twelve months ended December 31, (Dollars in Thousands)			
Lease revenue reconciliation	2020	2019	$ Change	% Change
Fixed lease payments	$ 117,248	$ 110,273	$ 6,975	6.3 %
Variable lease payments	15,904	4,114	11,790	286.6 %
	$ 133,152	$ 114,387	$ 18,765	16.4 %

Intangible Assets

The following table summarizes the carrying value of intangible assets, liabilities and the accumulated amortization for each intangible asset and liability class as of December 31, 2020 and 2019, excluding real estate held for sale as of December 31, 2020 and 2019, respectively (dollars in thousands):

	December 31, 2020		December 31, 2019	
	Lease Intangibles	Accumulated Amortization	Lease Intangibles	Accumulated Amortization
In-place leases	$ 99,254	$ (54,168)	$ 92,906	$ (48,468)
Leasing costs	73,707	(37,801)	68,256	(33,705)
Customer relationships	68,268	(31,881)	65,363	(28,887)
	$ 241,229	$ (123,850)	$ 226,525	$ (111,060)
	Deferred Rent Receivable/(Liability)	Accumulated (Amortization)/Accretion	Deferred Rent Receivable/(Liability)	Accumulated (Amortization)/Accretion
Above market leases	$ 15,076	$ (10,670)	$ 16,502	$ (10,005)
Below market leases and deferred revenue	(38,319)	17,686	(34,322)	15,000
	$ (23,243)	$ 7,016	$ (17,820)	$ 4,995

Total amortization expense related to in-place leases, leasing costs and customer relationship lease intangible assets was $19.4 million, $19.2 million, and $17.7 million for the years ended December 31, 2020, 2019, and 2018, respectively, and is included in depreciation and amortization expense in the consolidated statement of operations and comprehensive income.

Total amortization related to above-market lease values was $0.8 million, $1.1 million, and $1.1 million for the years ended December 31, 2020, 2019, and 2018, respectively, and is included in lease revenue in the consolidated statement of operations and comprehensive income.

Total amortization related to below-market lease values was $2.8 million, $2.5 million, and $2.0 million for the years ended December 31, 2020, 2019, and 2018, respectively, and is included in lease revenue in the consolidated statement of operations and comprehensive income.

The weighted average amortization periods in years for the intangible assets acquired and liabilities assumed during the years ended December 31, 2020 and 2019, respectively, were as follows:

Intangible Assets & Liabilities	2020	2019
In-place leases	14.2	13.6
Leasing costs	14.2	13.6
Customer relationships	17.8	19.0
Above market leases	14.8	10.7
Below market leases	13.3	10.3
All intangible assets & liabilities	15.0	15.0

The estimated aggregate amortization expense to be recorded for in-place leases, leasing costs and customer relationships for each of the five succeeding fiscal years and thereafter is as follows, excluding real estate held for sale as of December 31, 2020 (dollars in thousands):

Year		Estimated Amortization Expense of In-Place Leases, Leasing Costs and Customer Relationships
2021	$	19,828
2022		17,890
2023		15,435
2024		13,211
2025		11,467
Thereafter		39,548
	$	117,379

The estimated aggregate rental income to be recorded for the amortization of both above and below market leases for each of the five succeeding fiscal years and thereafter is as follows, excluding real estate held for sale as of December 31, 2020 (dollars in thousands):

Year		Net Increase to Rental Income Related to Above and Below Market Leases (1)
2021	$	3,527
2022		2,575
2023		2,154
2024		2,009
2025		1,626
Thereafter		4,160
	$	16,051

(1) Does not include ground lease amortization of $176.

5. Real Estate Dispositions, Held for Sale, and Impairment Charges

Real Estate Dispositions

During the year ended December 31, 2020, we continued to execute our capital recycling program, whereby we sold properties outside of our core markets and redeployed proceeds to either fund property acquisitions in our target secondary growth markets, or repay outstanding debt. We expect to continue to execute our capital recycling plan and sell non-core properties as reasonable disposition opportunities become available. During the year ended December 31, 2020, we sold six non-core properties, located in Charlotte, North Carolina, Maple Heights, Ohio, Champaign, Illinois, and Austin, Texas, which are summarized in the table below (dollars in thousands):

Aggregate Square Footage Sold	Sales Price	Sales Costs	Gain on Sale of Real Estate, net
551,743	$ 37,532	$ 1,698	$ 8,096

Our 2020 dispositions were not classified as discontinued operations because they did not represent a strategic shift in operations, nor will they have a major effect on our operations and financial results. Accordingly, the operating results of these properties are included within continuing operations for all periods reported.

The table below summarizes the components of operating income from the real estate and related assets disposed of during the years ended December 31, 2020, 2019, and 2018, respectively (dollars in thousands):

	For the year ended December 31,		
	2020	2019	2018
Operating revenue	$ 2,703	$ 3,176	$ 3,919
Operating expense	1,534	3,697	1,609
Other income (expense), net	8,181 (1)	(54)	(586)
Income (expense) from real estate and related assets sold	$ 9,350	$ (575)	$ 1,724

(1) Includes an $8.1 million gain on sale of real estate, net.

Real Estate Held for Sale

At December 31, 2020, we had three properties classified as held for sale, located in Boston Heights, Ohio, Rancho Cordova, California, and Champaign, Illinois. We considered these assets to be non-core to our long term strategy.

At December 31, 2019, we had one property classified as held for sale, located in Charlotte, North Carolina. This property was sold during the year ended December 31, 2020.

Our assets classified as held for sale at December 31, 2020 were not classified as discontinued operations because it does not represent a strategic shift in our operations, and it does not have a major effect on our financial results.

The table below summarizes the components of income from real estate and related assets held for sale at December 31, 2020 (dollars in thousands):

	For the year ended December 31,		
	2020	2019	2018
Operating revenue	$ 1,861	$ 1,769	$ 1,288
Operating expense	2,938 (1)	985	792
Other expense, net	(388)	(364)	(394)
(Loss) income from real estate and related assets held for sale	$ (1,465)	$ 420	$ 102

(1) Includes a $1.9 million impairment charge.

The table below summarizes the components of the assets and liabilities held for sale reflected on the accompanying consolidated balance sheet (dollars in thousands):

	December 31, 2020	December 31, 2019
Assets Held for Sale		
Total real estate held for sale	$ 8,114	$ 3,990
Lease intangibles, net	384	—
Total Assets Held for Sale	$ 8,498	$ 3,990
Liabilities Held for Sale		
Asset retirement obligation	$ —	$ 21
Total Liabilities Held for Sale	$ —	$ 21

Impairment Charges

We evaluated our portfolio for triggering events to determine if any of our held and used assets were impaired during the year ended December 31, 2020 and identified three held and used assets, located in Blaine, Minnesota, Champaign, Illinois, and Rancho Cordova, California, which were impaired by an aggregate of $3.6 million during the year ended December 31, 2020 when we determined the carrying value of these assets was unrecoverable based on an undiscounted cash flow analysis. As a result, we recorded an impairment charge to reflect the fair market value of these assets. The Rancho Cordova, California property was further impaired when we classified the property as held for sale as of December 31, 2020 to record the carrying value equal to the fair value less costs of sale and recorded an impairment charge to our Rancho Cordova, California asset of $0.7 million, which is reflected in aggregate impairment charge of $3.6 million during the year ended December 31, 2020.

We classified one property as held for sale at December 31, 2019. We performed an analysis of the property classified as held for sale and compared the fair market value of the asset less selling costs against the carrying value of the asset available for sale. As a result of this analysis, we recorded an impairment charge of $1.8 million during the year ended December 31, 2019, as the fair market value minus selling costs was less than the carrying value.

Fair market value for this asset was calculated using Level 3 inputs (defined in Note 6 “Mortgage Notes Payable and Credit Facility”), which were determined using a negotiated sales price from an executed purchase and sale agreement with a third party. We continue to evaluate our properties on a quarterly basis for changes that could create the need to record impairment. Future impairment losses may result, and could be significant, should market conditions deteriorate in the markets in which we hold our assets or we are unable to secure leases at terms that are favorable to us, which could impact the estimated cash flow of our properties over the period in which we plan to hold our properties. Additionally, changes in management’s decisions to either own and lease long-term or sell a particular asset will have an impact on this analysis.

The fair values for the above properties were calculated using Level 3 inputs which were calculated using an estimated sales price, less estimated costs to sell. The estimated sales price was determined using executed purchase and sale agreements.

6. Mortgage Notes Payable and Credit Facility

Our revolving credit facility and term loan facility are collectively referred to herein as the Credit Facility.

Our mortgage notes payable and Credit Facility as of December 31, 2020 and December 31, 2019 are summarized below (dollars in thousands):

	Encumbered properties at December 31, 2020		Carrying Value at December 31, 2020	Carrying Value at December 31, 2019	Stated Interest Rates at December 31, 2020	Scheduled Maturity Dates at December 31, 2020
Mortgage and other secured loans:						
Fixed rate mortgage loans	61		$ 435,029	$ 412,771	(1)	(2)
Variable rate mortgage loans	7		24,809	45,151	(3)	(2)
Premiums and discounts, net	-		(182)	(239)	N/A	N/A
Deferred financing costs, mortgage loans, net	-		(3,479)	(3,944)	N/A	N/A
Total mortgage notes payable, net	68		$ 456,177	$ 453,739	(4)	
Variable rate revolving credit facility	50	(6)	$ 53,900	$ 52,400	LIBOR + 1.65%	7/2/2023
Deferred financing costs, revolving credit facility	-		(588)	(821)	N/A	N/A
Total revolver, net	50		$ 53,312	$ 51,579		
Variable rate term loan facility	-		$ 160,000	$ 122,300	LIBOR + 1.60%	7/2/2024
Deferred financing costs, term loan facility	-		(797)	(1,024)	N/A	N/A
Total term loan, net	N/A		$ 159,203	$ 121,276		
Total mortgage notes payable and credit facility	118		$ 668,692	$ 626,594	(5)	

(1) Interest rates on our fixed rate mortgage notes payable vary from 2.80% to 6.63%.
(2) We have 53 mortgage notes payable with maturity dates ranging from 11/1/2021 through 8/1/2037.
(3) Interest rates on our variable rate mortgage notes payable vary from one month LIBOR + 2.35% to one month LIBOR +2.75%. At December 31, 2020, one month LIBOR was approximately 0.14%.

(4) The weighted average interest rate on the mortgage notes outstanding at December 31, 2020, was approximately 4.24%.
(5) The weighted average interest rate on all debt outstanding at December 31, 2020, was approximately 3.45%.
(6) The amount we may draw under our Credit Facility is based on a percentage of the fair value of a combined pool of 50 unencumbered properties as of December 31, 2020.
N/A - Not Applicable

Mortgage Notes Payable

As of December 31, 2020, we had 53 mortgage notes payable, collateralized by a total of 68 properties with a net book value of $687.6 million. We have limited recourse liabilities that could result from any one or more of the following circumstances: a borrower voluntarily filing for bankruptcy, improper conveyance of a property, fraud or material misrepresentation, misapplication or misappropriation of rents, security deposits, insurance proceeds or condemnation proceeds, or physical waste or damage to the property resulting from a borrower's gross negligence or willful misconduct. As of December 31, 2020, we did not have any recourse mortgage. We will also indemnify lenders against claims resulting from the presence of hazardous substances or activity involving hazardous substances in violation of environmental laws on a property.

During the year ended December 31, 2020, we repaid seven mortgages collateralized by eight properties, which are summarized below (dollars in thousands):

Aggregate Fixed Rate Debt Repaid	Weighted Average Interest Rate on Fixed Rate Debt Repaid
$ 18,109	5.19 %

Aggregate Variable Rate Debt Repaid	Weighted Average Interest Rate on Variable Rate Debt Repaid
$ 19,284	LIBOR + 2.20%

During the year ended December 31, 2020, we issued six mortgages, collateralized by six properties, which are summarized below (dollars in thousands):

Aggregate Fixed Rate Debt Issued		Weighted Average Interest Rate on Fixed Rate Debt
$ 52,578	(1)	3.18 %

(1) We issued an aggregate of $18.3 million of fixed rate debt in connection with our three property portfolio acquisition on January 27, 2020, with a maturity date of February 1, 2030 and a rate of 3.625%. We issued $17.5 million of floating rate debt swapped to fixed of 2.8% in connection with our March 9, 2020 property acquisition, with a maturity date of March 9, 2030. We issued $10.3 million of fixed rate debt in connection with our December 18, 2020 property acquisition, with a maturity date of January 1, 2028 and a rate of 3.0%. We issued $6.4 million of floating rate debt swapped to fixed of 3.25% in connection with our December 21, 2020 property acquisition, with a maturity date of December 23, 2030.

Scheduled principal payments of mortgage notes payable for each of the five succeeding fiscal years and thereafter are as follows (dollars in thousands):

Year	Scheduled Principal Payments	
2021	$ 23,056	
2022	105,756	
2023	72,495	
2024	49,616	
2025	37,571	
Thereafter	171,344	
	$ 459,838	(1)

(1) This figure is does not include $(0.2) million premiums and (discounts), net, and $3.5 million of deferred financing costs, which are reflected in mortgage notes payable on the consolidated balance sheet.

We believe we will be able to address all mortgage notes payable maturing over the next 12 months through a combination of refinancing our existing indebtedness, cash from operations, proceeds from one or more equity offerings and availability on our Credit Facility.

Interest Rate Caps and Swaps

We have entered into interest rate cap agreements that cap the interest rate on certain of our variable-rate debt and we have assumed or entered into interest rate swap agreements in which we hedged our exposure to variable interest rates by agreeing to pay fixed interest rates to our respective counterparty. We have adopted the fair value measurement provisions for our financial instruments recorded at fair value. The fair value guidance establishes a three-tier value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers include: Level 1, defined as observable inputs such as quoted prices in active markets; Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions. Generally, we will estimate the fair value of our interest rate caps and interest rate swaps, in the absence of observable market data, using estimates of value including estimated remaining life, counterparty credit risk, current market yield and interest rate spreads of similar securities as of the measurement date. At December 31, 2020 and 2019, our interest rate cap and interest rate swap agreements were valued using Level 2 inputs.

The fair value of the interest rate cap agreements is recorded in other assets on our accompanying consolidated balance sheets. We record changes in the fair value of the interest rate cap agreements quarterly based on the current market valuations at quarter end. If the interest rate cap qualifies for hedge accounting, the change in the estimated fair value is recorded to accumulated other comprehensive income to the extent that it is effective, with any ineffective portion recorded to interest expense in our consolidated statements of operations and comprehensive income. If the interest rate cap does not qualify for hedge accounting, or if it is determined the hedge is ineffective, any change in the fair value is recognized in interest expense in our consolidated statements of operations and comprehensive income. The following table summarizes the interest rate caps at December 31, 2020 and 2019 (dollars in thousands):

	December 31, 2020		December 31, 2019	
Aggregate Cost	Aggregate Notional Amount	Aggregate Fair Value	Aggregate Notional Amount	Aggregate Fair Value
$ 1,537 (1)	$ 177,060	$ 9	$ 166,728	$ 250

(1) We have entered into various interest rate cap agreements on new variable rate debt with LIBOR caps ranging from 1.50% to 2.75%.

We have assumed or entered into interest rate swap agreements in connection with certain of our acquisitions, whereby we will pay our counterparty a fixed interest rate on a monthly basis, and receive payments from our counterparty equivalent to the stipulated floating rate. The fair value of our interest rate swap agreements are recorded in other liabilities on our accompanying consolidated balance sheets. We have designated our interest rate swaps as cash flow hedges, and we record changes in the fair value of the respective interest rate swap agreement to accumulated other comprehensive income on the consolidated balance sheets. We record changes in fair value on a quarterly basis, using current market valuations at quarter end. The following table summarizes our interest rate swaps at December 31, 2020 and 2019 (dollars in thousands):

December 31, 2020			December 31, 2019		
Aggregate Notional Amount	Aggregate Fair Value Asset	Aggregate Fair Value Liability	Aggregate Notional Amount	Aggregate Fair Value Asset	Aggregate Fair Value Liability
$ 68,829	$ —	$ (3,055)	$ 45,777	$ —	$ (1,173)

The following tables present the impact of our derivative instruments in the consolidated financial statements (dollars in thousands):

	Amount of loss recognized in Comprehensive Income		
	2020	2019	2018
Derivatives in cash flow hedging relationships			
Interest rate caps	$ (337)	$ (749)	$ 77
Interest rate swaps	(1,882)	(1,229)	(260)
Total	$ (2,219)	$ (1,978)	$ (183)

The following table sets forth certain information regarding our derivative instruments (dollars in thousands):

Derivatives Designated as Hedging Instruments	Balance Sheet Location	Asset (Liability) Derivatives Fair Value at December 31, 2020	December 31, 2019
Interest rate caps	Other assets	$ 9	$ 250
Interest rate swaps	Other liabilities	(3,055)	(1,173)
Total derivative liabilities, net		$ (3,046)	$ (923)

The fair value of all mortgage notes payable outstanding as of December 31, 2020 was $468.6 million, as compared to the carrying value stated above of $456.2 million. The fair value is calculated based on a discounted cash flow analysis, using management's estimate of market interest rates on long-term debt with comparable terms and loan to value ratios. The fair value was calculated using Level 3 inputs of the hierarchy established by ASC 820, "Fair Value Measurements and Disclosures."

Credit Facility

On August 7, 2013, we procured our senior unsecured revolving credit facility ("Revolver") with KeyBank National Association ("KeyBank") (serving as revolving lender, a letter of credit issuer and an administrative agent). In October 2015, we expanded our Revolver to $85.0 million and entered into a term loan facility ("Term Loan") whereby we added a $25.0 million, five-year Term Loan subject to the same leverage tiers as the Revolver, with the interest rate at each leverage tier being five basis points lower than that of the Revolver. We have the option to repay the Term Loan in full, or in part, at any time without penalty or premium prior to the maturity date.

On October 27, 2017, we amended this Credit Facility, increasing the Term Loan from $25.0 million, to $75.0 million, with the Revolver commitment remaining at $85.0 million. The Term Loan maturity date was extended to October 27, 2022, and the Revolver maturity date was extended to October 27, 2021. In connection with the amendment, the interest rate for the Credit Facility was reduced by 25 basis points at each of the leverage tiers. At the time of amendment, we entered into multiple interest rate cap agreements on the amended Term Loan, which cap LIBOR at 2.75% to hedge our exposure to variable interest rates.

On July 2, 2019, we amended, extended and upsized our Credit Facility, expanding the Term Loan from $75.0 million to $160.0 million, inclusive of a delayed draw component whereby we can incrementally borrow on the Term Loan up to the $160.0 million commitment, and increasing the Revolver from $85.0 million to $100.0 million. The Term Loan has a new five-year term, with a maturity date of July 2, 2024, and the Revolver has a new four-year term, with a maturity date of July 2, 2023. The interest rate margin for the Credit Facility was reduced by 10 basis points at each of the leverage tiers. We entered into multiple interest rate cap agreements on the amended Term Loan, which cap LIBOR ranging from 2.50% to 2.75%, to hedge our exposure to variable interest rates. We used the net proceeds derived from the amended Credit Facility to repay all previously existing borrowings under the Revolver. We incurred fees of approximately $1.3 million in connection with the Credit Facility amendment. The bank syndicate for the Credit Facility is now comprised of KeyBank, Fifth Third Bank, U.S. Bank National Association, The Huntington National Bank, Goldman Sachs Bank USA, and Wells Fargo Bank, National Association.

As of December 31, 2020, there was $213.9 million outstanding under our Credit Facility, at a weighted average interest rate of approximately 1.76% and $16.4 million outstanding under letters of credit, at a weighted average interest rate of 1.65%. As of December 31, 2020, the maximum additional amount we could draw under the Credit Facility was $19.2 million. We were in compliance with all covenants under the Credit Facility as of December 31, 2020.

The amount outstanding under the Credit Facility approximates fair value as of December 31, 2020.

7. Commitments and Contingencies

Ground Leases

We are obligated as lessee under four ground leases. Future minimum rental payments due under the terms of these leases as of December 31, 2020, are as follows (dollars in thousands):

Year	Future Lease Payments Due Under Operating Leases
2021	$ 477
2022	489
2023	492
2024	493
2025	494
Thereafter	7,305
Total anticipated lease payments	$ 9,750
Less: amount representing interest	(4,063)
Present value of lease payments	$ 5,687

Rental expense incurred for properties with ground lease obligations was $0.5 million each for the years ended December 31, 2020, 2019 and 2018. Our ground leases are treated as operating leases and rental expenses are reflected in property operating expenses on the consolidated statements of operations and comprehensive income. Our ground leases have a weighted average remaining lease term of 20.1 years and weighted average discount rate of 5.32%.

Letters of Credit

As of December 31, 2020, there was $16.4 million outstanding under letters of credit. These letters of credit are not reflected on our consolidated balance sheet.

8. Equity and Mezzanine Equity

Distributions

We paid the following distributions per share for the years ended December 31, 2020, 2019, and 2018:

	For the year ended December 31,		
	2020	2019	2018
Common Stock and Non-controlling OP Units	$ 1.5018	$ 1.5000	$ 1.5000
Senior Common Stock	1.0500	1.0500	1.0500
Series A Preferred Stock	— (1)	1.6038191 (1)	1.9374996
Series B Preferred Stock	— (1)	1.5521 (1)	1.8750
Series D Preferred Stock	1.7500	1.7500	1.7500
Series E Preferred Stock	1.656252	0.404900 (3)	—
Series F Preferred Stock	0.7500 (2)	—	—

(1) We fully redeemed our Series A and B Preferred Stock on October 28, 2019.
(2) Prior to July 1, 2020, Series F Preferred Stock distributions were declared, but not paid, as there were no Series F Preferred Stock shares outstanding on the applicable dividend record dates.
(3) We issued our Series E Preferred Stock on October 4, 2019.

For federal income tax purposes, distributions paid to stockholders may be characterized as ordinary income, capital gains, return of capital or a combination of the foregoing. The characterization of distributions during each of the last three years is reflected in the table below:

	Ordinary Income	Return of Capital	Long-Term Capital Gains
Common Stock and OP Units			
For the year ended December 31, 2018	24.46913 %	75.53087 %	— %
For the year ended December 31, 2019	44.46159 %	55.53841 %	— %
For the year ended December 31, 2020	37.28754 %	62.71246 %	— %
Senior Common Stock			
For the year ended December 31, 2018	100.00000 %	— %	— %
For the year ended December 31, 2019	100.00000 %	— %	— %
For the year ended December 31, 2020	100.00000 %	— %	— %
Series A Preferred Stock			
For the year ended December 31, 2018	100.00000 %	— %	— %
For the year ended December 31, 2019	100.00000 %	— %	— %
For the year ended December 31, 2020	— %	— %	— %
Series B Preferred Stock			
For the year ended December 31, 2018	100.00000 %	— %	— %
For the year ended December 31, 2019	100.00000 %	— %	— %
For the year ended December 31, 2020	— %	— %	— %
Series D Preferred Stock			
For the year ended December 31, 2018	100.00000 %	— %	— %
For the year ended December 31, 2019	100.00000 %	— %	— %
For the year ended December 31, 2020	100.00000 %	— %	— %
Series E Preferred Stock			
For the year ended December 31, 2018	— %	— %	— %
For the year ended December 31, 2019	100.00000 %	— %	— %
For the year ended December 31, 2020	100.00000 %	— %	— %
Series F Preferred Stock			
For the year ended December 31, 2018	— %	— %	— %
For the year ended December 31, 2019	— %	— %	— %
For the year ended December 31, 2020	100.00000 %	— %	— %

Recent Activity

Common Stock ATM Program

On December 3, 2019, we entered into an At-the-Market Equity Offering Sales Agreement (the "Common Stock Sales Agreement"), with Robert W. Baird & Co. Incorporated ("Baird"), Goldman Sachs & Co. LLC ("Goldman Sachs"), Stifel, Nicolaus & Company, Incorporated ("Stifel"), BTIG, LLC, and Fifth Third Securities, Inc. ("Fifth Third") (collectively the "Common Stock Sales Agents"), pursuant to which we may sell shares of our common stock in an aggregate offering price of up to $250.0 million (the "Common Stock ATM Program"). During the year ended December 31, 2020, we sold 2.7 million shares of common stock, raising $52.8 million in net proceeds under the Common Stock ATM Program. As of December 31, 2020, we had a remaining capacity to sell up to $183.9 million of common stock under the Common Stock Sales Agreement. The proceeds from these issuances were used to acquire real estate, repay outstanding debt and for other general corporate purposes.

Mezzanine Equity

Both our 7.00% Series D Cumulative Redeemable Preferred Stock ("Series D Preferred Stock"), and 6.625% Series E Cumulative Redeemable Preferred Stock ("Series E Preferred Stock") are classified as mezzanine equity in our consolidated balance sheet because both are redeemable at the option of the shareholder upon a change of control of greater than 50% in accordance with ASC 480-10-S99 "Distinguishing Liabilities from Equity," which requires mezzanine equity classification for preferred stock issuances with redemption features which are outside of the control of the issuer. A change in control of the Company, outside of our control, is only possible if a tender offer is accepted by over 90% of our shareholders. All other change in control situations would require input from our Board of Directors. In addition, our Series E Preferred Stock is redeemable at the option of the shareholder in the event a delisting event occurs. We will periodically evaluate the likelihood that a change of control or delisting event of greater than 50% will take place, and if we deem this probable, we would adjust the Series D Preferred Stock and Series E Preferred Stock presented in mezzanine equity to their redemption value, with the

offset to gain (loss) on extinguishment. We currently believe the likelihood of a change of control of greater than 50% is remote.

We did not have an active At-the-Market program for our Series D Preferred Stock during the year ended December 31, 2020.

Series E Preferred Stock ATM Program

We have an At-the-Market Equity Offering Sales Agreement (the "Series E Preferred Stock Sales Agreement"), with sales agents Baird, Goldman Sachs, Stifel, Fifth Third, and U.S. Bancorp Investments, Inc., pursuant to which we may, from time to time, offer to sell shares of our Series E Preferred Stock in an aggregate offering price of up to $100.0 million. We sold 0.3 million shares of our Series E Preferred Stock, raising $7.1 million in net proceeds pursuant to the Series E Preferred Stock Sales Agreement during the year ended December 31, 2020. As of December 31, 2020, we had remaining capacity to sell up to $92.8 million of Series E Preferred Stock under the Series E Preferred Stock Sales Agreement.

Universal Shelf Registration Statement

On January 11, 2019, we filed a universal registration statement on Form S-3, File No. 333-229209, and an amendment thereto on Form-S-3/A on January 24, 2019 (collectively referred to as the "Universal Shelf"). The Universal Shelf became effective on February 13, 2019 and replaced our prior universal shelf registration statement. The Universal Shelf allows us to issue up to $500.0 million of securities. As of December 31, 2020, we had the ability to issue up to $377.2 million under the Universal Shelf.

On January 29, 2020, we filed an additional universal registration statement on Form S-3, File No. 333-236143 (the "2020 Universal Shelf"). The 2020 Universal Shelf was declared effective on February 11, 2020 and is in addition to the 2019 Universal Shelf. The 2020 Universal Shelf allows us to issue up to an additional $800.0 million of securities. Of the $800.0 million of available capacity under our 2020 Universal Shelf, approximately $636.5 million is reserved for the sale of our Series F Preferred Stock. As of December 31, 2020, we had the ability to issue up to $797.1 million of securities under the 2020 Universal Shelf.

Preferred Series F Continuous Offering

On February 20, 2020, we filed with the Maryland Department of Assessments and Taxation Articles Supplementary (i) setting forth the rights, preferences and terms of the Series F Preferred Stock and (ii) reclassifying and designating 26,000,000 shares of the Company's authorized and unissued shares of common stock as shares of Series F Preferred Stock. The reclassification decreased the number of shares classified as common stock from 86,290,000 shares immediately prior to the reclassification to 60,290,000 shares immediately after the reclassification. We sold 0.1 million shares of our Series F Preferred Stock, raising $2.7 million in net proceeds during the year ended December 31, 2020. As of December 31, 2020, we had remaining capacity to sell up to $633.6 million of Series F Preferred Stock.

Amendment to Operating Partnership Agreement

In connection with the authorization of the Series F Preferred Stock in February of 2020, the Operating Partnership controlled by the Company through its ownership of GCLP Business Trust II, the general partner of the Operating Partnership, adopted the Second Amendment to its Second Amended and Restated Agreement of Limited Partnership (collectively, the "Amendment"), as amended from time to time, establishing the rights, privileges and preferences of 6.00% Series F Cumulative Redeemable Preferred Units, a newly-designated class of limited partnership interests (the "Series F Preferred Units"). The Amendment provides for the Operating Partnership's establishment and issuance of an equal number of Series F Preferred Units as are issued shares of Series F Preferred Stock by the Company in connection with the offering upon the Company's contribution to the Operating Partnership of the net proceeds of the offering. Generally, the Series F Preferred Units provided for under the Amendment have preferences, distribution rights and other provisions substantially equivalent to those of the Series F Preferred Stock.

Non-controlling Interests in Operating Partnership

As of December 31, 2020 and 2019, we owned approximately 98.6% and 98.6%, respectively, of the outstanding OP Units. On October 30, 2018, we issued 742,937 OP units as partial consideration to acquire a 218,703 square foot, two property portfolio located in Detroit, Michigan for $21.7 million. During November 2019, 263,300 OP units were redeemed for Common Stock.

On January 8, 2020, we issued 23,396 OP units as partial consideration to acquire a 64,800 square foot property located in Indianapolis, Indiana for $5.3 million.

The Operating Partnership is required to make distributions on each OP Unit in the same amount as those paid on each share of the Company's common stock, with the distributions on the OP Units held by the Company being utilized to make distributions to the Company's common stockholders.

As of December 31, 2020 and 2019, there were 503,033 and 479,637 outstanding OP Units held by Non-controlling OP Unitholders, respectively.

9. Subsequent Events

Distributions

On January 12, 2021, our Board of Directors declared the following monthly distributions for the months of January, February, and March of 2021:

Record Date	Payment Date	Common Stock and Non-controlling OP Unit Distributions per Share	Series D Preferred Distributions per Share	Series E Preferred Distributions per Share
January 22, 2021	January 29, 2021	$ 0.12515	$ 0.1458333	$ 0.138021
February 17, 2021	February 26, 2021	0.12515	0.1458333	0.138021
March 18, 2021	March 31, 2021	0.12515	0.1458333	0.138021
		$ 0.37545	$ 0.4374999	$ 0.414063

Series F Preferred Stock Distributions

Record Date	Payment Date	Distribution per Share
January 27, 2021	February 5, 2021	$ 0.125
February 24, 2021	March 5, 2021	0.125
March 24, 2021	April 5, 2021	0.125
		$ 0.375

Senior Common Stock Distributions

Payable to the Holders of Record During the Month of:	Payment Date	Distribution per Share
January	February 5, 2021	$ 0.0875
February	March 5, 2021	0.0875
March	April 5, 2021	0.0875
		$ 0.2625

Equity Activity

Subsequent to December 31, 2020 and through February 16, 2021, we raised $6.8 million in net proceeds from the sale of 0.4 million shares of common stock under our Common Stock ATM Program and $0.03 million in net proceeds from the sale of 1,200 sales of Series F Preferred Stock. We made no sales under our Series E Preferred ATM Program subsequent to December 31, 2020 and through February 16, 2021.

Acquisition Activity

On January 22, 2021, we purchased a 180,152 square foot industrial property in Findlay, Ohio for $11.1 million. This property is fully leased to one tenant on a 14.2 year lease.

Financing Activity

On January 22, 2021, we issued $5.5 million of floating rate debt swapped to a fixed rate of 3.24% in connection with the industrial property acquisition on the same date, with a maturity date of February 15, 2031.

On February 11, 2021, we added a new $65.0 million term loan component to our Credit Facility, inclusive of a $15.0 million delayed funding component. The New Term Loan has a maturity date of 60 months from the closing of the amended Credit Facility and a London Inter-bank Offered Rate floor of 25 basis points.

GLADSTONE COMMERCIAL CORPORATION
SCHEDULE III—REAL ESTATE AND ACCUMULATED DEPRECIATION
DECEMBER 31, 2020 (Dollars in Thousands)

		Initial Cost			Total Cost						
Location of Property	Encumbrances	Land	Buildings & Improvements	Improvement Costs Capitalized Subsequent to Acquisition	Land	Buildings & Improvements	Total (1)	Accumulated Depreciation (2)	Net Real Estate (3)	Year Construction/ Improvements	Date Acquired
Raleigh, North Carolina (4)											
Office Building	$ —	$ 960	$ 4,481	$ 1,039	$ 960	$ 5,520	$ 6,480	$ 2,409	$ 4,071	1997	12/23/2003
Canton, Ohio (4)											
Office Building	—	186	3,083	500	187	3,582	3,769	1,658	2,111	1994	1/30/2004
Akron, Ohio (4)											
Office Building	—	1,973	6,771	3,107	1,974	9,877	11,851	3,653	8,198	1968/1999	4/29/2004
Canton, North Carolina											
Industrial Building	3,123	150	5,050	7,285	150	12,335	12,485	3,298	9,187	1998/2014	7/6/2004
Crenshaw, Pennsylvania (4)											
Industrial Building	—	100	6,574	269	100	6,843	6,943	2,903	4,040	1991	8/5/2004
Lexington, North Carolina (4)											
Industrial Building	—	820	2,107	69	820	2,176	2,996	954	2,042	1986	8/5/2004
Mt. Pocono, Pennsylvania (4)											
Industrial Building	—	350	5,819	18	350	5,837	6,187	2,463	3,724	1995/1999	10/15/2004
San Antonio, Texas (4)											
Office Building	—	843	7,514	2,240	843	9,754	10,597	3,964	6,633	1999	2/10/2005
Big Flats, New York											
Industrial Building	2,049	275	6,459	515	275	6,974	7,249	2,632	4,617	2001	4/15/2005
Wichita, Kansas (4)											
Office Building	—	1,525	9,703	327	1,525	10,030	11,555	4,138	7,417	2000	5/18/2005
Eatontown, New Jersey											
Office Building	2,574	1,351	3,520	534	1,351	4,054	5,405	1,700	3,705	1991	7/7/2005
Duncan, South Carolina (4)											
Industrial Building	—	783	10,790	1,889	783	12,679	13,462	4,919	8,543	1984/2001/2007	7/14/2005
Duncan, South Carolina (4)											
Industrial Building	—	195	2,682	470	195	3,152	3,347	1,223	2,124	1984/2001/2007	7/14/2005
Clintonville, Wisconsin (4)											
Industrial Building	—	55	4,717	3,250	55	7,967	8,022	2,665	5,357	1992/2013	10/31/2005
Richmond, Virginia (4)											
Office Building	—	736	5,336	486	736	5,822	6,558	2,207	4,351	1972	12/30/2005
Champaign, Illinois (5)											
Office Building	—	687	2,036	(1,057)	326	1,340	1,666	754	912	1996	2/21/2006
Burnsville, Minnesota											
Office Building	7,764	3,511	8,746	7,329	3,511	16,075	19,586	6,654	12,932	1984	5/10/2006
Menomonee Falls, Wisconsin (4)											
Industrial Building	—	625	6,911	686	625	7,597	8,222	2,914	5,308	1986/2000	6/30/2006
Baytown, Texas (4)											
Medical Office Building	—	221	2,443	2,478	221	4,921	5,142	1,931	3,211	1997	7/11/2006
Mason, Ohio											
Office Building	3,560	797	6,258	725	797	6,983	7,780	2,792	4,988	2002	1/5/2007
Raleigh, North Carolina (4)											
Industrial Building	—	1,606	5,513	4,148	1,606	9,661	11,267	3,576	7,691	1994	2/16/2007
Tulsa, Oklahoma											
Industrial Building	—	—	14,057	548	—	14,605	14,605	5,872	8,733	2004	3/1/2007
Hialeah, Florida											
Industrial Building	—	3,562	6,672	769	3,562	7,441	11,003	2,697	8,306	1956/1992	3/9/2007
Mason, Ohio (4)											
Retail Building	—	1,201	4,961	—	1,201	4,961	6,162	1,749	4,413	2007	7/1/2007
Cicero, New York (4)											
Industrial Building	—	299	5,019	—	299	5,019	5,318	1,714	3,604	2005	9/6/2007
Grand Rapids, Michigan											
Office Building	4,886	1,629	10,500	308	1,629	10,808	12,437	3,819	8,618	2001	9/28/2007
Bolingbrook, Illinois (4)											
Industrial Building	—	1,272	5,003	991	1,272	5,994	7,266	2,287	4,979	2002	9/28/2007
Decatur, Georgia (4)											
Medical Office Building	—	783	3,241	—	783	3,241	4,024	1,140	2,884	1989	12/13/2007
Decatur, Georgia (4)											
Medical Office Building	—	205	847	—	205	847	1,052	298	754	1989	12/13/2007
Decatur, Georgia (4)											
Medical Office Building	—	257	1,062	—	257	1,062	1,319	374	945	1989	12/13/2007
Lawrenceville, Georgia (4)											

Location of Property	Encumbrances	Initial Cost		Improvement Costs Capitalized Subsequent to Acquisition	Total Cost			Accumulated Depreciation (2)	Net Real Estate (3)	Year Construction/ Improvements	Date Acquired
		Land	Buildings & Improvements		Land	Buildings & Improvements	Total (1)				
Medical Office Building	—	678	2,807	—	678	2,807	3,485	988	2,497	2005	12/13/2007
Snellville, Georgia (4)											
Medical Office Building	—	176	727	—	176	727	903	256	647	1986	12/13/2007
Covington, Georgia (4)											
Medical Office Building	—	232	959	—	232	959	1,191	338	853	2000	12/13/2007
Conyers, Georgia (4)											
Medical Office Building	—	296	1,228	—	296	1,228	1,524	432	1,092	1994	12/13/2007
Cumming, Georgia											
Medical Office Building	2,634	738	3,055	2,524	741	5,576	6,317	1,621	4,696	2004	12/13/2007
Reading, Pennsylvania											
Industrial Building	3,337	491	6,202	—	491	6,202	6,693	2,062	4,631	2007	1/29/2008
Fridley, Minnesota											
Office Building	4,380	1,354	8,074	1,768	1,383	9,813	11,196	3,390	7,806	1985/2006	2/26/2008
Pineville, North Carolina											
Industrial Building	1,940	669	3,028	293	669	3,321	3,990	1,097	2,893	1985	4/30/2008
Marietta, Ohio											
Industrial Building	4,734	829	6,607	529	829	7,136	7,965	2,265	5,700	1992/2007	8/29/2008
Chalfont, Pennsylvania											
Industrial Building	4,275	1,249	6,420	854	1,249	7,274	8,523	2,365	6,158	1987	8/29/2008
Orange City, Iowa											
Industrial Building	5,353	258	5,861	6	258	5,867	6,125	1,843	4,282	1990	12/15/2010
Hickory, North Carolina											
Office Building	5,728	1,163	6,605	357	1,163	6,962	8,125	2,911	5,214	2008	4/4/2011
Springfield, Missouri (4)											
Office Building	—	1,700	12,038	924	1,845	12,817	14,662	3,600	11,062	2006	6/20/2011
Boston Heights, Ohio											
Office Building	2,263	449	3,010	10	449	3,020	3,469	1,145	2,324	2011	10/20/2011
Parsippany, New Jersey (4)											
Office Building	—	1,696	7,077	252	1,696	7,329	9,025	2,454	6,571	1984	10/28/2011
Dartmouth, Massachusetts											
Retail Location	3,304	—	4,236	—	—	4,236	4,236	1,078	3,158	2011	11/18/2011
Springfield, Missouri											
Retail Location	1,222	—	2,275	—	—	2,275	2,275	742	1,533	2005	12/13/2011
Pittsburgh, Pennsylvania											
Office Building	2,326	281	3,205	743	281	3,948	4,229	1,271	2,958	1968	12/28/2011
Ashburn, Virginia											
Office Building	6,052	706	7,858	—	705	7,859	8,564	2,314	6,250	2002	1/25/2012
Ottumwa, Iowa											
Industrial Building	2,708	212	5,072	310	212	5,382	5,594	1,515	4,079	1970	5/30/2012
New Albany, Ohio											
Office Building	6,908	1,658	8,746	—	1,658	8,746	10,404	2,760	7,644	2007	6/5/2012
Columbus, Georgia											
Office Building	3,779	1,378	4,520	—	1,378	4,520	5,898	1,592	4,306	2012	6/21/2012
Columbus, Ohio (4)											
Office Building	—	542	2,453	134	542	2,587	3,129	993	2,136	1981	6/28/2012
Jupiter, Florida (4)											
Office Building	—	1,160	11,994	—	1,160	11,994	13,154	3,026	10,128	2011	9/26/2012
Fort Worth, Texas											
Industrial Building	10,321	963	15,647	—	963	15,647	16,610	3,881	12,729	2005	11/8/2012
Columbia, South Carolina											
Office Building	14,890	1,905	20,648	438	1,905	21,086	22,991	7,224	15,767	2010	11/21/2012
Egg Harbor, New Jersey											
Office Building	2,949	1,627	3,017	315	1,627	3,332	4,959	964	3,995	1985	3/28/2013
Vance, Alabama (4)											
Industrial Building	—	457	10,529	6,692	457	17,221	17,678	3,440	14,238	2013	5/9/2013
Blaine, Minnesota (5)											
Office Building	7,193	1,060	10,518	(1,702)	842	9,034	9,876	3,327	6,549	2009	5/10/2013
Austin, Texas											
Office Building	30,827	2,330	44,021	134	2,330	44,155	46,485	16,922	29,563	1999	7/9/2013
Allen, Texas											
Office Building	7,620	2,699	7,945	1,467	2,699	9,412	12,111	3,357	8,754	1998	7/10/2013
Englewood, Colorado (4)											
Office Building	—	1,503	11,739	208	1,503	11,947	13,450	3,652	9,798	2008	12/11/2013
Novi, Michigan											
Industrial Building	3,701	352	5,626	—	352	5,626	5,978	1,365	4,613	1988	12/27/2013
Allen, Texas											
Retail Building	2,728	874	3,634	—	874	3,634	4,508	849	3,659	2004	3/27/2014
Colleyville, Texas											

Location of Property	Encumbrances	Initial Cost		Improvement Costs Capitalized Subsequent to Acquisition	Total Cost			Accumulated Depreciation (2)	Net Real Estate (3)	Year Construction/ Improvements	Date Acquired
		Land	Buildings & Improvements		Land	Buildings & Improvements	Total (1)				
Retail Building	2,518	1,277	2,424	—	1,277	2,424	3,701	591	3,110	2000	3/27/2014
Rancho Cordova, California (5)											
Office Building	4,486	752	6,176	(541)	641	5,746	6,387	1,509	4,878	1986	4/22/2014
Coppell, Texas											
Retail Building	2,900	1,448	3,349	—	1,448	3,349	4,797	765	4,032	2005	5/8/2014
Columbus, Ohio (4)											
Office Building	—	990	8,017	2,860	990	10,877	11,867	3,058	8,809	1986	5/13/2014
Taylor, Pennsylvania											
Industrial Building	21,600	3,101	25,405	1,248	3,101	26,653	29,754	5,283	24,471	2000/2006	6/9/2014
Aurora, Colorado (4)											
Industrial Building	—	2,882	3,917	96	2,882	4,013	6,895	1,028	5,867	1983	7/1/2014
Indianapolis, Indiana											
Office Building	5,455	502	6,422	1,859	498	8,285	8,783	2,152	6,631	1981/2014	9/3/2014
Denver, Colorado (4)											
Industrial Building	—	1,621	7,071	243	1,621	7,314	8,935	1,646	7,289	1985	10/31/2014
Monroe, Michigan											
Industrial Building	9,632	658	14,607	—	657	14,608	15,265	2,761	12,504	2004	12/23/2014
Monroe, Michigan											
Industrial Building	6,742	460	10,225	—	460	10,225	10,685	1,933	8,752	2004	12/23/2014
Richardson, Texas											
Office Building	12,991	2,728	15,372	1,135	2,728	16,507	19,235	4,086	15,149	1985/2008	3/6/2015
Birmingham, Alabama (4)											
Office Building	—	650	2,034	60	650	2,094	2,744	567	2,177	1982/2010	3/20/2015
Dublin, Ohio											
Office Building	3,800	1,338	5,058	1,086	1,338	6,144	7,482	1,374	6,108	1980/Various	5/28/2015
Draper, Utah											
Office Building	11,930	3,248	13,129	74	3,248	13,203	16,451	2,998	13,453	2008	5/29/2015
Hapeville, Georgia											
Office Building	6,845	2,272	8,778	263	2,272	9,041	11,313	1,801	9,512	1999/2007	7/15/2015
Villa Rica, Georgia											
Industrial Building	3,477	293	5,277	18	293	5,295	5,588	1,030	4,558	2000/2014	10/20/2015
Taylorsville, Utah											
Office Building	8,867	3,008	10,659	435	3,008	11,094	14,102	2,703	11,399	1997	5/26/2016
Fort Lauderdale, Florida											
Office Building	12,625	4,117	15,516	3,378	4,117	18,894	23,011	3,664	19,347	1984	9/12/2016
King of Prussia, Pennsylvania											
Office Building	14,401	3,681	15,739	473	3,681	16,212	19,893	2,918	16,975	2001	12/14/2016
Conshohocken, Pennsylvania											
Office Building	10,095	1,996	10,880	—	1,996	10,880	12,876	1,532	11,344	1996	6/22/2017
Philadelphia, Pennsylvania											
Industrial Building	14,924	5,896	16,282	27	5,906	16,299	22,205	2,669	19,536	1994/2011	7/7/2017
Maitland, Florida											
Office Building	15,356	3,073	19,661	431	3,091	20,074	23,165	3,714	19,451	1998	7/31/2017
Maitland, Florida											
Office Building	7,699	2,095	9,339	—	2,095	9,339	11,434	1,328	10,106	1999	7/31/2017
Columbus, Ohio											
Office Building	8,939	1,926	11,410	(1)	1,925	11,410	13,335	1,723	11,612	2007	12/1/2017
Salt Lake City, Utah (4)											
Office Building	—	4,446	9,938	771	4,446	10,709	15,155	1,606	13,549	2007	12/1/2017
Vance, Alabama (4)											
Industrial Building	—	459	12,224	44	469	12,258	12,727	1,260	11,467	2018	3/9/2018
Columbus, Ohio											
Industrial Building	4,524	681	6,401	—	681	6,401	7,082	756	6,326	1990	9/20/2018
Detroit, Michigan											
Industrial Building	6,389	1,458	10,092	10	1,468	10,092	11,560	793	10,767	1997	10/30/2018
Detroit, Michigan (4)											
Industrial Building	—	662	6,681	10	672	6,681	7,353	534	6,819	2002/2016	10/30/2018
Lake Mary, Florida											
Office Building	10,316	3,018	11,756	87	3,020	11,841	14,861	1,023	13,838	1997/2018	12/27/2018
Moorestown, New Jersey (4)											
Industrial Building	—	471	1,825	—	471	1,825	2,296	213	2,083	1991	2/8/2019
Indianapolis, Indiana (4)											
Industrial Building	—	255	2,809	—	255	2,809	3,064	203	2,861	1989/2019	2/28/2019
Ocala, Florida (4)											
Industrial Building	—	1,286	8,535	—	1,286	8,535	9,821	505	9,316	2001	4/5/2019
Ocala, Florida (4)											
Industrial Building	—	725	4,814	253	725	5,067	5,792	285	5,507	1965/2007	4/5/2019
Delaware, Ohio (4)											

Location of Property	Encumbrances	Initial Cost		Improvement Costs Capitalized Subsequent to Acquisition	Total Cost			Accumulated Depreciation (2)	Net Real Estate (3)	Year Construction/ Improvements	Date Acquired
		Land	Buildings & Improvements		Land	Buildings & Improvements	Total (1)				
Industrial Building	—	316	2,355	—	316	2,355	2,671	165	2,506	2005	4/30/2019
Tifton, Georgia											
Industrial Building	8,467	—	15,190	1,725	1,725	15,190	16,915	785	16,130	1995/2003	6/18/2019
Denton, Texas (4)											
Industrial Building	—	1,497	4,151	—	1,496	4,152	5,648	262	5,386	2012	7/30/2019
Temple, Texas (4)											
Industrial Building	—	200	4,335	65	200	4,400	4,600	225	4,375	1973/2006	9/26/2019
Temple, Texas (4)											
Industrial Building	—	296	6,425	99	296	6,524	6,820	334	6,486	1978/2006	9/26/2019
Indianapolis, Indiana (4)											
Industrial Building	—	1,158	5,162	4	1,162	5,162	6,324	354	5,970	1967/1998	11/14/2019
Jackson, Tennessee											
Industrial Building	4,656	311	7,199	—	311	7,199	7,510	250	7,260	2019	12/16/2019
Carrollton, Georgia											
Industrial Building	4,138	291	6,720	—	292	6,719	7,011	225	6,786	2015/2019	12/17/2019
New Orleans, Louisiana											
Industrial Building	3,706	2,168	4,667	(2)	2,166	4,667	6,833	256	6,577	1975	12/17/2019
San Antonio, Texas											
Industrial Building	3,804	775	6,877	(2)	773	6,877	7,650	268	7,382	1985	12/17/2019
Port Allen, Louisiana											
Industrial Building	2,819	292	3,411	(2)	291	3,410	3,701	168	3,533	1983/2005	12/17/2019
Albuquerque, New Mexico											
Industrial Building	1,824	673	2,291	(3)	671	2,290	2,961	93	2,868	1998/2017	12/17/2019
Tucson, Arizona											
Industrial Building	3,414	819	4,636	(2)	817	4,636	5,453	176	5,277	1987/1995/2005	12/17/2019
Albuquerque, New Mexico											
Industrial Building	3,453	818	5,219	(4)	815	5,218	6,033	195	5,838	2000/2018	12/17/2019
Indianapolis, Indiana (4)											
Industrial Building	—	489	3,956	206	493	4,158	4,651	137	4,514	1987	1/8/2020
Houston, Texas											
Industrial Building	9,772	1,714	14,170	3	1,717	14,170	15,887	385	15,502	2000/2018	1/27/2020
Charlotte, North Carolina											
Industrial Building	5,279	1,458	6,778	4	1,461	6,779	8,240	234	8,006	1995/1999/2006	1/27/2020
St. Charles, Missouri											
Industrial Building	2,920	924	3,749	4	928	3,749	4,677	105	4,572	2012	1/27/2020
Crandall, Georgia											
Industrial Building	17,224	2,711	26,632	115	2,711	26,747	29,458	641	28,817	2020	3/9/2020
Terre Haute, Indiana (4)											
Industrial Building	—	502	8,076	—	502	8,076	8,578	81	8,497	2010	9/1/2020
Montgomery, Alabama (4)											
Industrial Building	—	599	11,290	3	602	11,290	11,892	96	11,796	1990/1997	10/14/2020
Huntsville, Alabama											
Industrial Building	10,348	1,445	15,040	—	1,445	15,040	16,485	21	16,464	2001	12/18/2020
Pittsburgh, Pennsylvania											
Industrial Building	6,375	1,422	10,094	—	1,422	10,094	11,516	13	11,503	1994	12/21/2020
	$ 459,838	$ 142,993	$ 925,501	$ 71,711	$ 144,269	$ 995,936	$ 1,140,205	$ 231,876	$ 908,329		

(1) The aggregate cost for land and building improvements for federal income tax purposes is the same as the total gross cost of land, building improvements and acquisition costs capitalized for asset acquisitions under ASC 360, which is $1,140.2 million.

(2) Depreciable life of all buildings is the shorter of the useful life of the asset or 39 years. Depreciable life of all improvements is the shorter of the useful life of the assets or the life of the respective leases on each building, which range from 5-20 years.

(3) The net real estate figure includes real estate held for sale as of December 31, 2020 of $8.1 million.

(4) These properties are in our unencumbered pool of assets on our Credit Facility.

(5) These properties were impaired during the year ended December 31, 2020.

The following table reconciles the change in the balance of real estate during the years ended December 31, 2020, 2019 and 2018, respectively (in thousands):

	2020	2019	2018
Balance at beginning of period	$ 1,064,389	$ 949,822	$ 906,850
Additions:			
Acquisitions during period	111,049	108,972	53,432
Improvements	11,696	10,580	4,824
Deductions:			
Dispositions during period	(43,383)	(3,172)	(15,284)
Impairments during period	(3,546)	(1,813)	—
Balance at end of period	$ 1,140,205 (1)	$ 1,064,389 (2)	$ 949,822 (3)

(1) The real estate figure includes $11.5 million of real estate held for sale as of December 31, 2020.
(2) The real estate figure includes $7.4 million of real estate held for sale as of December 31, 2019.
(3) The real estate figure includes $3.2 million of real estate held for sale as of December 31, 2018.

The following table reconciles the change in the balance of accumulated depreciation during the years ended December 31, 2020, 2019 and 2018, respectively (in thousands):

	2020	2019	2018
Balance at beginning of period	$ 210,944	$ 178,475	$ 153,387
Additions during period	36,034	32,838	29,915
Dispositions during period	(15,102)	(369)	(4,827)
Balance at end of period	$ 231,876 (1)	$ 210,944 (2)	$ 178,475 (3)

(1) The accumulated depreciation figure includes $3.4 million of real estate held for sale as of December 31, 2020.
(2) The accumulated depreciation figure includes $3.4 million of real estate held for sale as of December 31, 2019.
(3) The accumulated depreciation figure includes $0.2 million of real estate held for sale as of December 31, 2018.

Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure.

None.

Item 9A. Controls and Procedures.

a) Evaluation of Disclosure Controls and Procedures

As of December 31, 2020, our management, including our chief executive officer and chief financial officer, evaluated the effectiveness of the design and operation of our disclosure controls and procedures. Based on that evaluation, the chief executive officer and chief financial officer, concluded that our disclosure controls and procedures were effective as of December 31, 2020 in providing a reasonable level of assurance that information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in applicable SEC rules and forms, including providing a reasonable level of assurance that information required to be disclosed by us in such reports is accumulated and communicated to our management, including our chief executive officer and our chief financial officer, as appropriate to allow timely decisions regarding required disclosure. However, in evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated can provide only reasonable assurance of necessarily achieving the desired control objectives, and management was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

b) Management's Annual Report on Internal Control Over Financial Reporting

Refer to Management's Report on Internal Controls over Financial Reporting located in Item 8 of this Annual Report on Form 10-K.

c) Attestation Report of the Registered Public Accounting Firm

Refer to the Report of Independent Registered Public Accounting Firm located in Item 8 of this Annual Report on Form 10-K.

d) Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during the quarter ended December 31, 2020 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information.

None.

PART III

We will file a definitive Proxy Statement for our 2021 Annual Meeting of Stockholders (the "2021 Proxy Statement") with the SEC, pursuant to Regulation 14A, not later than 120 days after December 31, 2020. Accordingly, certain information required by Part III has been omitted under General Instruction G(3) to Form 10-K. Only those sections of the 2021 Proxy Statement that specifically address the items set forth herein are incorporated by reference.

Item 10. Directors, Executive Officers and Corporate Governance.

The information required by Item 10 is hereby incorporated by reference from our 2021 Proxy Statement under the captions "*Election of Directors to Class of 2024,*" "*Information Regarding the Board of Directors and Corporate Governance,*" "*Compensation Committee Report,*" "*Executive Officers*," and sub-caption "*Code of Business Conduct and Ethics,*" as well as from the information disclosed under the caption "Code of Ethics" included in Part I, item 1 of this Annual Report on Form 10-K.

Item 11. Executive Compensation.

The information required by Item 11 is hereby incorporated by reference from our 2021 Proxy Statement under the captions "*Executive Compensation,*" "*Director Compensation,*" and "*Compensation Committee Report,*" and sub-caption "*Compensation Committee Interlocks and Insider Participation.*"

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

The information required by Item 12 is hereby incorporated by reference from our 2021 Proxy Statement under the caption "*Security Ownership of Certain Beneficial Owners and Management.*"

Item 13. Certain Relationships and Related Transactions, and Director Independence.

The information required by Item 13 is hereby incorporated by reference from our 2021 Proxy Statement under the captions "*Transactions with Related Persons*" and "*Information Regarding the Board of Directors and Corporate Governance.*"

Item 14. Principal Accountant Fees and Services.

The information required by Item 14 is hereby incorporated by reference from our 2021 Proxy Statement under the sub-captions "*Independent Registered Public Accounting Firm Fees*" and "*Pre-Approval Policy and Procedures*" under the caption "*Ratification of Selection of Independent Registered Public Accounting Firm.*"

PART IV

Item 15. Exhibits and Financial Statement Schedules.

a. DOCUMENTS FILED AS PART OF THIS REPORT

1 The following financial statements are filed herewith:

Report of Management on Internal Controls over Financial Reporting
Report of Independent Registered Public Accounting Firm
Consolidated Balance Sheets as of December 31, 2020 and 2019
Consolidated Statements of Operations and Comprehensive Income for the years ended December 31, 2020, 2019 and 2018
Consolidated Statements of Stockholders' Equity for the years ended December 31, 2020, 2019 and 2018
Consolidated Statements of Cash Flows for the years ended December 31, 2020, 2019 and 2018
Notes to Consolidated Financial Statements

2 Financial statement schedules

Schedule III – Real Estate and Accumulated Depreciation is filed herewith.
All other schedules are omitted because they are not applicable, or because the required information is included in the financial statements or notes thereto.

3 Exhibits

The following exhibits are filed as part of this report or hereby incorporated by reference to exhibits previously filed with the SEC:

Exhibit Index

Exhibit Number	Exhibit Description
3.1	Articles of Restatement, incorporated by reference to Exhibit 3.2 to the Registrant's Current Report on Form 8-K (File No. 001-33097), filed January 12, 2017.
3.2	Articles Supplementary, incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K (File No. 001-33097), filed April 12, 2018.
3.3	Articles of Amendment, incorporated by reference to Exhibit 3.2 to the Registrant's Current Report on Form 8-K (File No. 001-33097), filed April 12, 2018.
3.4	Articles Supplementary for 6.625% Series E Cumulative Redeemable Preferred Stock, incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K (File No. 001-33097), filed on September 27, 2019.
3.5	Articles Supplementary, incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K (File No. 001-33097), filed December 3, 2019.

3.6	Bylaws of the Registrant, incorporated by reference to Exhibit 3.2 to the Registrant's Registration Statement on Form S-11 (File No. 333-106024), filed June 11, 2003.
3.7	First Amendment to Bylaws of the Registrant, incorporated by reference to Exhibit 99.1 to the Registrant's Current Report on Form 8-K (File No. 001-33097), filed July 10, 2007.
3.8	Second Amendment to Bylaws of the Registrant, incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K (File No. 001-33097), filed December 1, 2016.
3.9	Articles Supplementary for 6.00% Series F Cumulative Redeemable Preferred Stock, incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K (File No. 001-33097), filed February 20, 2020.
4.1	Form of Certificate for Common Stock of the Registrant, incorporated by reference to Exhibit 4.1 to Pre-Effective Amendment No. 2 to the Registrant's Registration Statement on Form S-11 (File No. 333-106024), filed August 8, 2003.
4.2	Form of Certificate for 7.00% Series D Cumulative Redeemable Preferred Stock of the Registrant, incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K (File No. 001-33097), filed May 25, 2016.
4.3	Form of Certificate for 6.625% Series E Cumulative Redeemable Preferred Stock of the Registrant, incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K (File No. 001-33097), filed September 27, 2019.
4.4	Form of Certificate for 6.00% Series F Cumulative Redeemable Preferred Stock of the Registrant, incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K (File No. 001-33097), filed February 20, 2020.
4.5	Form of Indenture, incorporated by reference to Exhibit 4.6 to the Registrant's Registration Statement on Form S-3 (File No. 333-229209), filed January 11, 2019.
4.6	Form of Indenture, incorporated by reference to Exhibit 4.7 to the Registrant's Registration Statement on Form S-3 (File No. 333-236143), filed January 29, 2020.
4.7	Description of the Registrant's securities registered pursuant to Section 12 of the Exchange Act (filed herewith).
10.1	Administration Agreement between the Registrant and Gladstone Administration, LLC, dated January 1, 2007, incorporated by reference to Exhibit 99.2 to the Registrant's Current Report on Form 8-K (File No. 001-33097), filed January 3, 2007.
10.2	Loan Agreement between NH10 CUMMING GA LLC, D08 MARIETTA OH LLC, MPI06 MASON OH LLC, SRFF08 READING PA, L.P., RPT08 PINEVILLE NC, L.P., IPA12 ASHBURN VA SPE LLC, and FTCH107 GRAND RAPIDS MI LLC and KeyBank National Association, incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K (File No. 001-33097), filed October 3, 2012.
10.3	Promissory Note in favor of KeyBank National Association, dated as of October 1, 2012 (File No. 001-33097), incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K (File No. 001-33097), filed October 3, 2012.
10.4	Guaranty Agreement, effective as of October 1, 2012 between the Registrant and KeyBank National Association, incorporated by reference to Exhibit 10.3 to the Registrant's Current Report on Form 8-K (File No. 001-33097), filed October 3, 2012.
10.5	Unconditional Guaranty of Payment and Performance, dated as of August 7, 2013, by the Registrant, AL13 Brookwood LLC, CMS06-3 LLC, EI07 Tewksbury MA LLC, NJT06 Sterling Heights MI LLC, RB08 Concord OH LLC, DBPI07 Bolingbrook IL LLC, RCOG07 Georgia LLC, APML07 Hialeah FL LLC for the benefit of KeyBank National Association, incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K (File No. 001-33097), filed August 9, 2013.
10.6	Controlled Equity OfferingSM Sales Agreement, dated June 22, 2016, by and among the Registrant, Gladstone Commercial Limited Partnership, and Cantor Fitzgerald & Co., incorporated by reference to Exhibit 1.1 to the Registrant's Current Report on Form 8-K (File No. 001-33097), filed June 23, 2016.
10.7	Second Amended and Restated Credit Agreement, dated as of October 27, 2017 by and among Gladstone Commercial Limited Partnership, as borrower, Gladstone Commercial Corporation and certain of its wholly owned subsidiaries, as guarantors, each of the financial institutions initially a signatory thereto together with their successors and assignees, as lenders, and KeyBank National Association, as lender and agent, incorporated by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q (File No. 001-33097), filed October 31, 2017.
10.8	First Amendment to Second Amended and Restated Credit Agreement and Other Loan Documents, dated as of July 2, 2019 by and among Gladstone Commercial Limited Partnership, as borrower, Gladstone Commercial Corporation and certain of its wholly owned subsidiaries, as guarantors, each of the financial institutions initially a signatory thereto together with their successors and assignees, as lenders, and KeyBank National Association, as lender and agent, incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K (File No. 001-33097), filed July 9, 2019

10.9	Second Amended and Restated Agreement of Limited Partnership of Gladstone Commercial Limited Partnership, incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K (File No. 001-33097), filed July 11, 2018.
10.10	Exhibit SEP to Second Amended and Restated Agreement of Limited Partnership of Gladstone Commercial Limited Partnership: Designation of 6.625% Series E Cumulative Redeemable Preferred Units, incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K (File No. 001-33097), filed September 27, 2019.
10.11	First Amendment to Second Amended and Restated Agreement of Limited Partnership of Gladstone Commercial Operating Partnership, dated December 2, 2019, incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K (File No. 001-33097), filed December 3, 2019.
10.12	Fifth Amended and Restated Investment Advisory Agreement, dated as of January 8, 2019, by and between the Registrant and Gladstone Management Corporation, incorporated by reference to Exhibit 10.23 to the Registrant's Annual Report on Form 10-K (File No. 001-33097), filed February 13, 2019.
10.13	At-the-Market Equity Offering Sales Agreement, dated December 3, 2019, by and among Gladstone Commercial Corporation, Gladstone Commercial Limited Partnership, and Robert W. Baird & Co. Incorporated, Goldman Sachs & Co. LLC, Stifel, Nicolaus & Company, Incorporated, BTIG, LLC, and Fifth Third Securities, Inc. (Common Shares), incorporated by reference to Exhibit 1.1 to the Registrant's Current Report on Form 8-K (File No. 001-33097), filed December 3, 2019.
10.14	At-the-Market Equity Offering Sales Agreement, dated December 3, 2019, by and among Gladstone Commercial Corporation, Gladstone Commercial Limited Partnership, and Robert W. Baird & Co. Incorporated, Goldman Sachs & Co. LLC, Stifel, Nicolaus & Company, Incorporated, Fifth Third Securities, Inc. and U.S. Bancorp Investments, Inc. (Series E Preferred Shares), incorporated by reference to Exhibit 1.2 to the Registrant's Current Report on Form 8-K (File No. 001-33097), filed December 3, 2019.
10.15	Second Amendment to the Second Amended and Restated Agreement of Limited Partnership of Gladstone Commercial Limited Partnership, including Exhibit SFP thereto, incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K (File No. 001-33097), filed February 20, 2020.
10.16	Escrow Agreement, dated as of February 20, 2020, by and between Gladstone Commercial Corporation and UMB Bank, National Association, incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Escrow Agreement, dated as of February 20, 2020, by and between Gladstone Commercial Corporation and UMB Bank, National Association, incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K (File No. 001-33097), filed February 20, 2020. 8-K (File No. 001-33097), filed February 20, 2020.
10.17	Sixth Amended and Restated Investment Advisory Agreement, dated as of July 14, 2020, by and between the Registrant and Gladstone Management Corporation. incorporated by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q (File No. 001-33097), filed July 27, 2020.
10.18	Third Amended and Restated Credit Agreement and Other Loan Documents, dated as of February 11, 2021, by and among Gladstone Commercial Limited Partnership, as borrower, Gladstone Commercial Corporation and certain of its wholly owned subsidiaries, as guarantors, each of the financial institutions initially a signatory thereto together with their successors and assignees, as lenders, and KeyBank National Association, as lender and agent (filed herewith).
21	List of Subsidiaries of the Registrant (filed herewith).
23	Consent of PricewaterhouseCoopers LLP (filed herewith).
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith).
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith).
32.1	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith).
32.2	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith).
99.1	Estimated Value Methodology for Series F Cumulative Redeemable Preferred Stock and Senior Common Stock as of December 31, 2020.
101.INS*	XBRL Instance Document
101.SCH*	XBRL Taxonomy Extension Schema Document
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF*	XBRL Definition Linkbase

104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Attached as Exhibit 101 to this Annual Report on Form 10-K are the following materials, formatted in XBRL (eXtensible Business Reporting Language): (i) the Consolidated Balance Sheets as of December 31, 2020 and December 31, 2019, (ii) the Consolidated Statements of Operations and Comprehensive Income for the years ended December 31, 2020, 2019 and 2018, (iii) the Consolidated Statements of Stockholders' Equity for the years ended December 31, 2020, 2019 and 2018, (iv) the Consolidated Statements of Cash Flows for the years ended December 31, 2020, 2019 and 2018 and (v) the Notes to Consolidated Financial Statements.

Item 16. Form 10-K Summary.

Not applicable.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Gladstone Commercial Corporation

Date:	February 16, 2021	By:	/s/ Michael Sodo
			Michael Sodo
			Chief Financial Officer
Date:	February 16, 2021	By:	/s/ David Gladstone
			David Gladstone
			Chief Executive Officer and
			Chairman of the Board of Directors

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Date:	February 16, 2021	By:	/s/ David Gladstone David Gladstone Chief Executive Officer and Chairman of the Board of Directors (principal executive officer)
Date:	February 16, 2021	By:	/s/ Terry Lee Brubaker Terry Lee Brubaker Vice Chairman, Chief Operating Officer and Director
Date:	February 16, 2021	By:	/s/ Michael Sodo Michael Sodo Chief Financial Officer (principal financial and accounting officer)
Date:	February 16, 2021	By:	/s/ Anthony W. Parker Anthony W. Parker Director
Date:	February 16, 2021	By:	/s/ Michela A. English Michela A. English Director
Date:	February 16, 2021	By:	/s/ Paul Adelgren Paul Adelgren Director
Date:	February 16, 2021	By:	/s/ John Outland John Outland Director
Date:	February 16, 2021	By:	/s/ Walter H. Wilkinson, Jr. Walter H. Wilkinson, Jr. Director
Date:	February 16, 2021	By:	/s/ Caren D. Merrick Caren D. Merrick Director

Exhibit 4.7

DESCRIPTION OF THE REGISTRANT'S SECURITIES REGISTERED PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934

Gladstone Commercial Corporation (which we refer to as "we," "us," or the "Company") has three classes of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"): our common stock, par value $0.001 per share ("common stock"), our 7.00% Series D Cumulative Redeemable Preferred Stock, par value $0.001 per share ("Series D Preferred Stock"), and our 6.625% Series E Cumulative Redeemable Preferred Stock, par value $0.001 per share ("Series E Preferred Stock"). Our senior common stock, par value $0.001 per share ("Senior Common Stock") and our 6.00% Series F Cumulative Redeemable Preferred Stock, par value $0.001 per share ("Series F Preferred Stock") are not registered under Section 12 of the Exchange Act.

DESCRIPTION OF CAPITAL STOCK

General

Our authorized capital stock consists of 100,000,000 shares of capital stock, par value $0.001 per share, 60,290,000 of which are classified as common stock, 6,000,000 of which are classified as Series D Preferred Stock, 6,760,000 of which are classified as Series E Preferred Stock, 950,000 of which are classified as Senior Common Stock and 26,000,000 of which are classified as Series F Preferred Stock. Under our charter, our board of directors is authorized to classify and reclassify any unissued shares of capital stock by setting or changing in any one or more respects, from time to time before issuance of such stock, the preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends or other distributions, qualifications and terms and conditions of redemption of such stock. Our board of directors may also, without stockholder approval, 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 that we have authority to issue.

For purposes of this Exhibit 4.6, we refer to our common stock which is listed on Nasdaq Global Select Market under the symbol "GOOD" as our "Listed Common Stock" and we refer to our non-listed Senior Common Stock as our "Senior Common Stock." We collectively refer to our Series D Preferred Stock, our Series E Preferred Stock and our Series F Preferred Stock as our "Preferred Stock," where appropriate.

The following summary description of our capital stock is not necessarily complete and is qualified in its entirety by reference to our charter and bylaws, as amended, each of which has been filed with the Securities and Exchange Commission, as well as applicable provisions of the General Corporation Law of the State of Maryland (the "MGCL").

Meetings and Special Voting Requirements

An annual meeting of the stockholders will be held each year for the purpose of electing the class of directors whose term is up for election and to conduct other business that may be properly brought before the stockholders. Special meetings of stockholders may be called only upon the request of a majority of our directors, a majority of our independent directors, our chairman, our chief executive officer or our president and must be called by our secretary upon the written request of stockholders entitled to cast at least a majority of all the votes entitled to be cast at a meeting. In general, the presence in person or by proxy of a majority of the outstanding shares, exclusive of excess shares (described in "*Certain Provisions of Maryland Law and of Our Charter and Bylaws — Restrictions on Ownership and Transfer*," below), shall constitute a quorum. Generally, the affirmative vote of a majority of the votes cast at a meeting at which a quorum is present is necessary to take stockholder action, except that a plurality of all votes cast at such a meeting is sufficient to elect any director.

Under Maryland law, a Maryland corporation generally cannot dissolve, amend its charter, merge, convert, sell all or substantially all of its assets, engage in a share exchange or engage in similar transactions outside the ordinary course of business, unless approved by the affirmative vote of stockholders entitled to cast at least two-thirds of the votes entitled to be cast on the matter. However, a Maryland corporation may provide in its charter for approval of these matters by a lesser percentage, but not less than a majority of all of the votes entitled to be cast on the matter. Except for a conversion, our charter provides for approval of these matters by a majority of all the votes entitled to be cast on the matter.

Stockholders may, by the affirmative vote of at least two-thirds of all votes entitled to be cast generally in the election of directors, elect to remove a director for cause.

Repurchases of Excess Shares

We have the authority to redeem "excess shares" (as defined in our charter) immediately upon becoming aware of the existence of excess shares or after giving the holder of the excess shares 30 days to transfer the excess shares to a person whose ownership of such shares would not exceed the ownership limit, and therefore such shares would no longer be considered excess shares. The price paid upon redemption by us shall be the lesser of the price paid for such excess shares by the stockholder holding the excess shares or the fair market value of the excess shares, see "*Certain Provisions of Maryland Law and of Our Charter and Bylaws — Restrictions on Ownership and Transfer*."

Common Stock

Certificates

Generally, we will not issue stock certificates. Shares of common stock will be held in "uncertificated" form, which will eliminate the physical handling and safekeeping responsibilities inherent in owning transferable stock certificates and eliminate the need to return a duly executed stock certificate to the transfer agent to effect a transfer. Transfers can be effected simply by mailing to us a duly executed transfer form. Upon the issuance of shares of common stock, we will send on request to each stockholder a written statement which will include all information that is required to be written upon stock certificates pursuant to the MGCL.

Other Matters

The transfer and distribution paying agent and registrar for our common stock is Computershare, Inc.

Listed Common Stock

Voting Rights

Each share of Listed Common Stock is entitled to one vote on each matter to be voted upon by our stockholders, including the election of directors, and, except as provided with respect to any other class or series of capital stock, the holders of the Listed Common Stock possess exclusive voting power. There is no cumulative voting in the election of directors which means that the holders of a majority of the outstanding Listed Common Stock can elect all of the directors then standing for election and that the holders of the remaining shares are not able to elect any directors.

Dividends, Liquidations and Other Rights

Holders of Listed Common Stock are entitled to receive distributions, when authorized by our board of directors and declared by us, out of assets legally available for the payment of distributions. We currently pay distributions on the Listed Common Stock on a monthly basis. They also are entitled to share ratably in our assets legally available for distribution to our stockholders in the event of our liquidation, dissolution or winding up, after payment of or adequate provision for all of our known debts and liabilities. These rights are subject to the preferential rights of any other class or series of our shares, including the Senior Common Stock and our Preferred Stock, and the provisions of our charter regarding restrictions on transfer and ownership of shares of our capital stock.

Holders of our Listed Common Stock have no preference, conversion, exchange, sinking fund, redemption or appraisal rights and have no preemptive rights to subscribe for any of our securities. Subject to the restrictions on transfer and ownership of shares of our capital stock contained in our charter, all shares of Listed Common Stock have equal distribution, liquidation and other rights.

Preferred Stock

General

Subject to limitations prescribed by the MGCL and our charter, our board of directors is authorized to issue, from the authorized but unissued shares of stock, shares of preferred stock in class or series and to establish from time to time the number of shares of preferred stock to be included in the class or series and to fix the designation and any preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends and other distributions, qualifications and terms and conditions of redemption of the shares of each class or series. Our board may also increase the number of shares in any existing class or series.

Existing Series of Preferred Stock

Our board of directors has classified:

- 6,000,000 shares of Series D Preferred Stock;
- 6,760,000 shares of Series E Preferred Stock; and
- 26,000,000 shares of Series F Preferred Stock.

Series D Preferred Stock

Voting Rights

Holders of Series D Preferred Stock generally have no voting rights. However, if dividends on any shares of the Series D Preferred Stock are in arrears for 18 or more consecutive months, holders of the Series D Preferred Stock (voting together as a single class with holders of shares of any series of our preferred stock equal in rank with the Series D Preferred Stock upon which like voting rights have been conferred and are exercisable) will have the right to elect two additional directors to serve on our board of directors until all dividends for the past dividend periods are fully paid or declared and set apart for payment. In addition, we may not amend the charter, including the designations, rights, preferences, privileges or limitations in respect of the Series D Preferred Stock, whether by merger, consolidation or otherwise, in a manner that would materially and adversely affect the rights, preferences, privileges or voting powers of the Series D Preferred Stock without the affirmative vote of the holders of at least two-thirds of the shares of Series D Preferred Stock then outstanding.

Dividends, Liquidation Preference and Other Rights

Holders of Series D Preferred Stock are entitled to receive, when and as authorized by our board of directors and declared by us, preferential cumulative cash dividends on the Series D Preferred Stock at a rate of 7.00% per annum of the $25.00 per share liquidation preference (equivalent to $1.75 per annum per share). Beginning on the date of issuance, dividends on the Series D Preferred Stock are payable monthly in arrears and are cumulative.

If we liquidate, dissolve or wind up, holders of the Series D Preferred Stock will have the right to receive the $25.00 per share liquidation preference, plus an amount equal to any accrued and unpaid dividends to and including the date of payment, but without interest, before any payment is made to the holders of our common stock (including our Listed Common Stock and Senior Common Stock) or any other class or series of our capital stock ranking junior to the Series D Preferred Stock as to liquidation rights.

With respect to the payment of dividends and amounts upon liquidation, dissolution or winding up, the Series D Preferred Stock will be equal in rank with our Series E Preferred Stock and all other equity securities we issue, the terms of which specifically provide that such equity securities rank on a parity with the Series D Preferred Stock with respect to dividend rights or rights upon our liquidation, dissolution or winding up; senior to our common stock (including our Listed Common Stock and Senior Common Stock); and junior to all our existing and future indebtedness.

Generally, we are not permitted to redeem the Series D Preferred Stock prior to May 25, 2021, except in limited circumstances relating to our ability to qualify as a REIT and pursuant to the special optional redemption provision described below. On and after May 25, 2021, we may, at our option, redeem the Series D Preferred Stock, in whole or in part, at any time or from time to time, for cash at a redemption price of $25.00 per share, plus an amount equal to any accrued and unpaid dividends (whether or not authorized or declared) to, but not including, the date fixed for redemption, without interest, to the extent we have funds legally available for that purpose.

In addition, upon the occurrence of a change of control, as a result of which neither our common stock nor the common securities of the acquiring or surviving entity (or American Depositary Receipts representing such securities) is listed on the New York Stock Exchange, the NYSE MKT LLC (now known as NYSE American) or Nasdaq, or listed or quoted on a successor exchange or quotation system, we may, at our option, redeem the Series D Preferred Stock, in whole or in part, within 120 days after the first date on which such change of control occurred, by paying $25.00 per share, plus an amount equal to any accrued and unpaid dividends to, but not including, the date of redemption. Should a change of control occur, each holder of Series D Preferred Stock may, at its sole option, elect to cause us to redeem any or all of such holder’s shares of Series D Preferred Stock in cash at a redemption price of $25.00 per share, plus an amount equal to all accrued but unpaid dividends, to, but not including, the redemption date, no earlier than 30 days and no later than 60 days following the date we notify holders of the change of control.

Shares of Series D Preferred Stock are not convertible into or exchangeable for any other securities or property. The Series D Preferred Stock has no stated maturity and is not subject to mandatory redemption or any sinking fund.

Series E Preferred Stock

Voting Rights

Holders of Series E Preferred Stock generally have no voting rights. However, if dividends on any shares of the Series E Preferred Stock are in arrears for 18 or more consecutive months, holders of the Series E Preferred Stock (voting together as a single class with holders of shares of any series of our preferred stock equal in rank with the Series E Preferred Stock upon which like voting rights have been conferred and are exercisable) will have the right to elect two additional directors to serve on our board of directors until all dividends for the past dividend periods are fully paid or declared and set apart for payment. In addition, we may not amend the charter, including the designations, rights, preferences, privileges or limitations in respect of the Series E Preferred Stock, whether by merger, consolidation or otherwise, in a manner that would materially and adversely affect the rights, preferences, privileges or voting powers of the Series E Preferred Stock without the affirmative vote of the holders of at least two-thirds of the shares of Series E Preferred Stock then outstanding.

Dividends, Liquidation Preference and Other Rights

Holders of Series E Preferred Stock are entitled to receive, when and as authorized by our board of directors and declared by us, preferential cumulative cash dividends on the Series E Preferred Stock at a rate of 6.625% per annum of the $25.00 per share liquidation preference (equivalent to $1.65625 per annum per share). Beginning on the date of issuance, dividends on the Series E Preferred Stock are payable monthly in arrears and are cumulative.

If we liquidate, dissolve or wind up, holders of the Series E Preferred Stock will have the right to receive the $25.00 per share liquidation preference, plus an amount equal to any accrued and unpaid dividends to and including the date of payment, but without interest, before any payment is made to the holders of our common stock (including our Listed Common Stock and Senior Common Stock) or any other class or series of our capital stock ranking junior to the Series E Preferred Stock as to liquidation rights.

With respect to the payment of dividends and amounts upon liquidation, dissolution or winding up, the Series E Preferred Stock will be equal in rank with our Series D Preferred Stock and all other equity securities we issue, the terms of which specifically provide that such equity securities rank on a parity with the Series E Preferred Stock with respect to dividend rights or rights upon our liquidation, dissolution or winding up; senior to our common stock (including our Listed Common Stock and Senior Common Stock); and junior to all our existing and future indebtedness.

Generally, we are not permitted to redeem the Series E Preferred Stock prior to October 4, 2024, except in limited circumstances relating to our ability to qualify as a REIT and pursuant to the special optional redemption provision described below. On and after October 4, 2024, we may, at our option, redeem the Series E Preferred Stock, in whole or in part, at any time or from time to time, for cash at a redemption price of $25.00 per share, plus an amount equal to any accrued and unpaid dividends (whether or not authorized or declared) to, but not including, the date fixed for redemption, without interest, to the extent we have funds legally available for that purpose.

In addition, upon the occurrence of a change of control or delisting event, as a result of which neither our common stock nor the common securities of the acquiring or surviving entity (or American Depositary Receipts representing such securities) is listed on the New York Stock Exchange, the NYSE American or Nasdaq, or listed or quoted on a successor exchange or quotation system, we may, at our option, redeem the Series E Preferred Stock, in whole or in part, within 120 days after the first date on which such change of control or delisting event occurred, by paying $25.00 per share, plus an amount equal to any accrued and unpaid dividends to, but not including, the date of redemption. Should a change of control or delisting event occur, each holder of Series E Preferred Stock may, at its sole option, elect to cause us to redeem any or all of such holder’s shares of Series E Preferred Stock in cash at a redemption price of $25.00 per share, plus an amount equal to all accrued but unpaid dividends, to, but not including, the redemption date, no earlier than 30 days and no later than 60 days following the date we notify holders of the change of control or delisting event.

Shares of Series E Preferred Stock are not convertible into or exchangeable for any other securities or property. The Series E Preferred Stock has no stated maturity and is not subject to mandatory redemption or any sinking fund.

Series F Preferred Stock

Voting Rights

Holders of Series F Preferred Stock generally have no voting rights. However, if dividends on any shares of the Series F Preferred Stock are in arrears for 18 or more consecutive months, holders of the Series F Preferred Stock (voting together as a single class with holders of shares of any series of our preferred stock equal in rank with the Series F Preferred Stock upon which like voting rights have been conferred and are exercisable) will have the right to elect two additional directors to serve on our board of directors until all dividends for the past dividend periods are fully paid or declared and set apart for payment. In addition, we may not amend the charter, including the designations, rights, preferences, privileges or limitations in respect of the Series F Preferred Stock, whether by merger, consolidation or otherwise, in a manner that would materially and adversely affect the rights, preferences, privileges or voting powers of the Series F Preferred Stock without the affirmative vote of the holders of at least two-thirds of the shares of Series F Preferred Stock then outstanding.

Dividends and Liquidation Preference

Holders of shares of the Series F Preferred Stock will be entitled to receive, when, as and if authorized by our Board of Directors (or a duly authorized committee of the board) and declared by us, out of funds legally available for the payment of dividends, preferential cumulative cash dividends at the rate of 6.00% per annum of the liquidation preference of $25.00 per share (equivalent to a fixed annual amount of $1.50 per share). Beginning on the date of issuance, dividends on the Series F Preferred Stock are payable monthly in arrears and are cumulative.

In the event of our voluntary or involuntary liquidation, dissolution or winding up, the holders of shares of Series F Preferred Stock will be entitled to be paid, out of our assets legally available for distribution to our stockholders, a liquidation preference of $25.00 per share, plus an amount equal to any accumulated and unpaid dividends on such shares to, but excluding, the date of payment, but without interest, before any distribution of assets is made to holders of our common stock or any other class or series of our capital stock that ranks junior to the Series F Preferred Stock as to liquidation rights.

With respect to the payment of dividends and amounts upon liquidation, dissolution or winding up, the Series F Preferred Stock will be equal in rank with our Series D Preferred Stock, our Series E Preferred Stock and all other equity securities we issue, the terms of which specifically provide that such equity securities rank on a parity with the Series F Preferred Stock with respect to dividend rights or rights upon our liquidation, dissolution or winding up; senior to our common stock (including our Listed Common Stock and Senior Common Stock); and junior to all our existing and future indebtedness.

Redemption

Optional Redemption Following Death of a Holder

Subject to the restrictions described under "-Stockholder Redemption Option," and the terms and procedures described below under "-Redemption Procedures," commencing on the date of original issuance and terminating upon the listing of the Series F Preferred Stock on Nasdaq or another national securities exchange, shares of Series F Preferred Stock held by a natural person upon his or her death will be redeemed at the written request of the holder's estate for a cash payment of $25.00 per share of Series F Preferred Stock on the Death Redemption Date, which is the tenth calendar day following delivery of such holder's estate's request to redeem shares of the Series F Preferred Stock, or if such tenth calendar day is not a business day, on the next succeeding business day.

Stockholder Redemption Option

Subject to the restrictions described herein, and the terms and procedures described below under "-Redemption Procedures," commencing on the date of original issuance (or, if after the date of original issuance our Board of Directors suspends the redemption program of the holders of the Series F Preferred Stock, on the date our Board of Directors reinstates such program) and terminating on the earlier to occur of (1) the date upon which our Board of Directors, by resolution, suspends or terminates the redemption program, and (2) the date on which shares of the Series F Preferred Stock are listed on Nasdaq or another national securities exchange, holders of the Series F Preferred Stock may, at their option, require us to redeem any or all of their shares of Series F Preferred Stock for a cash payment of $22.50 per share of Series F Preferred Stock on the Stockholder Redemption Date, which is the tenth calendar day following delivery of such holder's request to redeem shares of the Series F Preferred Stock, or if such tenth calendar day is not a business day, on the next succeeding business day. The maximum dollar amount that we will make available each calendar year to redeem shares of Series F Preferred Stock will not be subject to an annual limit; provided, that our obligation to redeem shares of Series F Preferred Stock is limited to the extent that our Board of Directors determines, in its sole and absolute discretion, that we do not have sufficient funds available to fund any such

redemption or we are restricted by applicable law from making such redemption; and is also limited to the extent our Board of Directors suspends or terminates the optional redemption right at any time or for any reason, including after delivery of a Stockholder Redemption Notice but prior to the corresponding Stockholder Redemption Date.

Redemption Procedures

To require us to redeem shares of Series F Preferred Stock, a holder or estate of a holder, as applicable, must deliver a notice of redemption, by overnight delivery or by first class mail, postage prepaid to us at our principal executive offices. Each such notice must be an original, notarized copy and must state: (1) the name and address of the stockholder whose shares of Series F Preferred Stock are requested to be redeemed, (2) the number of shares of Series F Preferred Stock requested to be redeemed, (3) the name of the broker dealer who holds the shares of Series F Preferred Stock requested to be redeemed, the stockholder's account number with such broker dealer and such broker dealer's participant number for DTC and (4) in the case of a notice to redeem upon the death of a holder, a certified copy of the death certificate (and such other evidence that is satisfactory to us in our sole discretion) for the natural person who previously held the shares to be redeemed.

If, as a result of the limitations described under "-Stockholder Redemption Option," the optional redemption right has not been suspended or terminated but fewer than all shares for which a notice of redemption was delivered to us are to be redeemed, the number of shares to be redeemed will be pro rata based on the number of shares of Series F Preferred Stock for which each holder timely submitted a notice of redemption. If a Stockholder Redemption Date is also a Death Redemption Date, the limitations described under "-Stockholder Redemption Option" shall first be applied to any redemption requested upon the death of the holder and then to shares to be redeemed pursuant to the Stockholder Redemption Option.

Upon any redemption of shares of Series F Preferred Stock, the holder thereof will also be entitled to receive a sum equal to all accumulated and unpaid dividends on such shares to, but excluding, the applicable Stockholder Redemption Date or Death Redemption Date (unless such Stockholder Redemption Date or Death Redemption Date falls after a dividend record date and on or prior to the corresponding dividend payment date, in which case each holder of shares of Series F Preferred Stock on such dividend record date will be entitled to the dividend payable on such shares on the corresponding dividend payment date, notwithstanding the redemption of such shares on or prior to such dividend payment date, and each holder of shares of Series F Preferred Stock that are redeemed on such Stockholder Redemption Date or Death Redemption Date will be entitled to the dividends, if any, occurring after the end of the dividend period to which such dividend payment date relates up to, but excluding, the Stockholder Redemption Date or Death Redemption Date, as the case may be). Upon the redemption of any shares of Series F Preferred Stock, such shares of Series F Preferred Stock will cease to be outstanding, dividends with respect to such shares of Series F Preferred Stock will cease to accumulate and all rights whatsoever with respect to such shares (except the right to receive the per share cash payment for the redeeming shares) will terminate.

We may suspend or terminate the redemption program at any time in our sole discretion.

Optional Redemption by the Company

Except in certain limited circumstances relating to maintaining our qualification as a REIT as described in "Restrictions on Ownership and Transfer," we cannot redeem the Series F Preferred Stock prior to the later of (1) first anniversary of the Termination Date and (2) June 1, 2024.

On and after the later of (1) first anniversary of the Termination Date and (2) June 1, 2024, at our sole option upon not less than 30 nor more than 60 days' written notice, we may redeem shares of the Series F Preferred Stock, in whole or in part, at any time or from time to time, for cash at a redemption price of $25.00 per share, plus an amount equal to all accumulated and unpaid dividends on such shares to, but excluding, the date fixed for redemption, without interest. Holders of Series F Preferred Stock to be redeemed must then surrender such Series F Preferred Stock at the place designated in the notice. Upon surrender of the Series F Preferred Stock, the holders will be entitled to the redemption price. If notice of redemption of any shares of Series F Preferred Stock has been given and if we have deposited the funds necessary for such redemption with the paying agent for the benefit of the holders of any of the shares of Series F Preferred Stock to be redeemed, then from and after the redemption date, dividends will cease to accumulate on those shares of Series F Preferred Stock, those shares of Series F Preferred Stock will no longer be deemed outstanding and all rights of the holders of such shares will terminate, except the right to receive the redemption price. If less than all of the outstanding Series F Preferred Stock is to be redeemed, the Series F Preferred Stock to be redeemed will be selected (1) pro rata, (2) by lot or (3) by any other fair and equitable method that our Board of Directors may choose.

Unless full cumulative dividends for all applicable past dividend periods on all shares of Series F Preferred Stock and any shares of stock that rank on parity with regards to dividends and upon liquidation have been or contemporaneously are declared

and paid (or declared and a sum sufficient for payment set apart for payment), no shares of Series F Preferred Stock will be redeemed. In such event, we also will not purchase or otherwise acquire directly or indirectly any shares of Series F Preferred Stock (except by exchange for our capital stock ranking junior to the Series F Preferred Stock as to dividends and upon liquidation). However, the foregoing will not prevent us from purchasing shares pursuant to our charter, in order to ensure that we continue to meet the requirements for qualification as a REIT, or from acquiring shares of Series F Preferred Stock pursuant to a purchase or exchange offer made on the same terms to holders of all outstanding shares of Series F Preferred Stock and any shares of stock that rank on parity with regards to dividends and upon liquidation. Upon listing, if any, of the Series F Preferred Stock on Nasdaq or another national securities exchange, so long as no dividends are in arrears, we will be entitled at any time and from time to time to repurchase shares of Series F Preferred Stock in open-market transactions duly authorized by the Board of Directors and effected in compliance with applicable laws.

We will deliver a notice of redemption, by overnight delivery, by first class mail, postage prepaid or electronically to holders thereof, or request our agent, on behalf of us, to promptly do so by overnight delivery, by first class mail, postage prepaid or electronically. The notice will be provided not less than 30 nor more than 60 days prior to the date fixed for redemption in such notice. Each such notice will state: (1) the date for redemption; (2) the number of Series F Preferred Stock to be redeemed; (3) the CUSIP number for the Series F Preferred Stock; (4) the applicable redemption price on a per share basis; (5) if applicable, the place or places where the certificate(s) for such shares are to be surrendered for payment of the price for redemption; (6) that dividends on the Series F Preferred Stock to be redeemed will cease to accumulate from and after such date of redemption; and (7) the applicable provisions of our charter under which such redemption is made. If fewer than all shares held by any holder are to be redeemed, the notice delivered to such holder will also specify the number of Series F Preferred Stock to be redeemed from such holder or the method of determining such number. We may provide in any such notice that such redemption is subject to one or more conditions precedent and that we will not be required to effect such redemption unless each such condition has been satisfied at the time or times and in the manner specified in such notice. No defect in the notice or delivery thereof will affect the validity of redemption proceedings, except as required by applicable law.
If a redemption date falls after a record date and on or prior to the corresponding dividend payment date, each holder of Series F Preferred Stock at the close of business on that record date will be entitled to the dividend payable on such shares on the corresponding dividend payment date notwithstanding the redemption of such shares before the dividend payment date, and the redemption price received by the holder on the redemption date will be $25.00 per share.

CERTAIN PROVISIONS OF MARYLAND LAW AND OF OUR CHARTER AND BYLAWS

Classification of our Board of Directors

Our board of directors is currently comprised of eight members. Our board is divided into three classes of directors. Directors of each class are elected for a term expiring at the annual meeting of stockholders held in the third year following their election and until their respective successor is duly elected and qualifies, and each year one class of directors will be elected by the stockholders. Any director elected to fill a vacancy shall serve for the remainder of the full term of the class in which the vacancy occurred and until a successor is elected and qualifies. We believe that classification of our board of directors helps to assure the continuity and stability of our business strategies and policies as determined by our directors. Holders of shares of our capital stock have no right to cumulative voting in the election of directors. Consequently, at each annual meeting of stockholders, the holders of a majority of the capital stock entitled to vote are able to elect all of the successors of the class of directors whose terms expire at that meeting.

Our classified board could have the effect of making the replacement of incumbent directors more time consuming and difficult. At least two annual meetings of stockholders, instead of one, will generally be required to effect a change in a majority of our board of directors. Thus, our classified board could increase the likelihood that incumbent directors will retain their positions. The classified terms of directors may delay, defer or prevent a tender offer or an attempt to change control of us or another transaction that might involve a premium price for our common stock that might be in the best interest of our stockholders.

Removal of Directors

Any director may be removed only for cause by the stockholders upon the affirmative vote of at least two-thirds of all the votes entitled to be cast generally in the election of directors.

Restrictions on Ownership and Transfer

In order for us to qualify as a REIT, not more than 50% (by value) of our outstanding shares may be owned by any five or fewer individuals (including some tax-exempt entities) during the last half of each taxable year, and the outstanding shares must be owned by 100 or more persons independent of us and each other during at least 335 days of a 12-month taxable year or

during a proportionate part of a shorter taxable year for which an election to be treated as a REIT is made. We may prohibit certain acquisitions and transfers of shares to maintain our qualification as a REIT under the Code. However, no assurance can be given that this prohibition will be effective.

In order to assist our board of directors in preserving our status as a REIT, among other purposes, our charter contains an ownership limit which prohibits any person or group of persons from acquiring, directly or indirectly, beneficial or constructive ownership of more than 9.8% of our outstanding shares of capital stock (which includes our common stock and preferred stock). Shares owned by a person or a group of persons in excess of the ownership limit are deemed "excess shares." Shares owned by a person who individually owns of record less than 9.8% of outstanding shares may nevertheless be excess shares if the person is deemed part of a group for purposes of this restriction.

Our charter stipulates that any purported issuance or transfer of shares shall be valid only with respect to those shares that do not result in the transferee-stockholder owning shares in excess of the ownership limit or in our disqualification as a REIT under the Code. If the transferee-stockholder acquires excess shares, the person is considered to have acted as our agent and holds the excess shares on behalf of the ultimate stockholder.

The ownership limit does not apply to offerors which, in accordance with applicable federal and state securities laws, make a cash tender offer, where at least 90% of the outstanding shares of our stock (not including shares or subsequently issued securities convertible into common stock which are held by the tender offeror and any "affiliates" or "associates" thereof within the meaning of the Exchange Act) are duly tendered and accepted pursuant to the cash tender offer. The ownership limit also does not apply to the underwriter in a public offering of our shares. The ownership limit also does not apply to a person or persons which our directors exempt from the ownership limit upon appropriate assurances that our qualification as a REIT is not jeopardized.

We have the authority to (a) redeem excess shares upon becoming aware of the existence of excess shares after giving the holder of the excess shares written notice of the redemption not less than one week prior to the redemption date, or (b) grant the holder 30 days to transfer the excess shares to any person or group of persons whose ownership of such shares would not exceed the ownership limit, and therefore such shares would no longer be considered excess shares. The price paid upon redemption by us shall be the lesser of the price paid for such excess shares by the stockholder holding the excess shares or the fair market value of the excess shares.

Distributions

Distributions will be paid to stockholders as of the close of business on the applicable record date selected by our board of directors. We are required to make distributions to our stockholders sufficient to satisfy the REIT requirements. If we satisfy the REIT requirements, we generally will not be subject to federal corporate income tax on any income that we distribute to our stockholders.

Unless otherwise specified in the governing instrument of the capital stock, distributions will be paid at the discretion of our board of directors based upon our earnings, cash flow, general financial condition and applicable law. Because we may receive income from interest or rents at various times during our fiscal year, distributions may not reflect our income earned in that particular distribution period but may be made in anticipation of cash flow, which we expect to receive during a later period of the year and may be made in advance of actual receipt in an attempt to make distributions relatively uniform. We may borrow to make distributions if the borrowing is necessary to maintain our REIT status, or if the borrowing is part of a liquidation strategy whereby the borrowing is done in anticipation of the sale of properties and the proceeds will be used to repay the loan.

Information Rights

Any stockholder, or his or her agent, upon written request, may, during usual business hours and for any lawful and proper purpose, inspect and copy our bylaws, minutes of the proceedings of our stockholders, our annual financial statements and any voting trust agreement that is on file at our principal office. In addition, one or more stockholders who together are, and for at least six months have been, record holders of 5% of any class of our stock are entitled to inspect and copy our stockholder list and books of account upon written request. The list will include the name and address of, and the number of shares owned by, each stockholder and will be available at our principal office within 20 days of the stockholder's request. A 5% stockholder may also request in writing a statement of our affairs.

The rights of stockholders described herein are in addition to, and do not adversely affect rights provided to investors under, Rule 14a-7 promulgated under the Exchange Act, which provides that, upon request of investors and the payment of the expenses of the distribution, we are required to distribute specific materials to stockholders in the context of the solicitation of

proxies for voting on matters presented to stockholders, or, at our option, provide requesting stockholders with a copy of the list of stockholders so that the requesting stockholders may make the distribution themselves.

Business Combinations

The MGCL prohibits "business combinations" between a corporation and an interested stockholder or an affiliate of an interested stockholder for five years after the most recent date on which the interested stockholder becomes an interested stockholder. These business combinations include a merger, consolidation, statutory share exchange, or, in circumstances specified in the statute, certain transfers of assets, certain stock issuances and transfers, liquidation plans and reclassifications involving interested stockholders and their affiliates. The MGCL defines an interested stockholder as:

- any person who beneficially owns, directly or indirectly, 10% or more of the voting power of the corporation's outstanding voting stock; or
- an affiliate or associate of the corporation who, at any time within the two-year period immediately prior to the date in question, was the beneficial owner, directly or indirectly, of 10% or more of the voting power of the then-outstanding stock of the corporation.

A person is not an interested stockholder if the board of directors approves in advance the transaction by which the person otherwise would have become an interested stockholder. However, in approving the transaction, the board of directors may provide that its approval is subject to compliance, at or after the time of approval, with any terms and conditions determined by the board of directors.

After the five-year prohibition, any business combination between a corporation and an interested stockholder generally must be recommended by the board of directors and approved by the affirmative vote of at least:
These super-majority vote requirements do not apply if the common stockholders receive a minimum price, as defined under Maryland law, for their shares in the form of cash or other consideration in the same form as previously paid by the interested stockholder for its shares.

- 80% of the votes entitled to be cast by holders of the then outstanding shares of voting stock; and
- two-thirds of the votes entitled to be cast by holders of the voting stock other than shares held by the interested stockholder with whom or with whose affiliate the business combination is to be effected or shares held by an affiliate or associate of the interested stockholder.

The statute permits various exemptions from its provisions, including business combinations that are approved by the board of directors before the time that the interested stockholder becomes an interested stockholder.

Our board of directors has by resolution exempted any business combination between the corporation and our officers and directors from these provisions of the MGCL and, consequently, the five-year prohibition and the super-majority vote requirements will not apply to business combinations between us and any of our officers and directors unless our board later resolves otherwise.

Subtitle 8

Subtitle 8 of Title 3 of the MGCL permits a Maryland corporation with a class of equity securities registered under the Exchange Act and at least three independent directors to elect to be subject, by provision in its charter or bylaws or a resolution of its board of directors and notwithstanding any contrary provision in the charter or bylaws, to any or all of five provisions:

- a classified board of directors;
- a two-thirds vote requirement for removing a director;
- a requirement that the number of directors be fixed only by vote of the directors;
- a requirement that a vacancy on the board be filled only by the remaining directors and for the remainder of the full term of the class of directors in which the vacancy occurred; and
- a majority requirement for the calling by stockholders of a stockholder-requested special meeting of stockholders.

We have elected to be subject to each of the above provisions of Title 3, Subtitle 8 of the MGCL.

Amendments to Our Charter and Bylaws

Our charter generally may be amended only if the amendment is declared advisable by our board of directors and approved by the affirmative vote of stockholders entitled to cast a majority of all of the votes entitled to be cast on the matter. Our board of directors, with the approval of a majority of the entire board, and without any action by our stockholders, may also 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 we are authorized to issue.

Each of our board of directors and stockholders has the power to adopt, alter or repeal any provision of our bylaws and to make new bylaws.

Extraordinary Transactions

Under the MGCL, a Maryland corporation generally cannot dissolve, merge, convert, sell all or substantially all of its assets, engage in a statutory share exchange or engage in similar transactions outside the ordinary course of business unless approved by the affirmative vote of stockholders entitled to cast at least two-thirds of the votes entitled to be cast on the matter unless a lesser percentage (but not less than a majority of all of the votes entitled to be cast on the matter) is set forth in the corporation's charter. As permitted by the MGCL, except for a conversion, our charter provides that any of these actions may be approved by the affirmative vote of stockholders entitled to cast a majority of all of the votes entitled to be cast on the matter.

Operations

We generally are prohibited from engaging in certain activities, including acquiring or holding property or engaging in any activity that would cause us to fail to qualify as a REIT.

Term and Termination

Our charter provides for us to have a perpetual existence. Pursuant to our charter, and subject to the provisions of any of our classes or series of stock then outstanding and upon the approval by a majority of the entire board of directors, our stockholders by the affirmative vote of a majority of all of the votes entitled to be cast on the matter, may approve a plan of liquidation and dissolution.

Advance Notice of Director Nominations and New Business

Our bylaws provide that, with respect to an annual meeting of stockholders, nominations of persons for election to our board of directors and the proposal of business to be considered by stockholders at the annual meeting may be made only:

- pursuant to our notice of the meeting;
- by or at the direction of our board of directors; or
- by a stockholder who was a stockholder of record at the time of the provision of notice, who is entitled to vote at the meeting and who has complied with the advance notice procedures set forth in our bylaws.

With respect to special meetings of stockholders, only the business specified in our notice of meeting may be brought before the meeting of stockholders and nominations of persons for election to our board of directors at which directors are to be elected pursuant to our notice of the meeting may be made only:

- by or at the direction of our board of directors; or
- by a stockholder who was a stockholder of record at the time of the provision of notice, who is entitled to vote at the meeting and who has complied with the advance notice provisions set forth in our bylaws.

Power to Issue Additional Shares

In the future, we may issue additional securities, including upon the redemption of limited partnership interests that we may issue in connection with acquisitions of real property. We believe that the power to issue additional shares of stock and to classify or reclassify unissued shares of common stock or preferred stock and thereafter to issue the classified or reclassified shares provides us with increased flexibility in structuring possible future financings and acquisitions and in meeting other needs which might arise. These actions can be taken without stockholder approval, unless stockholder approval is required by applicable law or the rules of any stock exchange or automated quotation system on which our securities may be listed or traded. Although we have no present intention of doing so, we could issue a class or series of shares that could delay, defer or prevent a transaction or a change in control that might involve a premium price for holders of common stock or otherwise be in their best interest.

Control Share Acquisitions

The MGCL provides that a holder of "control shares" of a Maryland corporation acquired in a "control share acquisition" has no voting rights with respect to such shares except to the extent approved at a special meeting by the affirmative vote of two-thirds of the votes entitled to be cast on the matter, excluding shares of stock in a corporation in respect of which any of the following persons is entitled to exercise or direct the exercise of the voting power of shares of stock of the corporation in the election of directors: (i) a person who makes or proposes to make a control share acquisition, (ii) an officer of the corporation or (iii) an employee of the corporation who is also a director of the corporation. "Control shares" are voting shares of stock which, if aggregated with all other such shares of stock previously acquired by the acquiror or in respect of which the acquiror is able to exercise or direct the exercise of voting power (except solely by virtue of a revocable proxy), would entitle the acquiror to exercise voting power in electing directors within one of the following ranges of voting power: (i) one-tenth or more but less than one-third, (ii) one-third or more but less than a majority, or (iii) a majority or more of all voting power. Control shares do not include shares that the acquiring person is then entitled to vote as a result of having previously obtained stockholder approval. A "control share acquisition" means the acquisition of issued and outstanding control shares, subject to certain exceptions.

A person who has made or proposes to make a control share acquisition, upon satisfaction of certain conditions (including an undertaking to pay expenses), may compel our board of directors to call a special meeting of stockholders to be held within 50 days of demand to consider the voting rights of the shares. If no request for a meeting is made, the corporation may itself present the question at any stockholders meeting.

If voting rights are not approved at the meeting or if the acquiring person does not deliver an acquiring person statement as required by the statute, then, subject to certain conditions and limitations, the corporation may redeem any or all of the control shares (except those for which voting rights have previously been approved) for fair value determined, without regard to the absence of voting rights for the control shares, as of the date of or, if no such meeting is held, as of the date of the last control share acquisition by the acquirer, any meeting of stockholders at which the voting rights of such shares are considered and not approved. If voting rights for control shares are approved at a stockholders meeting and the acquiror becomes entitled to vote a majority of the shares entitled to vote, all other stockholders may exercise appraisal rights. The fair value of the shares as determined for purposes of such appraisal rights may not be less than the highest price per share paid by the acquiror in the control share acquisition.

The control share acquisition statute does not apply (a) to shares acquired in a merger, consolidation or share exchange if the corporation is a party to the transaction or (b) to acquisitions approved or exempted by the charter or bylaws of the corporation.

We have not opted out of the control share acquisition statute.

Possible Anti-Takeover Effect of Certain Provisions of Maryland Law and of Our Charter and Bylaws

The business combination provisions and the control share acquisition provisions of the MGCL, the classification of our board of directors, the restrictions on the transfer and ownership of stock and the advance notice provisions of our bylaws could have the effect of delaying, deferring or preventing a transaction or a change in control that might involve a premium price for holders of common stock or otherwise be in their best interests.

THIRD AMENDED AND RESTATED CREDIT AGREEMENT

DATED AS OF FEBRUARY 11, 2021

by and among

GLADSTONE COMMERCIAL LIMITED PARTNERSHIP,
AS BORROWER,

GLADSTONE COMMERCIAL CORPORATION,
AS A GUARANTOR,

KEYBANK NATIONAL ASSOCIATION,
THE OTHER LENDERS WHICH ARE PARTIES TO THIS AGREEMENT, and
OTHER LENDERS THAT MAY BECOME PARTIES TO THIS AGREEMENT,
AS LENDERS,

KEYBANK NATIONAL ASSOCIATION,
AS AGENT,

KEYBANC CAPITAL MARKETS, INC.,
FIFTH THIRD BANK, NATIONAL ASSOCIATION,
THE HUNTINGTON NATIONAL BANK and
U.S. BANK NATIONAL ASSOCIATION,
AS JOINT-LEAD ARRANGERS FOR
REVOLVING CREDIT LOANS AND TERM LOAN A,

KEYBANC CAPITAL MARKETS, INC.,
FIFTH THIRD BANK, NATIONAL ASSOCIATION, and
THE HUNTINGTON NATIONAL BANK,
AS JOINT-LEAD ARRANGERS FOR TERM LOAN B,

FIFTH THIRD BANK, NATIONAL ASSOCIATION,
AS DOCUMENTATION AGENT,

and

KEYBANC CAPITAL MARKETS, INC.,
AS SOLE BOOK MANAGER

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EXHIBITS AND SCHEDULES

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THIRD AMENDED AND RESTATED CREDIT AGREEMENT

THIS THIRD AMENDED AND RESTATED CREDIT AGREEMENT (this "Agreement") is made as of the 11th day of February, 2021, by and among GLADSTONE COMMERCIAL LIMITED PARTNERSHIP, a Delaware limited partnership ("Borrower"), GLADSTONE COMMERCIAL CORPORATION, a Maryland corporation ("Parent"), KEYBANK NATIONAL ASSOCIATION ("KeyBank"), the other lending institutions which are parties to this Agreement as "Lenders", and the other lending institutions that may become parties hereto pursuant to §18 (together with KeyBank, the "Lenders"), KEYBANK NATIONAL ASSOCIATION, as Agent for the Lenders (the "Agent"), FIFTH THIRD BANK, NATIONAL ASSOCIATION, as Documentation Agent, KEYBANC CAPITAL MARKETS, INC., FIFTH THIRD BANK, NATIONAL ASSOCIATION, THE HUNTINGTON NATIONAL BANK and U.S. BANK NATIONAL ASSOCIATION, as Joint-Lead Arrangers, and KEYBANC CAPITAL MARKETS, INC., as Sole Book Manager.

RECITALS

WHEREAS, the Borrower, KeyBank, individually and as administrative agent, and the other parties thereto have entered into that certain Second Amended and Restated Credit Agreement dated as of October 27, 2017, as amended by the First Amendment to Second Amended and Restated Credit Agreement and Other Loan Documents dated as of July 2, 2019 (collectively, the "Original Credit Agreement"); and

WHEREAS, Borrower has requested that Agent and the Lenders make certain modifications to the Original Credit Agreement;

WHEREAS, the Borrower, the Agent and the Lenders desire to amend and restate the Original Credit Agreement in its entirety;

NOW, THEREFORE, in consideration of the recitals herein and mutual covenants and agreements contained herein, the parties hereto hereby amend and restate the Original Credit Agreement in its entirety and covenant and agree as follows:

§1. DEFINITIONS AND RULES OF INTERPRETATION.

§1.1 Definitions. The following terms shall have the meanings set forth in this §I or elsewhere in the provisions of this Agreement referred to below:

Additional Commitment Request Notice. See §2.11(a).

Additional Guarantor. Each additional Subsidiary of Borrower or Parent which becomes a Guarantor pursuant to §5.2.

Affected Financial Institution. Any (a) EEA Financial Institution or (b) UK Financial Institution.

Affected Lender. See §4.15.

Affiliate. An Affiliate, as applied to any Person, shall mean any other Person directly or indirectly controlling, controlled by, or under common control with, that Person. For purposes of this definition, "control" (including, with correlative meanings, the terms "controlling", "controlled by" and "under common control with"), as applied to any Person, means (a) the possession, directly or indirectly, of the power to vote ten percent (10%) or more of the stock, shares, voting trust certificates, beneficial interest, partnership interests, member interests or other interests having voting power for the election of directors of such Person or otherwise to direct or cause the direction of the management and policies of that Person, whether through the ownership of voting securities or by contract or otherwise, or (b) the ownership of (i) a general partnership interest, (ii) a managing member's or manager's interest in a limited liability company or (iii) a limited partnership interest or preferred stock (or other ownership interest) representing ten percent (10%) or more of the outstanding limited partnership interests, preferred stock or other ownership interests of such Person.

Agent. KeyBank National Association, acting as administrative agent for the Lenders, and its successors and assigns.

Agent's Head Office. The Agent's head office located at 127 Public Square, Cleveland, Ohio 44114-1306, or at such other location as the Agent may designate from time to time by notice to the Borrower and the Lenders.

Agent's Special Counsel. Dentons US LLP or such other counsel as selected by Agent.

Aggregate Outstanding PACE Loan Amount. On any date of determination, an amount equal to (a) the aggregate outstanding principal amount under all PACE Loans on the Subject Properties, plus (b) all accrued and unpaid interest on such PACE Loans as of such date, and plus (c) the aggregate amount of prepayment premiums, penalties or other fees which would be or become due or payable with respect to such PACE Loans if all of such PACE Loans were prepaid in full on such date of determination; provided, however, that for purposes of calculating the Aggregate Outstanding PACE Loan Amount, the Aggregate Outstanding PACE Loan Amount attributable to any individual PACE Loan on a Subject Property shall, so long as no default or event of default then exists on the part of the applicable obligor with respect to such PACE Loan, be limited to one-hundred ten percent (110.0%) of the outstanding principal balance of such PACE Loan on the date of determination.

Agreement. This Third Amended and Restated Credit Agreement, including the Schedules and Exhibits hereto.

Agreement Regarding Fees. See §4.2.

Applicable Law. Collectively, all applicable international, foreign, Federal, state and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority, in each case whether or not having the force of law.

Applicable Margin.

(a) From and after the Closing Date (and unless and until the Borrower and/or Parent obtains an Investment Grade Rating and Borrower elects to have the Applicable Margin determined pursuant to subparagraph (b) below), the Applicable Margin for LIBOR Rate Loans and Base Rate Loans shall be a percentage per annum as set forth below based on the ratio of the Consolidated Total Indebtedness to the Consolidated Total Asset Value:

Pricing Level	Ratio	Revolving Credit LIBOR Rate Loans	Revolving Credit Base Rate Loans	Term A LIBOR Rate Loans	Term A Base Rate Loans
1	Less than or equal to 40%	1.35%	0.35%	1.25%	0.25%
2	Greater than 40% but less than or equal to 45%	1.40%	0.40%	1.35%	0.35%
3	Greater than 45% but less than or equal to 50%	1.65%	0.65%	1.60%	0.60%
4	Greater than 50% but less than or equal to 55%	1.90%	0.90%	1.85%	0.85%
5	Greater than 55%	2.15%	1.15%	2.10%	1.10%

Pricing Level	Ratio	Term B LIBOR Rate Loans	Term B Base Rate Loans
1	Less than or equal to 40%	1.40%	0.40%
2	Greater than 40% but less than or equal to 45%	1.50%	0.50%
3	Greater than 45% but less than or equal to 50%	1.75%	0.75%
4	Greater than 50% but less than or equal to 55%	2.00%	1.00%
5	Greater than 55%	2.25%	1.25%

The Applicable Margin as of the Closing Date shall be at Pricing Level 4. The Applicable Margin shall not be adjusted based upon such ratio, if at all, until the first (1st) Business Day following the delivery by Parent to the Agent of the Compliance Certificate at the end of a calendar quarter. In the event that Parent shall fail to deliver to the Agent a quarterly Compliance Certificate on or before the date required by §7.4(c), then without limiting any other rights of the Agent and the Lenders under this Agreement, the Applicable Margin shall be at Pricing Level 5 until such failure is cured within any applicable cure period, in which event the Applicable Margin shall adjust, if necessary, on the first (1st) Business Day following receipt of such Compliance Certificate.

In the event that the Agent and Parent determine that any financial statements previously delivered were incorrect or inaccurate (regardless of whether this Agreement or the Commitments are in

effect when such inaccuracy is discovered), and such inaccuracy, if corrected, would have led to the application of a higher Applicable Margin for any period (an "Applicable Period") than the Applicable Margin applied for such Applicable Period, then (i) Parent shall as soon as practicable deliver to the Agent the corrected financial statements for such Applicable Period, (ii) the Applicable Margin shall be determined as if the Pricing Level for such higher Applicable Margin were applicable for such Applicable Period, and (iii) the Borrower shall within five (5) Business Days of demand thereof by the Agent pay to the Agent the accrued additional amount owing as a result of such increased Applicable Margin for such Applicable Period, which payment shall be promptly applied by the Agent in accordance with this Agreement.

(b) From and after the time that Agent first receives written notice from Borrower that Borrower and/or Parent has first obtained an Investment Grade Rating and that Borrower elects to use such Investment Grade Rating as the basis for the Applicable Margin, the Applicable Margin shall mean, as of any date of determination, a percentage per annum determined by reference to the Credit Rating Level as set forth below (provided that any accrued interest payable at the Applicable Margin determined by reference to the ratio of Consolidated Total Indebtedness to Consolidated Total Asset Value shall be payable as provided in §2.6):

Pricing Level	Credit Rating Level	Revolving Credit LIBOR Rate Loans	Revolving Credit Base Rate Loans	Term LIBOR Rate Loans	Term Base Rate Loans
1	Credit Rating Level 1	0.775%	0.00%	0.85%	0.00%
2	Credit Rating Level 2	0.825%	0.00%	0.90%	0.00%
3	Credit Rating Level 3	0.90%	0.00%	1.00%	0.00%
4	Credit Rating Level 4	1.10%	0.10%	1.25%	0.25%
5	Credit Rating Level 5	1.45%	0.45%	1.65%	0.65%

At such time as this subparagraph (b) is applicable, the Applicable Margin for each Base Rate Loan shall be determined by reference to the Credit Rating Level in effect from time to time, and the Applicable Margin for any Interest Period for all LIBOR Rate Loans comprising part of the same borrowing shall be determined by reference to the Credit Rating Level in effect on the first (1st) day of such Interest Period; provided, however that no change in the Applicable Margin resulting from the application of the Credit Rating Levels or a change in the Credit Rating Level shall be effective until three (3) Business Days after the date on which the Agent receives written notice of the application of the Credit Rating Levels or a change in such Credit Rating Level. From and after the first time that the Applicable Margin is based on Borrower's or Parent's Credit Rating Level, the Applicable Margin shall no longer be calculated by reference to the ratio of Consolidated Total Indebtedness to Consolidated Total Asset Value.

Arranger. KeyBanc Capital Markets, Inc., or any successor.

Assignment and Acceptance Agreement. See §18.1.

Authorized Officer. Any of the following Persons: David Gladstone, Robert Cutlip, Michael LiCalsi, Michael Sodo, Jay Beckhorn and such other Persons as Borrower shall designate in a written notice to Agent.

Available Tenor. As of any date of determination and with respect to the then-current Benchmark, as applicable, any tenor for such Benchmark or payment period for interest calculated with reference to such Benchmark, as applicable, that is or may be used for determining the length of an Interest Period pursuant to this Agreement as of such date and not including, any tenor for such Benchmark that is then-removed from the definition of "Interest Period" pursuant to §4.17(d).

Bail-In Action. The exercise of any Write-Down and Conversion Powers by the applicable Resolution Authority in respect of any liability of an Affected Financial Institution.

Bail-In Legislation. (a) With respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule and (b) with respect to the United Kingdom, Part I of the United Kingdom Banking Act 2009 (as amended from time to time) and any other law, regulation or rule applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (other than through liquidation, administration or other insolvency proceedings).

Balance Sheet Date. September 30, 2020.

Bankruptcy Code. Title 11, U.S.C.A., as amended from time to time or any successor statute thereto.

Base Rate. The greatest of (a) the fluctuating annual rate of interest announced from time to time by the Agent at the Agent's Head Office as its "prime rate", (b) one half of one percent (0.5%) above the Federal Funds Effective Rate or (c) the then applicable LIBOR for a one month interest period plus one percent (1.0%) per annum. The Base Rate is a reference rate and does not necessarily represent the lowest or best rate being charged to any customer. Any change in the rate of interest payable hereunder resulting from a change in the Base Rate shall become effective as of the opening of business on the day on which such change in the Base Rate becomes effective, without notice or demand of any kind.

Base Rate Loans. Collectively, the Revolving Credit Base Rate Loans and the Term Base Rate Loans, bearing interest calculated by reference to the Base Rate.

Benchmark. Initially, USD LIBOR; provided that if a Benchmark Transition Event or an Early Opt-in Election, as applicable, and its related Benchmark Replacement Date have occurred with respect to USD LIBOR or the then-current Benchmark, then "Benchmark" means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to Section 4.17(a).

Benchmark Replacement. means, for any Available Tenor, the first alternative set forth in the order below that can be determined by the Agent for the applicable Benchmark Replacement Date:

(1) the sum of: (a) Term SOFR and (b) the related Benchmark Replacement Adjustment;

(2) the sum of: (a) Daily Simple SOFR and (b) the related Benchmark Replacement Adjustment;

(3) the sum of: (a) the alternate benchmark rate that has been selected by the Agent and the Borrower as the replacement for the then-current Benchmark for the applicable Corresponding Tenor giving due consideration to (i) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement for the then-current Benchmark for U.S. Dollar-denominated syndicated credit facilities at such time and (b) the related Benchmark Replacement Adjustment;

provided, that, in the case of clause (1), such Unadjusted Benchmark Replacement is displayed on a screen or other information service that publishes such rate from time to time as selected by the Agent in its reasonable discretion. If the Benchmark Replacement as determined pursuant to clause (1), (2) or (3) above would be less than the Floor, the Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement and the other Loan Documents.

Benchmark Replacement Adjustment. With respect to any replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement for any applicable Interest Period and Available Tenor for any setting of such Unadjusted Benchmark Replacement:

(1) for purposes of clauses (1) and (2) of the definition of "Benchmark Replacement," the first alternative set forth in the order below that can be determined by the Agent:

(a) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) as of the Reference Time such Benchmark Replacement is first set for such Interest Period that has been selected or recommended by the Relevant Governmental Body for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for the applicable Corresponding Tenor;

(b) the spread adjustment (which may be a positive or negative value or zero) as of the Reference Time such Benchmark Replacement is first set for such Interest Period that would apply to the fallback rate for a derivative transaction referencing the ISDA Definitions to be effective upon an index cessation event with respect to such Benchmark for the applicable Corresponding Tenor; and

(2) for purposes of clause (3) of the definition of "Benchmark Replacement," the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Agent and the Borrower for the applicable Corresponding Tenor giving due consideration to (i) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body on the applicable Benchmark Replacement Date or (ii) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such

Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated syndicated credit facilities;

provided that, in the case of clause (1) above, such adjustment is displayed on a screen or other information service that publishes such Benchmark Replacement Adjustment from time to time as selected by the Agent in its reasonable discretion.

Benchmark Replacement Conforming Changes. With respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of "Base Rate," the definition of "Business Day," the definition of "LIBOR Business Day," the definition of "Interest Period," timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, length of lookback periods, the applicability of breakage provisions, and other technical, administrative or operational matters) that the Agent decides may be appropriate to reflect the adoption and implementation of such Benchmark Replacement and to permit the administration thereof by the Agent in a manner substantially consistent with market practice (or, if the Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Agent determines that no market practice for the administration of such Benchmark Replacement exists, in such other manner of administration as the Agent decides is reasonably necessary in connection with the administration of this Agreement and the other Loan Documents).

Benchmark Replacement Date. The earliest to occur of the following events with respect to the then-current Benchmark:

(1) in the case of clause (1) or (2) of the definition of "Benchmark Transition Event," the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide all Available Tenors of such Benchmark (or such component thereof);

(2) in the case of clause (3) of the definition of "Benchmark Transition Event," the date of the public statement or publication of information referenced therein; or

(3) in the case of an Early Opt-in Election, the sixth (6th) Business Day after the date notice of such Early Opt-in Election is provided to the Lenders, so long as the Agent has not received, by 5:00 p.m. (New York City time) on the fifth (5th) Business Day after the date notice of such Early Opt-in Election is provided to the Lenders, written notice of objection to such Early Opt-in Election from Lenders comprising the Required Lenders.

For the avoidance of doubt, (i) if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination and (ii) the "Benchmark Replacement Date" will be deemed to have occurred in the case of clause (1) or (2) with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).

Benchmark Transition Event. The occurrence of one or more of the following events with respect to the then-current Benchmark:

(1) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof);

(2) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the Board of Governors of the Federal Reserve System, the Federal Reserve Bank of New York, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof); or

(3) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof) or a Relevant Governmental Body announcing that all Available Tenors of such Benchmark (or such component thereof) are no longer representative.

A Benchmark Transition Event will be deemed to have occurred with respect to any Benchmark if a public statement or publication of information set forth above has occurred with respect to each then-current Available Tenor of such Benchmark (or the published component used in the calculation thereof).

Benchmark Unavailability Period. The period (if any) (x) beginning at the time that a Benchmark Replacement Date pursuant to clauses (1) or (2) of that definition has occurred if, at such time, no Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with §4.17 and (y) ending at the time that a Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with §4.17.

Beneficial Ownership Certification. As to Borrower, a certification regarding beneficial ownership as required by the Beneficial Ownership Regulation which is otherwise in form and substance satisfactory to the Agent or any Lender requesting the same.

Beneficial Ownership Regulation. 31 C.F.R. § 1010.230.

BHC Act Affiliate. With respect to any Person, means an "affiliate" (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such Person.

Borrower. As defined in the preamble hereto.

Breakage Costs. The cost to any Lender of re-employing funds bearing interest at LIBOR, actually incurred (or reasonably expected to be actually incurred) in connection with (i) any payment of any portion of the Loans bearing interest at LIBOR prior to the termination of any applicable Interest Period, (ii) the conversion of a LIBOR Rate Loan to any other applicable interest rate on a date other than the last day of the relevant Interest Period, or (iii) the failure of Borrower to draw down, on the first day of the applicable Interest Period, any amount as to which Borrower has elected a LIBOR Rate Loan.

Building. With respect to each Subject Property or parcel of Real Estate, all of the buildings, structures and improvements now or hereafter located thereon.

Business Day. Any day on which banking institutions located in the same city and State as the Agent's Head Office are located are open for the transaction of banking business and, in the case of LIBOR Rate Loans, which also is a LIBOR Business Day.

Calculation Period. With respect to any calculation made, the four (4) fiscal quarters most recently ended.

Capitalization Rate. The Capitalization Rate shall be equal to, (a) for Industrial Assets, or portion thereof, which is leased to Investment Grade Tenants with respect to which the applicable Lease(s) have an average remaining lease term of at least three (3) years remaining at the time of determination, seven and one-half percent (7.50%) (provided, for the avoidance of doubt, that if only a portion of any such Industrial Asset is leased to Investment Grade Tenant(s) with respect to which the applicable Lease(s) have an average remaining lease term of at least three (3) years remaining at the time of determination, then the capitalization rate of seven and one-half percent (7.50%) shall only apply to the income from such Real Estate that is attributable to such qualifying Lease(s)), (b) for Real Estate other than Industrial Assets, or portion thereof, which is leased to Investment Grade Tenants with respect to which the applicable Lease(s) have an average remaining lease term of at least three (3) years remaining at the time of determination, seven and three-quarters percent (7.75%) (provided, for the avoidance of doubt, that if only a portion of any such Real Estate is leased to Investment Grade Tenant(s) with respect to which the applicable Lease(s) have an average remaining lease term of at least three (3) years remaining at the time of determination, then the capitalization rate of seven and three-quarters percent (7.75%) shall only apply to the income from such Real Estate that is attributable to such qualifying Lease(s)); (c) for Industrial Assets, except such Industrial Assets (or portion thereof) which are included in clause (a) above, eight percent (8.00%); and (d) for all Real Estate other than Industrial Assets, except such Real Estate (or portion thereof) which is included in clause (b) above, eight and one-quarter percent (8.25%); provided, however, for purposes of §8.5, the Capitalization Rate shall be equal to nine and one-half percent (9.50%).

Capitalized Lease. A lease under which the discounted future rental payment obligations of the lessee or the obligor are required to be capitalized on the balance sheet of such Person in accordance with GAAP.

Cash Equivalents. As of any date, (i) securities issued or directly and fully guaranteed or insured by the United States government or any agency or instrumentality thereof having maturities of not more than one (1) year from such date, (ii) time deposits and certificates of deposits having maturities of not more than one (1) year from such date and issued by any domestic commercial bank having, (A) senior long term unsecured debt rated at least A or the equivalent thereof by S&P or A2 or the equivalent thereof by Moody's and (B) capital and surplus in excess of $100,000,000.00, (iii) commercial paper rated at least A-1 or the equivalent thereof by S&P or P-1 or the equivalent thereof by Moody's and in either case maturing within one hundred twenty (120) days from such date, and (iv) shares of any money market mutual fund rated at least AAA or the equivalent thereof by S&P or at least Aaa or the equivalent thereof by Moody's.

CERCLA. See §6.20.

Change of Control. A Change of Control shall exist upon the occurrence of any of the following:

(a) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, but excluding any shareholder owning a five percent (5%) or greater interest in the Parent) becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Securities Exchange Act of 1934, except that a person or group shall be deemed to have "beneficial ownership" of all securities that such person or group has the right to acquire (such right, an "option right"), whether such right is exercisable immediately or only after the passage of time), directly or indirectly, of forty nine percent (49%) of the common shares of Parent on a fully-diluted basis (and taking into account all such securities that such person or group has the right to acquire pursuant to any option right); or

(b) during any period of 12 consecutive months, a majority of the members of the board of directors of Parent cease to be composed of individuals (i) who were members of that board on the first day of such period, (ii) whose election or nomination to that board was approved by individuals referred to in clause (i) above constituting at the time of such election or nomination at least a majority of that board or (iii) whose election or nomination to that board was approved by individuals referred to in clauses (i) and (ii) above constituting at the time of such election or nomination at least a majority of that board; or

(c) Parent fails to own, directly or indirectly, at least fifty one percent (51%) of the economic, voting and beneficial interests in Borrower and the Trust, shall fail to own such interests free of any lien, encumbrance or other adverse claim, or shall fail to control the management and policies of the Trust; or

(d) The Trust shall fail to be the sole general partner of Borrower, shall fail to own such general partnership interest in Borrower free of any lien, encumbrance or other adverse claim, or shall fail to control the management and policies of Borrower; or

(e) Borrower fails to own directly or indirectly, free of any lien, encumbrance or other adverse claim (except those granted in favor of Agent pursuant to the Loan Documents), at least one hundred percent (100%) of the economic, voting and beneficial interest of each Unencumbered Property Subsidiary.

Change in Law. The occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Change in Law", regardless of the date enacted, adopted or issued.

Closing Date. The date of this Agreement.

Code. The Internal Revenue Code of 1986, as amended, and all regulations and formal guidance issued thereunder having the force of law.

Collateral Account. A special deposit account established by the Agent pursuant to §12.6 and under its sole dominion and control.

Commitment. With respect to each Lender, the aggregate of (a) the Revolving Credit Commitment of such Lender, (b) the Term Loan A Commitment of such Lender and (c) the Term Loan B Commitment of such Lender.

Commitment Increase. An increase in the Total Revolving Credit Commitment, the Total Term Loan A Commitment and/or the Total Term Loan B Commitment pursuant to §2.11.

Commitment Increase Date. See §2.11(a).

Commitment Percentage. With respect to each Lender, the percentage set forth on Schedule 1 hereto as such Lender's percentage of the Total Commitment, as the same may be changed from time to time in accordance with the terms of this Agreement; provided that if any of the Commitments of the Lenders have been terminated as provided in this Agreement, then the Commitment of each Lender shall be determined based on the Commitment Percentage of such Lender immediately prior to such termination and after giving effect to any subsequent assignments made pursuant to the terms hereof.

Commodity Exchange Act. The Commodity Exchange Act (7 U.S.C. §1 et seq.), as amended from time to time, and any successor statute.

Communications. See §7.4.

Compliance Certificate. See §7.4(c).

Connection Income Taxes. Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

Consolidated. With reference to any term defined herein, that term as applied to the accounts of a Person and its Subsidiaries, determined on a consolidated basis in accordance with GAAP.

Consolidated EBITDA. For any period, an amount equal to the EBITDA of Borrower and its Subsidiaries for such period determined on a Consolidated basis.

Consolidated Fixed Charges. For any period, the sum of (a) Consolidated Interest Expense for such period, plus (b) all regularly scheduled principal payments made with respect to Indebtedness of Parent and its Subsidiaries during such period, other than any balloon, bullet or similar principal payment which repays such Indebtedness in full, plus (c) all Preferred Distributions for such period. Such Person's Equity Percentage in the Fixed Charges of its Unconsolidated Affiliates shall be included in the determination of Fixed Charges. Consolidated Fixed Charges shall not include dividends paid or payable on account of any common stock issued by Parent or the Borrower, including any Senior Common Stock.

Consolidated Interest Expense. For any period, without duplication, (a) total Interest Expense of Parent and its Subsidiaries determined on a Consolidated basis for such period, plus (b) such Person's Equity Percentage of Interest Expense of its Unconsolidated Affiliates for such period.

Consolidated Net Operating Income. For any Real Estate and for a given period, an amount equal to the sum of (a) the rents and other revenues for such Real Estate for such period received in the ordinary course of business (excluding pre-paid rents and revenues and security deposits except to the extent applied in satisfaction of tenants' obligations for rent) minus (b) all expenses incurred and related to the ownership, operation or maintenance of such Real Estate for such period, but specifically excluding general overhead expenses of the Borrower and its Subsidiaries, any property management fees, debt service charges, income taxes, depreciation, amortization and other non-cash expenses, minus (c) the greater of (i) actual property management expenses of such Real Estate or (ii) an amount equal to two percent (2.0%) of the gross revenues from such Real Estate. Consolidated Net Operating Income shall be adjusted to remove any impact from straight-line rent leveling adjustments (in excess of ten percent (10%) of rental income as reported on the GAAP operating statement) required under GAAP.

Consolidated Tangible Net Worth. As of any date of determination, the amount by which Consolidated Total Asset Value exceeds Consolidated Total Indebtedness.

Consolidated Total Asset Value. On a Consolidated basis for the Parent and its Subsidiaries, Consolidated Total Asset Value shall mean the sum (without duplication) of:

(a) (x) the Consolidated Net Operating Income for the Calculation Period of all Real Estate owned by Parent, the Borrower or any of their respective Subsidiaries for four (4) full fiscal quarters or more (other than Consolidated Net Operating Income from any Real Estate whose inclusion in the calculation of Consolidated Total Asset Value was pursuant to clauses (d) and (e) of this definition) annualized, as applicable, with the product thereof being divided by (y) the applicable Capitalization Rate; plus

(b) the book value determined in accordance with GAAP of all Real Estate (other than the Subject Properties) owned by Parent, the Borrower or any of their respective Subsidiaries for less than four (4) full fiscal quarters; plus

(c) the book value determined in accordance with GAAP of all Mortgage Receivables, Second Lien Mortgage Receivables and Mezzanine Loans owned by Parent, the Borrower or any of their respective Subsidiaries; plus

(d) the book value determined in accordance with GAAP of all Development Properties owned by Parent, the Borrower or any of their respective Subsidiaries; plus

(e) the book value determined in accordance with GAAP of all Unimproved Land owned by Parent, the Borrower or any of their respective Subsidiaries; plus

(f) the aggregate amount of all Unrestricted Cash and Cash Equivalents of Parent, the Borrower and their respective Subsidiaries as of the date of determination; plus

(g) with respect to any Real Estate owned by an Unconsolidated Affiliate of the Borrower for (x) less than four (4) full fiscal quarters or (y) consisting of Development Properties or Unimproved Land, an amount equal to Borrower's Equity Percentage in such Unconsolidated Affiliate multiplied by the book value determined in accordance with GAAP of all Real Estate; plus

(h) with respect to any Real Estate owned by an Unconsolidated Affiliate of the Borrower for four (4) full fiscal quarters or more (except for any Real Estate owned by an Unconsolidated Affiliate of the Borrower which is a Development Property or is Unimproved Land whose inclusion in the calculation of Consolidated Total Asset Value was pursuant to clause (g) above), (x) the Consolidated Net Operating Income for the Calculation Period of such Real Estate annualized, as applicable, multiplied by (x) an amount equal to Borrower's Equity Percentage in such Unconsolidated Affiliate, with the product thereof being divided by (z) the applicable Capitalization Rate; plus

(i) with respect to any Mortgage Receivable, Second Lien Mortgage Receivable or Mezzanine Loan owned by an Unconsolidated Affiliate of Borrower, Borrower's Equity Percentage in such Unconsolidated Affiliate multiplied by the book value determined in accordance with GAAP of all such Mortgage Receivables, Second Lien Mortgage Receivables and Mezzanine Loans.

Consolidated Total Asset Value will be adjusted, as appropriate, for acquisitions, dispositions and other changes to the portfolio during the calendar quarter most recently ended prior to a date of determination.

Consolidated Total Equity Pledge Secured Debt. On any date of determination, all Equity Pledge Secured Debt of Parent and its Subsidiaries determined on a Consolidated basis and shall include (without duplication) such Person's Equity Percentage of the Equity Pledge Secured Debt of its Unconsolidated Affiliates.

Consolidated Total Indebtedness. All indebtedness of Parent and its Subsidiaries determined on a Consolidated basis and all Indebtedness of Parent and its Subsidiaries determined on a Consolidated basis, whether or not so classified. Consolidated Total Indebtedness shall not include Trust Preferred Equity or Mandatorily Redeemable Stock. Consolidated Total Indebtedness shall include (without duplication), such Person's Equity Percentage of the foregoing of its Unconsolidated Affiliates.

Consolidated Total Secured Debt. On any date of determination, all Secured Debt (other than Equity Pledge Secured Debt) of Parent and its Subsidiaries determined on a Consolidated basis and shall include (without duplication) such Person's Equity Percentage of the Secured Debt (other than Equity Pledge Secured Debt) of its Unconsolidated Affiliates.

Consolidated Total Unsecured Debt. On any date of determination, all Unsecured Debt of Parent and its Subsidiaries determined on a Consolidated basis and shall include (without duplication) such Person's Equity Percentage of the Unsecured Debt of its Unconsolidated Affiliates.

Construction in Progress. On a consolidated basis for Borrower and its Subsidiaries, the sum of all cash expenditures for land and improvements (including indirect costs internally allocated and development costs) in accordance with GAAP on properties that are under construction or with respect to which construction is reasonably scheduled to commence within twelve (12) months of the relevant determination. For the purposes of calculating Construction in Progress of Borrower and its Subsidiaries with respect to properties under construction of Unconsolidated Affiliates, the Construction in Progress of Borrower and its Subsidiaries shall be the lesser of (a) the Investment of Borrower or its Subsidiary in the applicable Unconsolidated Affiliate or (b) the Borrower's or such Subsidiary's pro rata share (based upon the Equity Percentage of such Person in such Unconsolidated Affiliate) of such Unconsolidated Affiliate's Construction in Progress.

Contribution Agreement. That certain Third Amended and Restated Contribution Agreement dated of even date herewith among the Borrower, the Guarantors and each Additional Guarantor which may hereafter become a party thereto, as the same may be modified, amended or ratified from time to time.

Conversion/Continuation Request. A notice given by the Borrower to the Agent of its election to convert or continue a Loan in accordance with §4.1.

Corresponding Tenor. With respect to any Available Tenor means, as applicable, either a tenor (including overnight) or an interest payment period having approximately the same length (disregarding business day adjustment) as such Available Tenor.

Covered Entity. Any of the following: (i) a "covered entity" as that term is defined in, and interpreted in accordance with, 12 C.F.R. §252.82(b); (ii) a "covered bank" as that term is defined in, and interpreted in accordance with, 12 C.F.R. §47.3(b); or (iii) a "covered FSI" as that term is defined in, and interpreted in accordance with, 12 C.F.R. §382.2(b).

Covered Party. See §37.

Credit Rating. As of any date of determination, the highest credit rating assigned to Borrower's or Parent's long-term senior unsecured non-credit enhanced debt by any of the Rating Agencies as determined pursuant to this definition. A credit rating of BBB- from S&P or Fitch shall be equivalent to a credit rating of Baa3 from Moody's and vice versa. A credit rating of BBB from S&P or Fitch shall be equivalent to a credit rating of Baa2 from Moody's and vice versa. A credit rating of BBB+ from S&P or Fitch shall be equivalent to a credit rating of Baa1 by Moody's and vice versa. A credit rating of A- from S&P or Fitch shall be equivalent to a credit rating of A3 by Moody's and vice versa. It is the intention of the parties that Borrower or Parent shall obtain a credit rating from either or both of S&P or Moody's, but may also seek an additional credit rating from Fitch, and the Borrower shall be entitled to the benefit of the Credit Rating Level for any such credit rating subject to the terms and conditions of this definition. If Borrower shall have obtained a credit rating from two or more of the Rating Agencies, the highest of the ratings shall control, provided that the next highest rating is only one level below that of the highest rating. If the rating which is second from highest is more than one level below that of the highest rating, the operative rating would be deemed to be one rating level higher than the rating which is second from highest. In the event that Borrower and/or Parent shall have obtained a credit rating from two or more of the Rating Agencies and shall thereafter lose such rating (whether as a result of a withdrawal, suspension, election to not obtain a rating, or otherwise) from one of the Rating Agencies (unless if such lost rating was provided by Fitch), the operative rating would be deemed to be one rating level lower than the highest remaining rating; provided, however, that if at any time the only remaining credit rating has been issued by Fitch, Borrower and/or Parent shall be deemed for the purposes hereof not to have a Credit Rating and Credit Rating Level 5 shall apply. In the event that Borrower and/or Parent shall have obtained a credit rating from one or more of the Rating Agencies and shall thereafter lose such ratings (whether as a result of withdrawal, suspension, election to not obtain a rating, or otherwise) from each of the Rating Agencies, Borrower and/or Parent shall be deemed for the purposes hereof not to have a Credit Rating and Credit Rating Level 5 shall apply. If at any time any of the Rating Agencies shall no longer perform the functions of a securities rating agency, then the Borrower and the Agent shall promptly negotiate in good faith to agree upon a substitute rating agency or agencies (and to correlate the system of ratings of each substitute rating agency with that of the rating agency being replaced), and pending such amendment, the credit rating of the other of the Rating Agencies, if one has been provided, shall continue to apply (provided that if the only remaining credit rating has been issued by Fitch, Borrower and/or Parent shall be deemed for the purposes hereof not to have a Credit Rating and Credit Rating Level 5 shall apply).

Credit Rating Level. One of the following five (5) pricing levels, as applicable, and provided, further, that, from and after the time that Agent receives written notice that Borrower and/or Parent has first obtained an Investment Grade Rating and Borrower has elected to use the Credit Rating of Borrower or Parent as the basis for the Applicable Margin:

"Credit Rating Level 1" means the Credit Rating Level which would be applicable for so long as the Credit Rating is greater than or equal to A- by S&P or Fitch or A3 by Moody's;

"Credit Rating Level 2" means the Credit Rating Level which would be applicable for so long as the Credit Rating is greater than or equal to BBB+ by S&P or Fitch or Baa1 by Moody's and Credit Rating Level 1 is not applicable; and

"Credit Rating Level 3" means the Credit Rating Level which would be applicable for so long as the Credit Rating is greater than or equal to BBB by S&P or Fitch or Baa2 by Moody's and Credit Rating Levels 1 and 2 are not applicable;

"Credit Rating Level 4" means the Credit Rating Level which would be applicable for so long as the Credit Rating is greater than or equal to BBB- by S&P or Fitch or Baa3 by Moody's and Credit Rating Levels 1, 2 and 3 are not applicable; and

"Credit Rating Level 5" means the Credit Rating Level which would be applicable for so long as the Credit Rating is less than BBB- by S&P or Fitch or Baa3 by Moody's or there is no Credit Rating.

Daily Simple SOFR. For any day, SOFR, with the conventions for this rate (which will include a lookback) being established by the Agent in accordance with the conventions for this rate selected or recommended by the Relevant Governmental Body for determining "Daily Simple SOFR" for syndicated business loans; provided, that if the Agent decides that any such convention is not administratively feasible for the Agent, then the Agent may establish another convention in its reasonable discretion.

Default. See §12.1.

Default Rate. See §4.12.

Default Right. Such term shall have the meaning assigned to it in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

Defaulting Lender. Any Lender that, as reasonably determined by the Agent, (a) has failed to perform any of its funding obligations hereunder, including in respect of its Loans or participations in respect of Letters of Credit, within two (2) Business Days of the date required to be funded by it hereunder and such failure is continuing, unless such failure arises out of such Lender's good faith determination that a condition precedent to funding (specifically identified) has not been satisfied, (b) (i) has notified the Borrower or the Agent that it does not intend to comply with its funding obligations hereunder or (ii) has made a public statement to that effect with respect to its funding obligations under other agreements generally in which it commits to extend credit, unless with respect to this clause (b), such failure arises from such Lender's good faith determination that a condition precedent to funding (specifically identified) has not been satisfied, (c) has failed, within two (2) Business Days after request by the Agent, to confirm in a manner reasonably satisfactory to the Agent and Borrower that it will comply with its funding obligations; provided that, notwithstanding the provisions of §2.13, such Lender shall cease to be a Defaulting Lender upon the Agent's receipt of confirmation that such Defaulting Lender will comply with its funding obligations, (d) is subject to any Bail-In Action, or (e) has, or has a direct or indirect parent company that has, (i) become the subject of a proceeding under any bankruptcy, insolvency, reorganization, liquidation, conservatorship, assignment for the benefit of creditors, moratorium, receivership, rearrangement or similar debtor relief law of the United States or other applicable jurisdictions from time to time in effect, including any law for the appointment of the Federal Deposit Insurance Corporation or any other state or federal regulatory authority as receiver, conservator, trustee, administrator or any similar capacity, (ii) had a receiver,

conservator, trustee, administrator, assignee for the benefit of creditors or similar Person, including the Federal Deposit Insurance Corporation or any other state or federal regulatory authority acting in such capacity, charged with reorganization or liquidation of its business or a custodian appointed for it, (iii) taken any action in furtherance of, or indicated its consent to, approval of or acquiescence in any such proceeding or appointment, or (iv) become the subject of a Bail-In Action; provided that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any equity interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts of the United States or from the enforcement of judgments or writs of attachment of its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow, or disaffirm any contracts or agreements made with such Person. Any determination by the Agent that a Lender is a Defaulting Lender under any one or more of clauses (a) through (d) above shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to §2.13(g)) upon delivery of written notice of such determination to the Borrower and each Lender.

Derivatives Contract. Any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement. Not in limitation of the foregoing, the term "Derivatives Contract" includes any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement, including any such obligations or liabilities under any such master agreement. Notwithstanding anything to the contrary, the term "Derivatives Contract" shall not include rate-lock provisions with respect to long-term mortgage contracts or repurchase agreements not otherwise prohibited by this Agreement.

Derivatives Termination Value. In respect of any one or more Derivatives Contracts, after taking into account the effect of any legally enforceable netting agreement relating to such Derivatives Contracts, (a) for any date on or after the date such Derivatives Contracts have been closed out and termination value(s) determined in accordance therewith, such termination value(s), and (b) for any date prior to the date referenced in clause (a) the amount(s) determined as the mark-to-market value(s) for such Derivatives Contracts, as determined based upon one or more mid-market or other readily available quotations provided by any recognized dealer in such Derivatives Contracts (which may include the Agent or any Lender).

Designated Person. See §6.31.

Distribution. Any (a) dividend or other distribution, direct or indirect, on account of any Equity Interest of Parent, the Borrower, or any of their respective Subsidiaries now or hereafter outstanding, except a dividend payable solely in Equity Interests of identical class to the holders

of that class; (b) redemption, conversion, exchange, retirement, sinking fund or similar payment, purchase or other acquisition for value, direct or indirect, of any Equity Interest of Parent, the Borrower or any of their respective Subsidiaries now or hereafter outstanding; and (c) payment made to retire, or to obtain the surrender of, any outstanding warrants, options or other rights to acquire any Equity Interests of Parent, the Borrower, or any of their respective Subsidiaries now or hereafter outstanding.

Directions. See §14.15.

Documentation Agent. Fifth Third Bank, National Association, but only in the event that, and for so long as, Fifth Third Bank is a Lender.

Dollars or $. Dollars in lawful currency of the United States of America.

Domestic Lending Office. Initially, the office of each Lender designated as such in each such Lender's Administrative Questionnaire or such other office of such Lender, if any, located within the United States that will be making or maintaining Base Rate Loans.

Drawdown Date. The date on which any Loan is made or is to be made, and the date on which any Loan which is made prior to the Revolving Credit Maturity Date, the Term Loan A Maturity Date or the Term Loan B Maturity Date, as applicable, is converted in accordance with §4.1.

Early Opt-in Election. If the then-current Benchmark is USD LIBOR, the occurrence of:

(1) a notification by the Agent to (or the request by the Borrower to the Agent to notify) each of the other parties hereto that at least five (5) currently outstanding U.S. dollar-denominated syndicated credit facilities at such time contain (as a result of amendment or as originally executed) a SOFR-based rate (including SOFR, a term SOFR or any other rate based upon SOFR) as a benchmark rate (and such syndicated credit facilities are identified in such notice and are publicly available for review), and

(2) the joint election by the Agent and the Borrower to trigger a fallback from USD LIBOR and the provision by the Agent of written notice of such election to the Lenders.

EBITDA. With respect to a Person for any period (without duplication): (a) net income (or loss) of such Person for such period determined on a consolidated basis in accordance with GAAP, exclusive of the following (but only to the extent included in the determination of such net income (loss)): (i) depreciation and amortization expense; (ii) interest expense; (iii) income tax expense; (iv) gains and losses on the sale of assets and other extraordinary or non-recurring gains and losses; (v) subordinated management fees; (vi) distributions to minority owners; and (viii) one-time non-recurring items; plus (b) such Person's pro rata share of EBITDA determined in accordance with clause (a) above of its Unconsolidated Affiliates. EBITDA shall be adjusted to remove any impact from (A) straight line rent leveling adjustments (in excess of ten percent (10%) of rental income as reported on the GAAP operating statement) required under GAAP and (B) non-cash compensation expenses (to the extent such adjustments would otherwise have been included in the determination of EBITDA). For purposes of this definition, nonrecurring items shall be deemed to include, but not be limited to, (w) transaction costs incurred in connection

herewith, (x) gains and losses on early extinguishment of Indebtedness, (y) non-cash severance and other non-cash restructuring charges and (z) transaction costs of acquisitions required to be expensed under FASB ASC 805 which are not permitted to be capitalized pursuant to GAAP. Notwithstanding the foregoing, to the extent any nonrecurring items are included in the calculation of EBITDA, such non-recurring income and expense shall not be annualized for purposes of calculating Consolidated EBITDA.

EEA Financial Institution. (a) Any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

EEA Member Country. Any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

EEA Resolution Authority. Any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

Electronic System. See §7.4.

Eligible Real Estate. Real Estate:

(a) which is wholly-owned in fee (or leased under a ground lease acceptable to the Agent in its reasonable discretion) by an Unencumbered Property Subsidiary;

(b) which is located within the contiguous 48 States of the continental United States or the District of Columbia;

(c) which is improved by an income-producing office, industrial, manufacturing, retail, distribution, medical/healthcare, data center or flex property, which contains improvements that are in operating condition and available for occupancy, and with respect to which valid certificates of occupancy or the equivalent for all buildings thereon have been issued and are in full force and effect;

(d) as to which all of the representations set forth in §6 of this Agreement concerning the Subject Property are true and correct;

(e) as to which the Agent and the Required Lenders, as applicable, have received and approved all Eligible Real Estate Qualification Documents, or will receive and approve them prior to inclusion of such Eligible Real Estate in the calculation of the Unencumbered Asset Value; and

(f) which is in compliance with and would not cause a Default under the provisions of §7.16.

Eligible Real Estate Qualification Documents. See §7.16.

Eligible Tenant. A tenant in Eligible Real Estate that satisfies each of the following requirements at all times: (i) such tenant is not a natural person and is a legal operating entity, duly organized and validly existing under the laws of its jurisdiction of organization; (ii) such tenant is not the subject of any Insolvency Event; (iii) no default, event of default or event which with the giving of notice or the expiration of time would constitute a default or event of default has occurred and is continuing with respect to any other lease relating to a property included in the calculation of the Unencumbered Asset Value to which such tenant is a party; and (iv) such tenant is in compliance with the material terms and conditions of such lease.

Employee Benefit Plan. Any employee benefit plan within the meaning of §3(3) of ERISA maintained or contributed to by either of the Borrower or any ERISA Affiliate, other than a Multiemployer Plan.

Environmental Laws. See §6.20(a).

Equity Interests. With respect to any Person, any share of capital stock of (or other ownership or profit interests in) such Person, any warrant, option or other right for the purchase or other acquisition from such Person of any share of capital stock of (or other ownership or profit interests in) such Person, any security convertible into or exchangeable for any share of capital stock of (or other ownership or profit interests in) such Person or warrant, right or option for the purchase or other acquisition from such Person of such shares (or such other interests), and any other ownership or profit interest in such Person (including, without limitation, partnership, member or trust interests therein), whether voting or nonvoting, and whether or not such share, warrant, option, right or other interest is authorized or otherwise existing on any date of determination.

Equity Offering. The issuance and sale after the Closing Date by Parent, the Borrower or any Subsidiary of Borrower of any equity securities of such Person.

Equity Percentage. The aggregate ownership percentage of the Borrower, the Guarantors or their respective Subsidiaries in each Unconsolidated Affiliate.

Equity Pledge Secured Debt. (a) Indebtedness of Parent or a Subsidiary of Parent (other than any Subsidiary of Borrower which directly or indirectly owns or leases a Subject Property) which is secured by a Lien on any direct or indirect Equity Interests in a Subsidiary of Parent (other than Borrower or any Subsidiary of Borrower which directly or indirectly owns or leases a Subject Property), including, without limitation, any Distributions or rights to Distributions on account of such Equity Interests, and (b) in the event the Loans or Letter of Credit Liabilities are at any time secured by a Lien on any direct or indirect Subsidiary of Parent or its Subsidiaries, Equity Pledge Secured Debt shall include the Loans and Letter of Credit Liabilities.

ERISA. The Employee Retirement Income Security Act of 1974, as amended and in effect from time to time and all regulations and formal guidelines issued thereunder.

ERISA Affiliate. Any Person which is treated as a single employer with the Borrower, the Guarantors or their respective Subsidiaries under §414 of the Code or Section 4001 of ERISA.

ERISA Reportable Event. A reportable event with respect to a Guaranteed Pension Plan within the meaning of §4043 of ERISA and the regulations promulgated thereunder as to which the requirement of notice has not been waived or any other event with respect to which the Borrower, a Guarantor or an ERISA Affiliate could reasonably be expected to have liability under Section 4062(e) or Section 4063 of ERISA.

EU Bail-In Legislation Schedule. The EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor Person), as in effect from time to time.

Event of Default. See §12.1.

Excluded Subsidiary. Any Person which is as of the date of this Agreement, or becomes after the date of this Agreement, a Subsidiary of Parent which is prohibited from guaranteeing the Indebtedness of any other Person pursuant to (a) any document, instrument or agreement evidencing Secured Debt permitted by this Agreement or (b) a provision of such Subsidiary's organizational documents, as a condition to the extension of such Secured Debt.

Excluded Taxes. Any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, United States federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan or Commitment pursuant to an Applicable Law in effect on the date on which (i) such Lender acquires such interest in the Loan or Commitment (other than pursuant to an assignment request by the Borrower under §4.15 as a result of costs sought to be reimbursed pursuant to §4.4 or under §18.9) or (ii) such Lender changes its lending office, except in each case to the extent that, pursuant to §4.4, amounts with respect to such Taxes were payable either to such Lender's assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its lending office, (c) Taxes attributable to such Recipient's failure to comply with §4.4(g), and (d) any U.S. United States federal withholding Taxes imposed under FATCA.

Existing Revolving Credit Commitments. The Revolving Credit Commitments (as defined in the Original Credit Agreement).

Existing Term Loan Commitments. The Term Loan Commitments (as defined in the Original Credit Agreement).

Existing Revolving Credit Loans. The Revolving Credit Loans (as defined in the Original Credit Agreement.

Existing Term Loans. The Term Loans (as defined in the Original Credit Agreement).

Extension Request. See §2.12(a).

Facility Fee. See §2.3(b).

FASB. The Financial Accounting Standards Board of the Financial Accounting Foundation.

FASB ASC 805. Topic 805 of FASB's Accounting Standards Codification, as issued by FASB in December of 2010, and becoming effective with respect to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008 (previously codified as Financial Accounting Standard 141 (revised), as issued by FASB in December of 2007, and becoming effective January 1, 2009).

FATCA. Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof and any agreements entered into pursuant to Section 1471(b)(1) of the Code.

Federal Funds Effective Rate. For any day, the rate per annum (rounded upward to the nearest one-hundredth of one percent (1/100 of 1%)) announced by the Federal Reserve Bank of New York on such day as being the weighted average of the rates on overnight federal funds transactions arranged by federal funds brokers on the previous trading day, as computed and announced by such Federal Reserve Bank in substantially the same manner as such Federal Reserve Bank computes and announces the weighted average it refers to as the "Federal Funds Effective Rate". In the event that the Federal Funds Effective Rate shall be less than zero, then for the purposes of this Agreement the Federal Funds Effective Rate shall be deemed to be zero.

Fitch. Fitch Ratings Inc., and any successor thereto.

Floor. The benchmark rate floor(s) provided in this Agreement initially (as of the execution of this Agreement, the modification, amendment or renewal of this Agreement or otherwise) with respect to LIBOR Rate Loans.

Foreign Lender. If the Borrower is a U.S. Person, a Lender that is not a U.S. Person, and if the Borrower is not a U.S. Person, a Lender that is resident or organized under the laws of a jurisdiction other than that in which the Borrower is resident for tax purposes.

Fronting Exposure. At any time there is a Defaulting Lender, with respect to the Issuing Lender, such Defaulting Lender's Revolving Credit Commitment Percentage of the outstanding Letter of Credit Liabilities other than Letter of Credit Liabilities as to which such Defaulting Lender's participation obligation has been reallocated to other Revolving Credit Lenders or cash collateral or other credit support acceptable to the Issuing Lender shall have been provided in accordance with the terms hereof.

Funds from Operations. With respect to any Person for any period, an amount equal to the Net Income (or Loss) of such Person for such period, computed in accordance with GAAP, excluding gains (or losses) from extraordinary items or non-recurring gains or losses (but including gains or losses on sales of Real Estate in the ordinary course of business, e.g. build to suits), plus real estate depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures. Adjustments for unconsolidated partnerships and joint ventures will be recalculated to reflect funds from operations on the same basis. "Funds from Operations" shall be adjusted to remove any impact of the expensing of acquisition costs pursuant to FASB ASC 805,

including, without limitation, (i) the addition to Net Income of costs and expenses related to ongoing consummated acquisition transactions during such period; and (ii) the subtraction from Net Income of costs and expenses related to acquisition transactions terminated during such period.

GAAP. Principles that are (a) consistent with the principles promulgated or adopted by the Financial Accounting Standards Board and its predecessors, as in effect from time to time and (b) consistently applied with past financial statements of the Person adopting the same principles; provided that a certified public accountant would, insofar as the use of such accounting principles is pertinent, be in a position to deliver an unqualified opinion (other than a qualification regarding changes in generally accepted accounting principles) as to financial statements in which such principles have been properly applied.

Governmental Authority. Any national, state or local government (whether domestic or foreign), any political subdivision thereof or any other governmental, quasi-governmental, judicial, public or statutory instrumentality, authority, body, agency, bureau, commission, board, department or other entity (including, without limitation, the Federal Deposit Insurance Corporation, the Comptroller of the Currency or the Federal Reserve Board, any central bank or any comparable authority) or any arbitrator with authority to bind a party at law, and including any supra-national bodies such as the European Union or the European Central Bank.

Guaranteed Pension Plan. Any employee pension benefit plan within the meaning of §3(2) of ERISA maintained or contributed to by the Borrower or any ERISA Affiliate the benefits of which are guaranteed on termination in full or in part by the PBGC pursuant to Title IV of ERISA, other than a Multiemployer Plan.

Guarantors. Collectively, Parent and all Subsidiary Guarantors, and individually any one of them.

Guaranty. The Third Amended and Restated Unconditional Guaranty of Payment and Performance dated of even date herewith made by Parent and the Subsidiary Guarantors in favor of the Agent and the Lenders, as the same may be modified, amended or ratified.

Hazardous Substances. See §6.20(b).

Implied Unsecured Debt Service. On any date of determination, an amount equal to the annual principal and interest payment sufficient to amortize in full during a thirty (30) year period, a loan in an amount equal to the sum of the aggregate principal balance of all Unsecured Debt of the Parent and its Subsidiaries (including the Loans and the Letter of Credit Liabilities) determined on a Consolidated basis as of such date, calculated using an interest rate equal to the greater of (a) two and one quarter percent (2.25%) plus the then current annual yield on ten (10) year obligations issued by the United States Treasury most recently prior to the date of determination as determined by the Agent and (b) six and one-half percent (6.5%).

Increase Notice. See §2.11(a).

Indebtedness. With respect to a Person, at the time of computation thereof, all of the following (without duplication): (a) all obligations of such Person in respect of money borrowed (other than trade debt incurred in the ordinary course of business which is not more than ninety

(90) days past due); (b) all obligations of such Person, whether or not for money borrowed (i) represented by notes payable, or drafts accepted, in each case representing extensions of credit, (ii) evidenced by bonds, debentures, notes or similar instruments, or (iii) constituting purchase money indebtedness, conditional sales contracts, title retention debt instruments or other similar instruments, upon which interest charges are customarily paid or that are issued or assumed as full or partial payment for property or services rendered and are due more than three (3) months from the date of incurrence of the obligation in respect thereof or evidenced by a note or similar instrument; (c) obligation of such Person as a lessee or obligor under a Capitalized Lease; (d) all reimbursement obligations of such Person under any letters of credit or acceptances (whether or not the same have been presented for payment); (e) all Off-Balance Sheet Obligations of such Person; (f) all obligations of such Person in respect of any purchase obligation, takeout commitment or forward equity commitment and net obligations of such Person in respect of any repurchase obligation; (g) net obligations under any Derivatives Contract not entered into as a hedge against existing Indebtedness, in an amount equal to the Derivatives Termination Value thereof; (h) all obligations of such Person to redeem, retire, defease or otherwise make any payment in respect of any Mandatorily Redeemable Stock issued by such Person or any other Person, valued at the greater of its voluntary or involuntary liquidation preference plus accrued and unpaid dividends; (i) all Indebtedness of other Persons which such Person has guaranteed or is otherwise recourse to such Person (except for guaranties of Non-recourse Exclusions, other customary exceptions for fraud, misapplication of funds, environmental indemnities, violation of "special purpose entity" covenants, and other similar exceptions to recourse liability, until a claim is made with respect thereto, and then shall be included only to the extent of the amount of such claim), including liability of a general partner in respect of liabilities of a partnership in which it is a general partner which would constitute "Indebtedness" hereunder, any obligation to supply funds to or in any manner to invest directly or indirectly in a Person, to maintain working capital or equity capital of a Person or otherwise to maintain net worth, solvency or other financial condition of a Person, to purchase indebtedness, or to assure the owner of indebtedness against loss, including, without limitation, through an agreement to purchase property, securities, goods, supplies or services for the purpose of enabling the debtor to make payment of the indebtedness held by such owner or otherwise; (j) all Indebtedness of another Person secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien on property or assets owned by such Person, even though such Person has not assumed or become liable for the payment of such Indebtedness or other payment obligation; (k) all obligations of such Person under any PACE Loan (provided, that, such Person's obligations under a PACE Loan with respect to which no default or event of default on the part of the applicable obligor is in existence shall be excluded from Indebtedness for purposes of calculating financial ratios and covenants hereunder to the extent such obligations are paid by a tenant of the applicable Real Estate pursuant to a Lease); and (l) such Person's pro rata share of the Indebtedness (based upon its Equity Percentage in such Unconsolidated Affiliates) of any Unconsolidated Affiliate of such Person.

Indemnified Taxes. (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of the Borrower or any Guarantor under any Loan Document and (b) to the extent not otherwise described in (a), Other Taxes.

Industrial Assets. Income-producing Real Estate with respect to which seventy-five percent (75%) or greater of the Net Rentable Area of such Real Estate consists of industrial,

warehouse, manufacturing and/or distribution uses (provided, for the avoidance of doubt, that retail, office, medical/healthcare and/or data center uses shall not be considered industrial, warehouse, manufacturing and/or distribution uses for purposes of this definition).

Information Materials. See §7.4.

Insolvency Event. With respect to a specified Person, (a) the filing of a decree or order for relief by a court having jurisdiction in respect of such Person or any substantial part of its property in an involuntary case under any applicable Insolvency Law now or hereafter in effect, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official for such Person or for any substantial part of its property, or ordering the winding-up or liquidation of such Person's affairs, and such decree or order shall remain unstayed and in effect for a period of sixty (60) consecutive days; or (b) the commencement by such Person of a voluntary case under any applicable Insolvency Law now or hereafter in effect, or the consent by such Person to the entry of an order for relief in an involuntary case under any such law, or the consent by such Person to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official for such Person or for any substantial part of its property, or the making by such Person of any general assignment for the benefit of creditors, or the failure by such Person generally to pay its debts as such debts become due, or the taking of action by such Person in furtherance of any of the foregoing.

Insolvency Laws. The Bankruptcy Code and all other applicable liquidation, conservatorship, bankruptcy, moratorium, rearrangement, receivership, insolvency, reorganization, suspension of payments, or similar debtor relief laws from time to time in effect affecting the rights of creditors generally.

Interest Expense. For any period, without duplication, (a) total interest expense incurred (both expensed and capitalized) of the Borrower, the Guarantors and their respective Subsidiaries on funded debt, including the portion of rents payable under a Capitalized Lease allocable to interest expense in accordance with GAAP (but excluding capitalized interest funded under a construction loan interest reserve account), determined on a consolidated basis in accordance with GAAP for such period, plus (b) the Borrower's, the Guarantors' and their respective Subsidiaries' Equity Percentage of Interest Expense of their Unconsolidated Affiliates for such period. Interest Expense shall not include Preferred Distributions or interest on Trust Preferred Equity.

Interest Payment Date. As to each Base Rate Loan and each LIBOR Rate Loan, the first (1st) day of each calendar month during the term of such Loan.

Interest Period. With respect to each LIBOR Rate Loan (a) initially, the period commencing on the Drawdown Date of such LIBOR Rate Loan and ending one, two or three months thereafter, and (b) thereafter, each period commencing on the day following the last day of the next preceding Interest Period applicable to such Loan and ending on the last day of one of the periods set forth above, as selected by the Borrower in a Loan Request or Conversion/Continuation Request; provided that all of the foregoing provisions relating to Interest Periods are subject to the following:

(i) if any Interest Period with respect to a LIBOR Rate Loan would otherwise end on a day that is not a LIBOR Business Day, such Interest Period shall end on the next succeeding LIBOR Business Day, unless such next succeeding LIBOR Business Day occurs in the next calendar month, in which case such Interest Period shall end on the next preceding LIBOR Business Day, as determined conclusively (absent manifest error) by the Agent in accordance with the then current bank practice in London;

(ii) if the Borrower shall fail to give notice as provided in §4.1, the Borrower shall be deemed to have requested a continuation of the affected LIBOR Rate Loan as a LIBOR Rate Loan for the same Interest Period (unless such Interest Period shall be greater than the time remaining until the Revolving Credit Maturity Date, Term Loan A Maturity Date or Term Loan B Maturity Date, as applicable, in which case the Interest Period shall be the Interest Period closest to the time remaining, without exceeding the time to the Revolving Credit Maturity Date or Term Loan Maturity Date, as applicable) at the end of the applicable Interest Period);

(iii) any Interest Period pertaining to a LIBOR Rate Loan that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of the applicable calendar month; and

(iv) no Interest Period relating to any Revolving Credit LIBOR Rate Loan shall extend beyond the Revolving Credit Maturity Date, no Interest Period relating to any Term A LIBOR Rate Loan shall extend beyond the Term Loan A Maturity Date, and no Interest Period relating to any Term B LIBOR Rate Loan shall extend beyond the Term Loan B Maturity Date.

Investment Grade Rating. A credit rating assigned to such Person's long-term senior unsecured non-credit enhanced debt of BBB- or better by S&P or Baa3 or better by Moody's. For the avoidance of doubt, any credit rating from Fitch shall not be deemed an Investment Grade Rating for purposes hereof, but such rating shall be used in the determination of the applicable Credit Rating and Credit Rating Level as set forth in the respective definitions thereof.

Investment Grade Tenant. (a) A tenant of any Real Estate with a long term senior unsecured debt rating of Baa3 or better as rated by Moody's or BBB- or better as rated by S&P (it being understood that in the event there is a discrepancy between the Moody's rating and the S&P rating, the highest of the ratings will be utilized), or (b) a tenant of any Real Estate that is a Subsidiary of an entity that meets such ratings requirement under clause (a) above provided that such entity has guaranteed all of such tenant's obligations under the applicable Lease (provided, however, that for purposes of determining the Capitalization Rate which is applicable hereunder to income arising under such Lease, if such entity has guaranteed a certain amount of such tenant's payment obligations under the Lease, then such Lease shall be deemed to have an Investment Grade Tenant with respect to that portion of tenant's payment obligations (and the income arising therefrom) which have been guaranteed by such entity).

Investments. With respect to any Person, all shares of capital stock, evidences of Indebtedness and other securities issued by any other Person and owned by such Person, all loans, advances, or extensions of credit to, or contributions to the capital of, any other Person, all

purchases of the securities or business or integral part of the business of any other Person and commitments and options to make such purchases, all interests in real property, and all other investments; provided, however, that the term "Investment" shall not include (i) equipment, inventory and other tangible personal property acquired in the ordinary course of business, or (ii) current trade and customer accounts receivable for services rendered in the ordinary course of business and payable in accordance with customary trade terms. In determining the aggregate amount of Investments outstanding at any particular time: (a) there shall be included as an Investment all interest accrued with respect to Indebtedness constituting an Investment unless and until such interest is paid; (b) there shall be deducted in respect of each Investment any amount received as a return of capital; (c) there shall not be deducted in respect of any Investment any amounts received as earnings on such Investment, whether as dividends, interest or otherwise, except that accrued interest included as provided in the foregoing clause (a) may be deducted when paid; and (d) there shall not be deducted in respect of any Investment any decrease in the value thereof.

ISDA Definitions. The 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time by the International Swaps and Derivatives Association, Inc. or such successor thereto.

Issuing Lender. KeyBank, in its capacity as the Lender issuing the Letters of Credit and any successor thereto.

Joinder Agreement. The Joinder Agreement with respect to the Guaranty and the Contribution Agreement to be executed and delivered pursuant to §5.2 by any Additional Guarantor, such Joinder Agreement to be substantially in the form of Exhibit B hereto.

Joint-Lead Arrangers. As to Revolving Credit Loans and Term Loan A, collectively, Arranger, Fifth Third Bank, The Huntington National Bank and U.S. Bank National Association, and as to Term Loan B, Arranger, Fifth Third Bank and The Huntington National Bank.

KeyBank. As defined in the preamble hereto.

Land Assets. Land with respect to which the commencement of grading, construction of improvements (other than improvements that are not material and are temporary in nature) or infrastructure has not yet commenced and for which no such work is reasonably scheduled to commence within the following twelve (12) months.

Leases. Leases, licenses and agreements, whether written or oral, relating to the use or occupation of space in any Building or of any Real Estate.

Lenders. KeyBank, the other lending institutions which are party hereto and any other Person which becomes an assignee of any rights of a Lender pursuant to §18 (but not including any participant as described in §18).

Letter of Credit. Any standby letter of credit issued at the request of the Borrower and for the account of the Borrower in accordance with §2.10.

Letter of Credit Liabilities. At any time and in respect of any Letter of Credit, the sum of (a) the maximum undrawn face amount of such Letter of Credit plus (b) the aggregate unpaid principal amount of all drawings made under such Letter of Credit which have not been repaid (including repayment by a Revolving Credit Loan). For purposes of this Agreement, a Revolving Credit Lender (other than the Revolving Credit Lender acting as the Issuing Lender) shall be deemed to hold a Letter of Credit Liability in an amount equal to its participation interest in the related Letter of Credit under §2.10, and the Revolving Credit Lender acting as the Issuing Lender shall be deemed to hold a Letter of Credit Liability in an amount equal to its retained interest in the related Letter of Credit after giving effect to the acquisition by the Revolving Credit Lenders other than the Revolving Credit Lender acting as the Issuing Lender of their participation interests under such Section.

Letter of Credit Request. See §2.10(a).

LIBOR. For any LIBOR Rate Loan for any Interest Period, the London interbank offered rate administered by ICE Benchmark Administration Limited (or any other Person which takes over the administration of that rate) as shown in Reuters Screen LIBOR01 Page (or any successor service, or if such Person no longer reports such rate as determined by Agent, by another commercially available source providing such quotations approved by Agent) at which deposits in U.S. dollars are offered by first class banks in the London Interbank Market at approximately 11:00 a.m. (London time) on the day that is two (2) LIBOR Business Days prior to the first day of such Interest Period with a maturity approximately equal to such Interest Period and in an amount approximately equal to the amount to which such Interest Period relates, adjusted for reserves and taxes if required by future regulations. If such service or such other Person approved by Agent described above no longer reports such rate and such rate is not otherwise ascertainable by adequate and reasonable methods or Agent determines in good faith that the rate so reported no longer accurately and fairly reflects the cost to Agent of making or maintaining LIBOR Rate Loans, Loans shall accrue interest at the Base Rate plus the Applicable Margin for such Loan. For any period during which a Reserve Percentage shall apply, LIBOR with respect to LIBOR Rate Loans shall be equal to the amount determined above divided by an amount equal to 1 minus the Reserve Percentage. Notwithstanding the foregoing, (X) for all Revolving Credit LIBOR Rate Loans and the Term A LIBOR Rate Loans, in the event that LIBOR shall at any time be less than zero percent (0%), then for the purposes of this Agreement, LIBOR shall be deemed to be zero percent, and (Y) for all Term B LIBOR Rate Loans, in the event that LIBOR shall at any time be less than one-quarter of one percent (0.25%), then for the purposes of this Agreement, LIBOR shall be deemed to be one-quarter of one percent (0.25%).

LIBOR Business Day. Any day on which commercial banks are open for international business (including dealings in Dollar deposits) in London, England.

LIBOR Lending Office. Initially, the office of each Lender designated as such in each such Lender's Administrative Questionnaire or such other office of such Lender, if any, that shall be making or maintaining LIBOR Rate Loans.

LIBOR Rate Loans. Collectively, the Revolving Credit LIBOR Rate Loans and the Term LIBOR Rate Loans bearing interest calculated by reference to LIBOR.

Lien. See §8.2.

LLC Division. In the event the Borrower, any Guarantor, or any Subsidiary thereof is a limited liability company, (i) the division of any such Person into two or more newly formed limited liability companies (whether or not any such Person is a surviving entity following any such division) pursuant to, in the event any such Person is organized under the laws of the State of Delaware, Section 18-217 of the Delaware Limited Liability Company Act or, in the event any such Person is organized under the laws of a State or Commonwealth of the United States (other than Delaware) or of the District of Columbia, any similar provision under any similar act governing limited liability companies organized under the laws of such State or Commonwealth or of the District of Columbia, or (ii) the adoption of a plan contemplating, or the filing of any certificate with any applicable Governmental Authority that results or may result in, any such division.

Loan Documents. This Agreement, the Notes, the Guaranty, the Letter of Credit Requests, the Joinder Agreements, the Agreement Regarding Fees and all other documents, instruments or agreements now or hereafter executed or delivered by or on behalf of the Borrower or any Guarantor in connection with the Loans.

Loan and Loans. An individual loan or the aggregate loans (including a Revolving Credit Loan (or Revolving Credit Loans) and a Term Loan (or Term Loans)), as the case may be, in the maximum principal amount of the Total Commitment (subject to increase as provided in §2.11) to be made by the Lenders hereunder as more particularly described in §2. All Loans shall be made in Dollars. Amounts drawn under a Letter of Credit shall also be considered Revolving Credit Loans as provided in §2.10(f).

Loan Request. See §2.7.

Management Agreements. Agreements, whether written or oral, providing for the property management of the Subject Properties or any of them. The term "Management Agreements" shall specifically exclude any agreements of Gladstone Management Corporation ("GMC"), Gladstone Administration, LLC ("GA") and Gladstone Securities, LLC ("GS"), including without limitation, the Second Amended and Restated Investment Advisory Agreement, dated July 24, 2015, by and between Parent and GMC, the Administration Agreement, dated January 1, 2007, by and between Parent and GA, the Dealer Manager Agreement, dated March 25, 2011, executed by Parent and GS, and the Engagement Letter, executed June 18, 2013 and effective June 10, 2013, between Parent and GS.

Mandatorily Redeemable Stock. With respect to any Person, any Equity Interest of such Person which by the terms of such Equity Interest (or by the terms of any security into which it is convertible or for which it is exchangeable or exercisable), upon the happening of any event or otherwise (a) matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise (other than an Equity Interest to the extent redeemable in exchange for common stock or other equivalent common Equity Interests), (b) is convertible into or exchangeable or exercisable for Indebtedness or Mandatorily Redeemable Stock, or (c) is redeemable at the option of the holder thereof, in whole or in part (other than an Equity Interest which is redeemable solely in exchange for common stock or other equivalent common Equity Interests).

Material Adverse Effect. A material adverse effect on (a) the business, properties, assets, financial condition or results of operations of Parent, the Borrower and their respective Subsidiaries, taken as a whole; (b) the ability of Borrower or any Guarantor to perform any of its obligations under the Loan Documents; (c) the validity or enforceability of any of the Loan Documents; or (d) the rights or remedies of Agent or the Lenders under the Loan Documents.

Material Acquisition. The acquisition of an asset (or portfolio of assets) by Borrower or any of its Subsidiaries in a single transaction or a series of related transactions with an aggregate gross purchase price equal to or greater than ten percent (10%) of the Consolidated Total Asset Value determined as of the last day of the fiscal quarter most recently ended prior to the date such acquisition is consummated.

Material Subsidiary. Any existing or future direct and indirect Subsidiary of the Parent that is a primary obligor under, a guarantor of, or otherwise liable with respect to, any Recourse Indebtedness of Parent or any of its Subsidiaries (but only for so long as such obligations or guaranties are in effect) and which is not an Excluded Subsidiary.

Maturity Date. Either the Revolving Credit Maturity Date, The Term Loan A Maturity Date or the Term Loan B Maturity Date, as the context may require.

Mezzanine Loan. A loan that is secured by a first priority pledge of the equity interests in a special purpose, bankruptcy remote person or other entity which owns, directly or through one or more special purpose, bankruptcy remote entities or other entity, one or more income-producing office, industrial, manufacturing, retail, distribution, medical/healthcare, data center or flex properties which is being paid on a current basis to the extent due and payable and performing in accordance with its terms, which properties are subject to Mortgage Receivable.

Moody's. Moody's Investor Service, Inc., and any successor thereto.

Mortgage Receivable. A mortgage loan on one or more income-producing office, industrial, manufacturing, retail, distribution, medical/healthcare, data center or flex properties which is being paid on a current basis and performing in accordance with its terms, which Mortgage Receivable includes, without limitation, the indebtedness evidenced by a note and secured by a related first mortgage.

Multiemployer Plan. Any multiemployer plan within the meaning of §3(37) of ERISA maintained or contributed to by the Borrower or any ERISA Affiliate.

Net Income (or Loss). With respect to any Person (or any asset of any Person) for any period, the net income (or loss) of such Person (or attributable to such asset), determined in accordance with GAAP.

Net Offering Proceeds. The gross cash proceeds received by Parent, the Borrower or any of its Subsidiaries as a result of an Equity Offering after the date of this Agreement less the customary and reasonable costs, expenses and discounts paid by Parent, Borrower or such Subsidiary in connection therewith.

Net Rentable Area. With respect to (a) any Real Estate other than a data center property, the floor area of any buildings, structures or other improvements available for leasing to tenants and (b) any Real Estate that is a data center property, the megawatts of critical load power available for use by tenants, in each case determined in accordance with the Rent Roll for such Real Estate, the manner of such determination to be reasonably consistent for all Real Estate of the same type unless otherwise approved by the Agent.

Non-Consenting Lender. See §18.9.

Non-Defaulting Lender. At any time, any Lender that is not a Defaulting Lender at such time.

Non-Recourse Exclusions. With respect to any Non-Recourse Indebtedness of any Person, any usual and customary exclusions from the non-recourse limitations governing such Indebtedness, including, without limitation, exclusions for claims that (i) are based on fraud, intentional misrepresentation, misapplication of funds, gross negligence or willful misconduct, (ii) result from intentional mismanagement of or waste at the Real Property securing such Non-Recourse Indebtedness, (iii) arise from the presence of Hazardous Substances on the Real Property securing such Non-Recourse Indebtedness; (iv) are the result of any unpaid real estate taxes and assessments (whether contained in a loan agreement, promissory note, indemnity agreement or other document); or (v) result from the borrowing Subsidiary and/or its assets becoming the subject of a voluntary or involuntary bankruptcy, insolvency or similar proceeding.

Non-Recourse Indebtedness. With respect to a Person, (a) Indebtedness in respect of which recourse for payment (except for Non-Recourse Exclusions until a claim is made with respect thereto, and then such Indebtedness shall not constitute Non-Recourse Indebtedness only to the extent of the amount of such claim) is contractually limited to specific assets of such Person encumbered by a Lien securing such Indebtedness or (b) if such Person is a Single Asset Entity, any Indebtedness of such Person. A loan secured by multiple properties owned by Single Asset Entities shall be considered Non-Recourse Indebtedness of such Single Asset Entities even if such Indebtedness is cross-defaulted and cross-collateralized with the loans to such other Single Asset Entities.

Notes. Collectively, the Revolving Credit Notes and the Term Loan Notes.

Notice. See §19.

Obligations. All indebtedness, obligations and liabilities of the Borrower or any Guarantor to any of the Lenders or the Agent, individually or collectively, under this Agreement or any of the other Loan Documents or in respect of any of the Loans, the Notes or the Letters of Credit, or other instruments at any time evidencing any of the foregoing, whether existing on the date of this Agreement or arising or incurred hereafter, or whether arising before or after any bankruptcy or insolvency proceeding, direct or indirect, joint or several, absolute or contingent, matured or unmatured, liquidated or unliquidated, secured or unsecured, arising by contract, operation of law or otherwise.

OFAC. Office of Foreign Asset Control of the Department of the Treasury of the United States of America, or any successor thereto carrying out similar functions.

Off-Balance Sheet Obligations. Liabilities and obligations of Parent or any of its Subsidiaries or any other Person in respect of "off-balance sheet arrangements" (as defined in Item 303(a)(4)(ii) of Regulation S-K promulgated under the Securities Act) which Parent would be required to disclose in the "Management's Discussion and Analysis of Financial Condition and Results of Operations" section of Parent's report on Form 10-Q or Form 10-K (or their equivalents) which Parent is required to file with the SEC or would be required to file if it were subject to the jurisdiction of the SEC (or any Governmental Authority substituted therefor).

Original Credit Agreement. As defined in the Recitals.

Other Connection Taxes. With respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Loan or Loan Document).

Other Taxes. All present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to §4.15 or §18.9).

Outstanding. With respect to the Loans, the aggregate unpaid principal thereof as of any date of determination. With respect to Letters of Credit, the aggregate undrawn face amount of issued Letters of Credit.

PACE Loan. (i) Any "Property-Assessed Clean Energy loan" or (ii) any other indebtedness, without regard to the name given to such indebtedness, which is (A) incurred for improvements to Real Estate for the purpose of increasing energy efficiency, increasing use of renewable energy sources, resource conservation, or a combination of the foregoing, and (B) repaid through multi-year assessments against such Real Estate.

PACE Loan Documents. With respect to any PACE Loan, all documents, instruments or agreements evidencing, securing or otherwise relating to such PACE Loan, including, without limitation, any documents, instruments or agreements relating to the assessments through which such PACE Loan is to be repaid.

Parent. As defined in the preamble hereto.

Participant Register. See §18.4.

Patriot Act. The Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, as the same may be amended from time to time, and corresponding provisions of future laws.

PBGC. The Pension Benefit Guaranty Corporation created by §4002 of ERISA and any successor entity or entities having similar responsibilities.

Permitted Liens. Liens, security interests and other encumbrances permitted by §8.2.

Person. Any individual, corporation, limited liability company, partnership, trust, unincorporated association, business, or other legal entity, and any government or any governmental agency or political subdivision thereof.

Plan Assets. Assets of any employee benefit plan subject to Part 4, Subtitle B, Title I of ERISA.

Preferred Distributions. For any period and without duplication, all Distributions paid, declared but not yet paid or otherwise due and payable during such period on Preferred Securities issued by Parent, the Borrower or any of its Subsidiaries. Preferred Distributions shall not include dividends or distributions (a) paid or payable solely in Equity Interests of identical class payable to holders of such class of Equity Interests; (b) paid or payable to the Borrower or any of its Subsidiaries; or (c) constituting or resulting in the redemption of Preferred Securities, other than scheduled redemptions not constituting balloon, bullet or similar redemptions in full.

Preferred Securities. With respect to any Person, Equity Interests in such Person, which are entitled to preference or priority over any other Equity Interest in such Person in respect of the payment of dividends or distribution of assets upon liquidation, or both. Preferred Securities shall include any Trust Preferred Equity but shall exclude any Senior Common Stock.

Pricing Level. Such term shall have the meaning established within the definition of Applicable Margin.

Public Lender. See §7.4.

QFC. QFC shall have the meaning assigned to the term "qualified financial contract" in, and shall be interpreted in accordance with, 12 U.S.C. 5390(c)(8)(D).

QFC Credit Support. See §37.

Rating Agencies. Fitch, Moody's and S&P.

Real Estate. All real property at any time owned or leased (as lessee or sublessee) by the Borrower, any Guarantor or any of their respective Subsidiaries, including, without limitation, the Subject Properties.

Recipient. The Agent, any Lender and the Issuing Lender, as applicable.

Record. The grid attached to any Note, or the continuation of such grid, or any other similar record, including computer records, maintained by the Agent with respect to any Loan referred to in such Note.

Recourse Indebtedness. As of any date of determination, any Indebtedness (whether secured or unsecured) which is recourse to Borrower or Parent. Recourse Indebtedness shall not include Non-Recourse Indebtedness.

Reference Time. With respect to any setting of the then-current Benchmark means (1) if such Benchmark is USD LIBOR, 11:00 a.m. (London time) on the day that is two London banking days preceding the date of such setting, and (2) if such Benchmark is not USD LIBOR, the time determined by the Agent in its reasonable discretion.

Register. See §18.2.

REIT Status. With respect to Parent, its status as a real estate investment trust as defined in §856(a) of the Code.

Release. See §6.20(c)(iv).

Relevant Governmental Body. The Board of Governors of the Federal Reserve System or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Board of Governors of the Federal Reserve System or the Federal Reserve Bank of New York, or any successor thereto including without limitation the Alternative Reference Rates Committee.

Rent Roll. A report prepared by the Borrower showing for each Subject Property owned or leased by Borrower or an Unencumbered Property Subsidiary, its occupancy, lease expiration dates, lease rent and other information as presented to Agent prior to the date hereof and updated by Borrower from time to time.

Required Lenders. As of any date, the Lender or Lenders whose aggregate Commitment Percentage is equal to or greater than sixty-six and 7/10 percent (66.7%) of the Total Commitment; provided that in determining said percentage at any given time, all then existing Defaulting Lenders will be disregarded and excluded and the Commitment Percentages of the Lenders shall be redetermined for voting purposes only to exclude the Commitment Percentages of such Defaulting Lenders.

Required Revolving Credit Lenders. As of any date, any Revolving Credit Lender or Revolving Credit Lenders whose aggregate Revolving Credit Commitment Percentage is equal to or greater than sixty-six and 7/10 percent (66.7%) of the Total Revolving Credit Commitment; provided that in determining said percentage at any given time, all the existing Revolving Credit Lenders that are Defaulting Lenders will be disregarded and excluded and the Revolving Credit Commitment Percentages of the Revolving Credit Lenders shall be redetermined for voting purposes only to exclude the Revolving Credit Commitment Percentages of such Defaulting Lenders.

Required Term Loan A Lenders. As of any date, any Term Loan A Lender or Term Loan A Lenders whose aggregate Term Loan A Commitment Percentage is equal to or greater than sixty-six and 7/10 percent (66.7%) of the Total Term Loan A Commitment; provided that in determining said percentage at any given time, all the existing Term Loan A Lenders that are Defaulting Lenders will be disregarded and excluded and the Term Loan A Commitment

Percentages of the Term Loan A Lenders shall be redetermined for voting purposes only to exclude the Term Loan A Commitment Percentages of such Defaulting Lenders.

Required Term Loan B Lenders. As of any date, any Term Loan B Lender or Term Loan B Lenders whose aggregate Term Loan B Commitment Percentage is equal to or greater than sixty-six and 7/10 percent (66.7%) of the Total Term Loan B Commitment; provided that in determining said percentage at any given time, all the existing Term Loan B Lenders that are Defaulting Lenders will be disregarded and excluded and the Term Loan B Commitment Percentages of the Term Loan B Lenders shall be redetermined for voting purposes only to exclude the Term Loan B Commitment Percentages of such Defaulting Lenders.

Reserve Percentage. For any Interest Period, that percentage which is specified three (3) Business Days before the first day of such Interest Period by the Board of Governors of the Federal Reserve System (or any successor) or any other Governmental Authority with jurisdiction over Agent or any Lender for determining the maximum reserve requirement (including, but not limited to, any marginal reserve requirement) for Agent or any Lender with respect to liabilities constituting or including (among other liabilities) Eurocurrency liabilities in an amount equal to that portion of the Loan affected by such Interest Period and with a maturity equal to such Interest Period.

Resolution Authority. An EEA Resolution Authority or, with respect to any UK Financial Institution, a UK Resolution Authority.

Revolving Credit Base Rate Loans. Revolving Credit Loans bearing interest calculated by reference to the Base Rate.

Revolving Credit Commitment. With respect to each Revolving Credit Lender, the amount set forth on Schedule 1 hereto as the amount of such Revolving Credit Lender's Revolving Credit Commitment to make or maintain Revolving Credit Loans to the Borrower and to participate in Letters of Credit for the account of the Borrower, as the same may be changed from time to time in accordance with the terms of this Agreement.

Revolving Credit Commitment Percentage. With respect to each Revolving Credit Lender, the percentage set forth on Schedule 1 hereto as such Revolving Credit Lender's percentage of the Total Revolving Credit Commitment, as the same may be changed from time to time in accordance with the terms of this Agreement; provided that if the Revolving Credit Commitments of the Revolving Credit Lenders have been terminated as provided in this Agreement, then the Revolving Credit Commitment Percentage of each Revolving Credit Lender shall be determined based on the Revolving Credit Commitment Percentage of such Revolving Credit Lender immediately prior to such termination and after giving effect to any subsequent assignments made pursuant to the terms hereof.

Revolving Credit Lenders. Collectively, the Lenders which have a Revolving Credit Commitment, the initial Revolving Credit Lenders being identified on Schedule 1 hereto.

Revolving Credit LIBOR Rate Loans. Revolving Credit Loans bearing interest calculated by reference to LIBOR.

Revolving Credit Loan and Revolving Credit Loans. An individual Revolving Credit Loan or the aggregate Revolving Credit Loans, as the case may be, in the maximum principal amount of the Total Revolving Credit Commitment to be made by the Revolving Lenders hereunder as more particularly described in §2.1. Without limiting the foregoing, Revolving Credit Loans shall also include Revolving Credit Loans made pursuant to §2.10(f).

Revolving Credit Maturity Date. July 2, 2023, as such date may be extended as provided in §2.12, or such earlier date on which the Revolving Credit Loans shall become due and payable pursuant to the terms hereof.

Revolving Credit Note or Notes. See §2.1(b).

Sale/Leaseback. See §8.5.

Sale/Leaseback Amount. See §8.5.

SEC. The federal Securities and Exchange Commission.

Second Lien Mortgage Receivables. A mortgage loan on one or more income-producing office, industrial, manufacturing, retail, distribution, medical/healthcare, data center or flex properties which is being paid on a current basis to the extent due and payable and performing in accordance with its terms, which Second Lien Mortgage Receivable includes, without limitation, the indebtedness evidenced by a note and secured by a related second mortgage.

Secured Debt. With respect to any Person as of any date of determination, the aggregate principal amount of all Indebtedness of such Person on a Consolidated basis outstanding at such date and that is secured in any manner by any Lien (including, without limitation, Equity Pledge Secured Debt), and in the case of the Borrower, shall include (without duplication), the Borrower's Equity Percentage of the Secured Debt of its Unconsolidated Affiliates. Notwithstanding the foregoing, the Obligations shall not be deemed Secured Debt. For the avoidance of doubt, Secured Debt shall include, without limitation, Indebtedness in respect of PACE Loans (provided, that, such Person's obligations under a PACE Loan with respect to which no default or event of default on the part of the applicable obligor is in existence shall be excluded from Secured Debt for purposes of calculating financial ratios and covenants hereunder to the extent such obligations are paid by a tenant of the applicable Real Estate pursuant to a Lease).

Senior Common Stock. The common equity of the Parent either issued through a Regulation D offering or registered with the SEC but not traded on an exchange. Senior Common Stock and its dividends shall be treated as common stock for purposes of all compliance calculations.

Single Asset Entity. A bankruptcy remote, single purpose entity which is a Subsidiary of Borrower and which is not an Unencumbered Property Subsidiary (or a Subsidiary which owns, directly or indirectly, any Equity Interests in such Unencumbered Property Subsidiary) which owns real property and related assets which are security for Indebtedness of such entity, and which Indebtedness does not constitute Indebtedness of any other Person except as provided in the definition of Non-Recourse Indebtedness (except for Non-Recourse Exclusions).

Sanctions Laws and Regulations. Any applicable sanctions, prohibitions or requirements imposed by any applicable executive order or by any applicable sanctions program administered by OFAC, the United States Department of State, the Office of the United States Treasury, the United Nations Security Council, the European Union or Her Majesty's Treasury.

S&P. S&P Global Inc., and any successor thereto.

Securities Act. The Securities Act of 1933, as amended from time to time, together with all rules and regulations issued thereunder.

SOFR. With respect to any Business Day, a rate per annum equal to the secured overnight financing rate for such Business Day published by the SOFR Administrator on the SOFR Administrator's Website on the immediately succeeding Business Day.

SOFR Administrator. The Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate).

SOFR Administrator's Website. The website of the Federal Reserve Bank of New York, currently at http://www.newyorkfed.org, or any successor source for the secured overnight financing rate identified as such by the SOFR Administrator from time to time.

State. A state or commonwealth of the United States of America and the District of Columbia.

Subject Property or Subject Properties. The Eligible Real Estate owned or leased pursuant to a ground lease reasonably approved by the Agent by an Unencumbered Property Subsidiary which is included in the calculation of the Unencumbered Asset Value.

Subsidiary. For any Person, any corporation, partnership, limited liability company or other entity of which at least a majority of the securities or other ownership interests having by the terms thereof ordinary voting power to elect a majority of the board of directors or other persons performing similar functions of such corporation, partnership, limited liability company or other entity (without regard to the occurrence of any contingency) is at the time directly or indirectly owned or controlled by such Person or one or more Subsidiaries of such Person or by such Person and one or more Subsidiaries of such Person, and shall include all Persons the accounts of which are consolidated with those of such Person pursuant to GAAP.

Subsidiary Guarantors. Each party to the Guaranty as of the date of this Agreement (other than Parent), and each Additional Guarantor.

Supported QFC. See §37.

Surge Period. A period consisting of the first two (2) complete fiscal quarters immediately following the satisfaction of the Surge Period Conditions.

Surge Period Conditions. The commencement of a Surge Period shall be subject to the satisfaction of the following conditions precedent:

(i) Borrower shall have consummated a Material Acquisition in the fiscal quarter ending immediately prior to the commencement of the Surge Period;

(ii) At least ten (10) Business Days' prior to the commencement of the Surge Period, Borrower shall have provided Agent with written notice thereof;

(iii) No more than one (1) other Surge Period shall have existed prior to the commencement of the Surge Period (it being understood that a maximum of two (2) Surge Periods shall be permitted hereunder between the Closing Date and the Term Loan B Maturity Date);

(iv) No Default or Event of Default shall have occurred and be continuing prior to the commencement of a Surge Period, nor shall a Default or Event of Default result from the commencement thereof; and

(v) Prior to the commencement of a Surge Period, Borrower shall have delivered to Agent a pro forma Compliance Certificate and Unencumbered Asset Certificate demonstrating compliance with the covenants described therein (giving effect to any adjustments to such covenants applicable during a Surge Period) as of the most recent fiscal quarter then ended.

Syndication Agent. Each of Fifth Third Bank, The Huntington National Bank and U.S. Bank National Association, but only in the event that, and for so long as, such Person is a Lender.

Taxes. All present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

Term A Base Rate Loans. The Term Loans A bearing interest by reference to the Base Rate.

Term B Base Rate Loans. The Term Loans B bearing interest by reference to the Base Rate.

Term A LIBOR Rate Loans. The Term Loans A bearing interest by reference to LIBOR.

Term B LIBOR Rate Loans. The Term Loans B bearing interest by reference to LIBOR.

Term Base Rate Loan. Collectively, the Term A Base Rate Loans and the Term B Base Rate Loans.

Term LIBOR Rate Loans. Collectively, the Term A LIBOR Rate Loans and the Term B LIBOR Rate Loans.

Term Loan or Term Loans. Collectively, the Term Loans A and the Term Loans B.

Term Loan A and Term Loans A. An individual Term Loan or the aggregate Term Loans, as the case may be, in the maximum principal amount of the Total Term Loan A Commitment made by the Term Loan A Lenders hereunder.

Term Loan A Commitment. With respect to each Term Loan A Lender, the amount equal to such Term Loan A Lender's Term Loan A Commitment Percentage of the aggregate principal amount of the Term Loans A from time to time Outstanding, as the same may change from time to time in accordance with the terms of this Agreement (including, without limitation, as a result of the Term Loan(s) A made to Borrower on any Commitment Increase Date on which the Total Term Loan A Commitment is increased).

Term Loan A Commitment Percentage. With respect to each Term Loan A Lender, the percentage set forth on Schedule 1 hereto as such Term Loan A Lender's percentage of the aggregate Term Loans A to Borrower, as the same may be changed from time to time in accordance with the terms of this Agreement.

Term Loan A Lenders. Collectively, the Lenders that have a Term Loan A Commitment, the initial Term Loan A Lenders being identified on Schedule 1 hereto.

Term Loan A Maturity Date. July 2, 2024, or such earlier date on which the Term Loans shall become due and payable pursuant to the terms hereof.

Term Loan Note or Notes. See §2.2.

Term Loan B and Term Loans B. An individual Term Loan or the aggregate Term Loans, as the case may be, in the maximum principal amount of the Total Term Loan B Commitment made by the Term Loan B Lenders hereunder.

Term Loan B Commitment. With respect to each Term Loan B Lender, (a) during the Term Loan B Commitment Period, the amount set forth on Schedule 1 hereto as the amount of such Term Loan B Lender's Term Loan B Commitment to make or maintain Term Loans B to the Borrower, as the same may be changed from time to time in accordance with the terms of this Agreement, and (b) from and after the expiration of the Term Loan B Commitment Period, the amount equal to such Term Loan B Lender's Term Loan B Commitment Percentage of the aggregate principal amount of the Term Loans B from time to time Outstanding, as the same may change from time to time in accordance with the terms of this Agreement (including, without limitation, as a result of the Term Loan(s) B made to Borrower on any Commitment Increase Date on which the Total Term Loan B Credit Commitment is increased).

Term Loan B Commitment Percentage. With respect to each Term Loan B Lender, the percentage set forth on Schedule 1 hereto as such Term Loan B Lender's percentage of the aggregate Term Loans B to Borrower, as the same may be changed from time to time in accordance with the terms of this Agreement.

Term Loan B Commitment Period. See §2.2(a).

Term Loan B Lenders. Collectively, the Lenders that have a Term Loan B Commitment, the initial Term Loan B Lenders being identified on Schedule 1 hereto.

Term Loan B Maturity Date. February 11, 2026, or such earlier date on which the Term Loans shall become due and payable pursuant to the terms hereof.

Term Loan B Note or Notes. See §2.2.

Term Loan B Request. See §2.5(a).

Term Loan Commitment. As to each Term Loan Lender, the amount equal to such Term Loan Lender's Term Loan A Commitment and Term Loan B Commitment, as applicable.

Term Loan Commitment Percentage. With respect to each Term Loan Lender, the percentage set forth on Schedule 1 hereto as such Term Loan Lender's percentage of the aggregate Term Loans to Borrower, as the same may be changed from time to time in accordance with the terms of this Agreement.

Term Loan Lenders. Collectively, the Term Loan A Lenders and the Term Loan B Lenders.

Term Loan Notes. Collectively, the Term Loan A Notes and the Term Loan B Notes.

Term SOFR. For the applicable Corresponding Tenor as of the applicable Reference Time, the forward-looking term rate based on SOFR that has been selected or recommended by the Relevant Governmental Body.

Titled Agents. The Joint-Lead Arrangers, the Syndication Agents, and the Documentation Agent.

Total Commitment. The sum of the Commitments of the Lenders, as in effect from time to time. As of the Closing Date, the Total Commitment is $325,000,000.00, and is subject to increase as provided in §2.11.

Total Revolving Credit Commitment. The sum of the Revolving Credit Commitments of the Revolving Credit Lenders, as in effect from time to time. As of the Closing Date, the Total Revolving Credit Commitment is One Hundred Million and No/100 Dollars ($100,000,000.00). The Total Revolving Credit Commitment may increase in accordance with §2.11.

Total Term Loan A Commitment. The sum of the Term Loan A Commitments of the Term Loan A Lenders, as in effect from time to time. As of the Closing Date, the Total Term Loan A Commitment is One Hundred Sixty Million and No/100 Dollars ($160,000,000.00). The Total Term Loan A Commitment may increase in accordance with §2.11.

Total Term Loan B Commitment. The sum of the Term Loan B Commitments of the Term Loan B Lenders, as in effect from time to time. As of the Closing Date, the Total Term Loan B Commitment is Sixty Five Million and No/100 Dollars ($65,000,000.00). The Total Term Loan B Commitment may increase in accordance with §2.11.

Trust. GCLP Business Trust II, a Massachusetts business trust.

Trust Preferred Equity. Any Indebtedness of the Borrower, the Parent and any of their Subsidiaries which (i) has an original maturity of not less than thirty (30) years, (ii) is not putable to any of the Borrower, the Parent and any of their Subsidiaries, (iii) is non-amortizing and

provides for payment of interest only not more often than quarterly, (iv) imposes no financial covenants on Borrower, Parent or their respective Subsidiaries, and (v) is subordinated to the Loan Documents and the Obligations of the Borrower and the Guarantors thereunder on such terms as are reasonably acceptable to the Agent.

Type. As to any Loan, its nature as a Base Rate Loan or a LIBOR Rate Loan.

UK Financial Institution. Any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended form time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any Person falling within IFPRU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom Financial Conduct Authority, which includes certain credit institutions and investment firms, and certain affiliates of such credit institutions or investment firms.

UK Resolution Authority. The Bank of England or any other public administrative authority having responsibility for the resolution of any UK Financial Institution.

Unadjusted Benchmark Replacement. The applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment.

Unconsolidated Affiliate. In respect of any Person, any other Person in whom such Person holds an Investment, (a) which Investment is accounted for in the financial statements of such Person on an equity basis of accounting and whose financial results would not be consolidated under GAAP with the financial results of such first Person on the consolidated financial statements of such first Person, or (b) which is not a Subsidiary of such first Person.

Unencumbered Asset Availability. As of any date of determination, the Unencumbered Asset Availability shall be the amount equal to (a) the maximum amount of Revolving Credit Loans, Term Loans and Letter of Credit Liabilities which, when added to all other Unsecured Debt of Parent and its Subsidiaries, would not cause a violation of the covenants set forth in §9.2 and §9.4, minus (b) the Aggregate Outstanding PACE Loan Amount.

Unencumbered Asset Value. As of any date of determination, the Unencumbered Asset Value shall be, without duplication, the sum of (a) (i) the Unencumbered Net Operating Income (excluding Subject Properties with negative Net Operating Incomes, Subject Properties acquired during the trailing twelve (12) months and Subject Properties disposed of during the fiscal quarter most recently ending) for the Calculation Period, annualized as applicable, divided by (ii) the applicable Capitalization Rate, plus (b) the acquisition cost of all Subject Properties acquired during the trailing twelve (12) month period determined in accordance with GAAP.

Unencumbered Debt Service Coverage Ratio. As of any date of determination, the ratio of Unencumbered Net Operating Income for the Calculation Period, annualized as applicable, divided by the Implied Unsecured Debt Service.

Unencumbered Net Operating Income. For any Eligible Real Estate included in the calculation of the Unencumbered Asset Value and for a given period, an amount equal to the sum of (a) the rents and other revenues for such Real Estate for such period received in the ordinary course of business (excluding pre-paid rents and revenues and security deposits except to the extent

applied in satisfaction of tenants' obligations for rent) minus (b) all expenses paid or accrued and related to the ownership, operation or maintenance of such Real Estate for such period, but specifically excluding, any property management fees, debt service charges, income taxes, depreciation, amortization and other non-cash expenses, minus (c) the greater of (i) actual property management expenses of such Real Estate or (ii) an amount equal to two percent (2.0%) of the gross revenues from such Real Estate. Unencumbered Net Operating Income shall be adjusted to remove any impact from straight-line rent leveling adjustments required under GAAP.

Unencumbered Property Subsidiary. A Wholly Owned Subsidiary of Borrower that owns or, pursuant to a Ground Lease, leases a Subject Property.

Unrestricted Cash and Cash Equivalents. As of any date of determination, the sum of (a) the aggregate amount of Unrestricted cash and (b) the aggregate amount of Unrestricted Cash Equivalents (valued at fair market value). As used in this definition, "Unrestricted" means the specified asset is not subject to any escrow, reserves or Liens or claims of any kind in favor of any Person (other than customary rights of depository institutions in the ordinary course of business with respect to bank accounts).

Unsecured Debt. With respect to any Person as of any date of determination, Indebtedness of such Person which is not Secured Debt, and in the case of the Borrower, shall include (without duplication), the Borrower's Equity Percentage of the Unsecured Debt of its Unconsolidated Affiliates.

Unused Fee. See §2.3(a).

Unused Fee Percentage. With respect to any day during a calendar quarter while the leverage-based pricing grid set forth in clause (a) of the definition of "Applicable Margin" is in effect, (i) 0.15% per annum, if the sum of the Revolving Credit Loans and Letter of Credit Liabilities outstanding on such day is equal to or greater than 50% of the Total Revolving Credit Commitment, or (ii) 0.25% per annum if the sum of the Revolving Credit Loans and Letter of Credit Liabilities outstanding on such day is less than 50% of the Total Revolving Credit Commitment.

USD LIBOR. The London interbank offered rate for Dollars.

U.S. Person. Any Person that is a "United States Person" as defined in Section 7701(a)(30) of the Code.

U.S. Special Resolution Regimes. See §37.

U.S. Tax Compliance Certificate. See §4.4(g)(ii)(B)(III).

Variable Rate Debt. Indebtedness that is payable by reference to a rate of interest that may vary, float or change during the term of such Indebtedness (that is, a rate of interest that is not fixed (whether by its terms or by way of a hedge arrangement) for the entire term of such Indebtedness).

Wholly Owned Subsidiary. As to a Person, any Subsidiary of such first Person that is directly or indirectly owned one hundred percent (100%) by such first Person.

Withholding Agent. The Parent, the Borrower, any other Guarantor and the Agent, as applicable.

Write-Down and Conversion Powers. (a) With respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule and (b) with respect to the United Kingdom, any powers of the applicable Resolution Authority under the Bail-In Legislation to cancel, reduce, modify or change the form of a liability of any UK Financial Institution or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that Person or any other Person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers.

§1.2 Rules of Interpretation.

(a) A reference to any document or agreement shall include such document or agreement as amended, modified or supplemented from time to time in accordance with its terms and the terms of this Agreement.

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

(c) A reference to any law includes any amendment or modification of such law.

(d) A reference to any Person includes its permitted successors and permitted assigns, and in the event the Borrower, any Guarantor or any of their respective Subsidiaries is a limited liability company and shall undertake an LLC Division (any such LLC Division being a violation of this Agreement), shall be deemed to include each limited liability company resulting from any such LLC Division.

(e) Accounting terms not otherwise defined herein have the meanings assigned to them by GAAP applied on a consistent basis by the accounting entity to which they refer.

(f) The words "include", "includes" and "including" are not limiting.

(g) The words "approval" and "approved", as the context requires, means an approval in writing given to the party seeking approval after full and fair disclosure to the party giving approval of all material facts necessary in order to determine whether approval should be granted.

(h) All terms not specifically defined herein or by GAAP, which terms are defined in the Uniform Commercial Code as in effect in the State of New York, have the meanings assigned to them therein.

(i) Reference to a particular "§", refers to that section of this Agreement unless otherwise indicated.

(j) The words "herein", "hereof", "hereunder" and words of like import shall refer to this Agreement as a whole and not to any particular section or subdivision of this Agreement.

(k) In the event of Accounting Change which would affect the computation of any financial covenant, ratio or other requirement set forth in any Loan Document, then upon the request of Borrower or Agent, the Borrower, the Guarantors, the Agent and the Lenders shall negotiate promptly, diligently and in good faith in order to amend the provisions of the Loan Documents such that such financial covenant, ratio or other requirement shall continue to provide substantially the same financial tests or restrictions of the Borrower and the Guarantors as in effect prior to such Accounting Change, as determined by the Required Lenders in their good faith judgment. Until such time as such amendment shall have been executed and delivered by the Borrower, Guarantors, the Agent and the Required Lenders, such financial covenants, ratio and other requirements, and all financial statements and other documents required to be delivered under the Loan Documents, shall be calculated and reported as if such Accounting Change had not occurred. For purposes of this clause (k), "Accounting Change" shall mean any change in generally accepted accounting principles after the date hereof, including any change in accounting principles required by the promulgation of any rule, regulation, pronouncement or opinion by the Financial Accounting Standards Board of the American Institute of Certified Public Accountants or, if applicable, the SEC, or any other change in accounting procedures pursuant to §7.3.

(l) Notwithstanding any other provision contained herein, any lease that is treated as an operating lease for purposes of GAAP as of the date hereof shall continue to be treated as an operating lease (and any future lease, if it were in effect on the date hereof, that would be treated as an operating lease for purposes of GAAP as of the date hereof shall be treated as an operating lease), in each case, for purposes of this Agreement, notwithstanding any actual or proposed change in GAAP after the date hereof.

(m) Agent does not warrant or accept any responsibility for, and shall not have any liability with respect to, the administration, submission or any other matter related to the London interbank offered rate or other rates in the definition of "LIBOR" or with respect to any alternative or successor rate thereto, or replacement rate therefor or thereof, including, without limitation, whether the composition or characteristics of any such alternative, successor or replacement reference rate, as it may or may not be adjusted pursuant to §4.17, will be similar to, or produce the same value or economic equivalence of, LIBOR or have the same volume or liquidity as did the London interbank offered rate prior to its discontinuance or unavailability.

§2. THE CREDIT FACILITY.

§2.1 Revolving Credit Loans.

(a) Subject to the terms and conditions set forth in this Agreement, each of the Revolving Credit Lenders severally agrees to lend to the Borrower, and the Borrower may borrow (and repay and reborrow) from time to time between the Closing Date and the Revolving Credit Maturity Date upon notice by the Borrower to the Agent given in accordance with §2.7, such sums as are requested by the Borrower for the purposes set forth in §2.9 up to a maximum aggregate principal amount outstanding (after giving effect to all amounts requested) at any one time equal

to the lesser of (i) such Lender's Revolving Credit Commitment and (ii) such Lender's Revolving Credit Commitment Percentage of the Unencumbered Asset Availability; provided, that, in all events no Default or Event of Default shall have occurred and be continuing; and provided, further, that the outstanding principal amount of the Revolving Credit Loans (after giving effect to all amounts requested) and Letter of Credit Liabilities shall not at any time exceed the Total Revolving Credit Commitment. The Revolving Credit Loans shall be made pro rata in accordance with each Revolving Credit Lender's Revolving Credit Commitment Percentage. Each request for a Revolving Credit Loan hereunder shall constitute a representation and warranty by the Borrower that all of the conditions required of Borrower set forth in §10 and §11 have been satisfied on the date of such request. The Agent may assume that the conditions in §10 and §11 have been satisfied unless it receives prior written notice from a Revolving Credit Lender that such conditions have not been satisfied. No Revolving Credit Lender shall have any obligation to make Revolving Credit Loans to Borrower or participate in Letter of Credit Liabilities in the maximum aggregate Outstanding amount of more than the lesser of the amount equal to its Revolving Credit Commitment Percentage of the Revolving Credit Commitments and the principal face amount of its Revolving Credit Note.

(b) The Revolving Credit Loans shall be evidenced by separate promissory notes of Borrower in substantially the form of Exhibit A-1 hereto (collectively, the "Revolving Credit Notes"), and completed with appropriate insertions. One Revolving Credit Note shall be payable to the order of each Revolving Credit Lender in the principal amount equal to such Revolving Credit Lender's Revolving Credit Commitment or, if less, the outstanding amount of all Revolving Credit Loans made by such Revolving Credit Lender, plus interest accrued thereon, as set forth below. The Borrower irrevocably authorizes Agent to make or cause to be made, at or about the time of the Drawdown Date of any Revolving Credit Loan or the time of receipt of any payment of principal thereof, an appropriate notation on Agent's Record reflecting the making of such Revolving Credit Loan or (as the case may be) the receipt of such payment. The outstanding amount of the Revolving Credit Loans set forth on Agent's Record shall be prima facie evidence of the principal amount thereof owing and unpaid to each Revolving Credit Lender (absent manifest error), but the failure to record, or any error in so recording, any such amount on Agent's Record shall not limit or otherwise affect the obligations of the Borrower hereunder or under any Revolving Credit Note to make payments of principal of or interest on any such Revolving Credit Note when due. Agent shall use commercially reasonable efforts to provide to the Borrower a monthly invoice for interest that has accrued on the Revolving Credit Notes, but the failure of Agent to provide the Borrower any such invoice shall not limit or otherwise affect the obligations of the Borrower hereunder or under any Revolving Credit Note to make payments of interest on any such Revolving Credit Note when due. By delivery of this Agreement and any Revolving Credit Note, there shall not be deemed to have occurred, and there has not otherwise occurred, any payment, satisfaction or novation of the Indebtedness evidenced by the Original Credit Agreement or the "Revolving Credit Notes" described in the Original Credit Agreement, which Indebtedness is instead allocated among the Revolving Credit Lenders as of the date hereof in accordance with their respective Revolving Credit Commitment Percentages, and is evidenced by this Agreement and any Revolving Credit Notes, and the Revolving Credit Lenders shall as of the date hereof make such adjustments to the outstanding Revolving Credit Loans of such Revolving Credit Lenders so that such outstanding Revolving Credit Loans are consistent with their respective Revolving Credit Commitment Percentages.

§2.2 Commitment to Lend Term Loan.

(a) Subject to the terms and conditions set forth in this Agreement, as of the Closing Date, each of the Term Loan A Lenders have made to the Borrower Term Loans A in the amount of such Term Loan A Lender's Term Loan A Commitment. Except for any additional Term Loans A made as a result of any increase in the Total Term Loan A Commitment pursuant to §2.11, Borrower shall not have the right to draw down any additional Term Loans A. In addition, any additional Term Loans A made as a result of any increase in the Total Term Loan A Commitment pursuant to §2.11 shall be made on the applicable Commitment Increase Date and each Term Loan A Lender which elects to increase its or acquire a Term Loan A Commitment pursuant to §2.11 severally and not jointly agrees to make a Term Loan A to the Borrower on such Commitment Increase Date in an amount equal to the lesser of (a) with respect to any existing Term Loan A Lender, the amount by which such Lender's Term Loan A Commitment increases on the applicable Commitment Increase Date, and with respect to any new Term Loan A Lender, the amount of such new Lender's Term Loan A Commitment, and (b) such Lender's Term Loan A Commitment Percentage of the Unencumbered Asset Availability. The Term Loans A shall be evidenced by separate promissory notes of the Borrower in substantially the form of Exhibit A-2 hereto and completed with appropriate insertions (each, a "Term Loan A Note" and collectively, the "Term Loan A Notes"). One Term Loan A Note shall be payable to the order of each Term Loan A Lender in the principal amount equal to such Term Loan A Lender's Term Loan A Commitment. The Term Loans A shall be made pro rata in accordance with each Term Loan A Lender's Term Loan A Commitment Percentage. The Borrower irrevocably authorizes Agent to make or cause to be made, at or about the time of the Drawdown Date of any Term Loan A or the time of receipt of any payment of principal thereof, an appropriate notation on Agent's Record reflecting the making of such Term Loan A or (as the case may be) the receipt of such payment. The outstanding amount of the Term Loans A set forth on Agent's Record shall be prima facie evidence of the principal amount thereof owing and unpaid to each Term Loan A Lender, but the failure to record, or any error in so recording, any such amount on Agent's Record shall not limit or otherwise affect the obligations of the Borrower hereunder or under any Term Loan A Note to make payments of principal of or interest on any Term Loan A Note when due. By delivery of this Agreement and any Term Loan A Note, there shall not be deemed to have occurred, and there has not otherwise occurred, any payment, satisfaction or novation of the Indebtedness evidenced by the Original Credit Agreement or the "Term Loan Notes" described in the Original Credit Agreement, which Indebtedness is instead allocated among the Term Loan A Lenders as of the date hereof in accordance with their respective Term Loan A Commitment Percentages, and is evidenced by this Agreement and any Term Loan A Notes, and the Term Loan A Lenders shall as of the date hereof make such adjustments to the outstanding Term Loans A of such Term Loan A Lenders so that such outstanding Term Loans A are consistent with their respective Term Loan A Commitment Percentages.

(b) Subject to the terms and conditions set forth in this Agreement, (X) as of the Closing Date, each of the Term Loan B Lenders have made and/or shall make to the Borrower Term Loans B (pro rata in accordance with their respective Term Loan B Commitment Percentages) in the aggregate principal amount of $50,000,000.00, and (Y) each of the Term Loan B Lenders severally agrees to lend to the Borrower, and the Borrower may borrow from time to time up to a maximum of two (2) times during the period beginning on the Closing Date and ending on the date that is one hundred eighty (180) days after the Closing Date (the "Term Loan B

Commitment Period"), upon notice by the Borrower to the Agent given in accordance with §2.5(a), such sums as are requested by the Borrower for the purposes set forth in §2.9 up to a maximum aggregate principal amount outstanding (after giving effect to all amounts requested) at any one time equal to the lesser of (i) such Term Loan B Lender's Term Loan B Commitment and (ii) such Lender's Term Loan B Commitment Percentage of the Unencumbered Asset Availability; provided, that, in all events no Default or Event of Default shall have occurred and be continuing. Except for any additional Term Loans B made as a result of any increase in the Total Term Loan B Commitment pursuant to §2.11, Borrower shall not have the right to draw down any Term Loans B after the Term Loan B Commitment Period has expired. In addition, any additional Term Loans B made as a result of any increase in the Total Term Loan B Commitment pursuant to §2.11 shall be made on the applicable Commitment Increase Date and each Term Loan B Lender which elects to increase its or acquire a Term Loan B Commitment pursuant to §2.11 severally and not jointly agrees to make a Term Loan B to the Borrower on such Commitment Increase Date in an amount equal to the lesser of (a) with respect to any existing Term Loan B Lender, the amount by which such Lender's Term Loan B Commitment increases on the applicable Commitment Increase Date, and with respect to any new Term Loan B Lender, the amount of such new Lender's Term Loan B Commitment, and (b) such Lender's Term Loan B Commitment Percentage of the Unencumbered Asset Availability. Each request for a Term Loan B hereunder shall constitute a representation and warranty by the Borrower that all of the conditions required of the Borrower set forth in §10 and §11 have been satisfied on the date of such request. The Agent may assume that the conditions in §10 and §11 have been satisfied unless it receives prior written notice from a Term Loan B Lender that such conditions have not been satisfied. No Term Loan B Lender shall have any obligation to make Term Loans B to the Borrower in the maximum aggregate principal outstanding balance of more than the lesser of (x) the amount equal to its Term Loan B Commitment Percentage of the Term Loan B Commitments and (y) the principal face amount of its Term Loan B Note. The Term Loans B shall be evidenced by separate promissory notes of the Borrower in substantially the form of Exhibit A-3 hereto and completed with appropriate insertions (each, a "Term Loan B Note" and collectively, the "Term Loan B Notes"). One Term Loan B Note shall be payable to the order of each Term Loan B Lender in the principal amount equal to such Term Loan B Lender's Term Loan B Commitment. The Term Loans B shall be made pro rata in accordance with each Term Loan B Lender's Term Loan B Commitment Percentage. The Borrower irrevocably authorizes Agent to make or cause to be made, at or about the time of the Drawdown Date of any Term Loan B or the time of receipt of any payment of principal thereof, an appropriate notation on Agent's Record reflecting the making of such Term Loan B or (as the case may be) the receipt of such payment. The outstanding amount of the Term Loans B set forth on Agent's Record shall be prima facie evidence of the principal amount thereof owing and unpaid to each Term Lender B, but the failure to record, or any error in so recording, any such amount on Agent's Record shall not limit or otherwise affect the obligations of the Borrower hereunder or under any Term Loan B Note to make payments of principal of or interest on any Term Loan B Note when due.

§2.3 Unused Fee; Facility Fee.

(a) Subject to §2.3(b), the Borrower agrees to pay to the Agent for the account of the Revolving Credit Lenders (other than a Defaulting Lender for such period of time as such Revolving Credit Lender is a Defaulting Lender) in accordance with their respective Revolving Credit Commitment Percentages a facility unused fee (the "Unused Fee") calculated by

multiplying the Unused Fee Percentage applicable to such day, calculated as a per diem rate, by the excess of the Total Revolving Credit Commitment over the outstanding principal amount of the Revolving Credit Loans and Letter of Credit Liabilities. The Unused Fee shall be payable quarterly in arrears on the first (1st) day of each calendar quarter for the immediately preceding calendar quarter or portion thereof, and on any earlier date on which the Revolving Credit Commitments shall be reduced or shall terminate as provided in §2.4, with a final payment on the Revolving Credit Maturity Date.

(b) From and after the date that Agent receives written notice that Borrower and/or Parent has first obtained an Investment Grade Rating and that Borrower has irrevocably elected to have the Applicable Margin determined pursuant to subparagraph (b) of the definition of Applicable Margin, the Unused Fee shall no longer accrue (but any accrued Unused Fee shall be payable as provided in §2.3(a)), and from and thereafter, Borrower agrees to pay to the Agent for the account of the Lenders in accordance with their respective Revolving Credit Commitment Percentages a facility fee (the "Facility Fee") calculated at the rate per annum set forth below based upon the applicable Credit Rating Level on the Total Revolving Credit Commitment:

Credit Rating Level	Facility Fee Rate
Credit Rating Level 1	0.125%
Credit Rating Level 2	0.15%
Credit Rating Level 3	0.20%
Credit Rating Level 4	0.25%
Credit Rating Level 5	0.30%

The Facility Fee shall be calculated for each day and shall be payable quarterly in arrears on the first (1st) day of each fiscal quarter for the immediately preceding fiscal quarter or portion thereof, and on any earlier date on which the Revolving Credit Commitments shall be reduced or shall terminate as provided in §2.4, with a final payment on the Revolving Credit Maturity Date. The Facility Fee shall be determined by reference to the Credit Rating Level in effect from time to time; provided, however, that no change in the Facility Fee rate resulting from a change in the Credit Rating Level shall be effective until three (3) Business Days after the date on which the Agent receives written notice of a change.

(c) Term Loan B Unused Fee. During the period commencing on May 12, 2021 and ending on the last day of the Term Loan B Commitment Period, the Borrower agrees to pay to the Agent for the account of the Term Loan B Lenders (other than a Defaulting Lender for such period of time as such Term Loan B Lender is a Defaulting Lender) in accordance with their respective Term Loan B Commitment Percentages a term loan facility unused fee calculated for each day during such period at the rate of 0.25% per annum on the average daily amount by which the Total Term Loan B Commitment (as the same may be permanently reduced by written request of Borrower in accordance with §2.5(b)) exceeds the outstanding principal amount of Term Loans. The term loan facility unused fee shall be payable quarterly in arrears on the first day of each calendar quarter for the immediately preceding calendar quarter or portion thereof.

§2.4 Reduction and Termination of the Revolving Credit Commitments. The Borrower shall have the right at any time and from time to time upon three (3) Business Days' prior written notice to the Agent to reduce by $5,000,000.00 or an integral multiple of $1,000,000.00 in excess thereof (provided that in no event shall the Total Revolving Credit Commitment be reduced in such manner to an amount less than $40,000,000.00, other than in the case of a termination of the facility by the Borrower) or to terminate entirely the unborrowed portion of the Revolving Credit Commitments (provided that such termination would not result in the Revolving Credit Commitment being reduced to an amount less than $40,000,000.00), whereupon the Revolving Credit Commitments of the Revolving Credit Lenders shall be reduced pro rata in accordance with their respective Revolving Credit Commitment Percentages of the amount specified in such notice or, as the case may be, terminated, any such termination or reduction to be without penalty except as otherwise set forth in §4.8; provided, however, that no such termination or reduction shall be permitted if, after giving effect thereto, the sum of Outstanding Revolving Credit Loans and the Letter of Credit Liabilities would exceed the Revolving Credit Commitments of the Revolving Credit Lenders as so terminated or reduced. Promptly after receiving any notice from the Borrower delivered pursuant to this §2.4, the Agent will notify the Revolving Credit Lenders of the substance thereof. Any reduction of the Revolving Credit Commitments to an amount less than $50,000,000.00 shall also result in a proportionate reduction (rounded to the next lowest integral multiple of $100,000.00) in the maximum amount of Letters of Credit. Upon the effective date of any such reduction or termination, the Borrower shall pay to the Agent for the respective accounts of the Revolving Credit Lenders the full amount of any facility fee under §2.3 then accrued on the amount of the reduction. No reduction or termination of the Revolving Credit Commitments may be reinstated.

§2.5 Requests for Term Loans B during Term Loan B Commitment Period; Reduction of Term Loan B Commitment during Term Loan B Commitment Period.

(a) For each Term Loan B which Borrower requests during the Term Loan B Commitment Period in accordance with §2.2, except with respect to the initial Term Loan B on the Closing Date, the Borrower shall give to the Agent written notice executed by an Authorized Officer in the form of Exhibit J hereto (or telephonic notice confirmed in writing in the form of Exhibit J hereto) by 12:00 p.m. (Eastern Standard Time) one (1) Business Day prior to the proposed Drawdown Date with respect to Base Rate Loans and two (2) Business Days prior to the proposed Drawdown Date with respect to LIBOR Rate Loans (a "Term Loan Request"). Each such notice shall specify with respect to the requested Term Loan B the proposed principal amount of such Term Loan B, the Type of Term Loan B, the initial Interest Period (if applicable) for such Term Loan B and the Drawdown Date. Each such notice shall also contain (i) a general statement as to the purpose for which such advance shall be used (which purpose shall be in accordance with the terms of §2.9) and (ii) a certification by the chief financial officer or controller of Parent that the Borrower, the Guarantors and each Unencumbered Property Subsidiary are and will be in compliance with all covenants under the Loan Documents after giving effect to the making of such Term Loan B. Promptly upon receipt of any such notice, the Agent shall notify each of the Term Loan B Lenders thereof. Each such Term Loan B Request shall be irrevocable and binding on the Borrower and shall obligate the Borrower to accept the Term Loan B requested from the Term Loan B Lenders on the proposed Drawdown Date. Each Term Loan B Request shall be for a Term Loan B in a minimum aggregate amount of $7,500,000.00 or an integral multiple of $7,500,000.00 in excess thereof (or such lesser amount as may be undrawn, in which case such Loan Request

shall be the final Term Loan B Request permitted hereunder and shall be for the total undrawn amount). Notwithstanding anything to the contrary contained herein, there shall be no more than ten (10) LIBOR Rate Loans outstanding at any one time.

(b) The Borrower shall have the right at any time from time to time during the Term Loan B Commitment Period upon three (3) Business Days' prior written notice to the Agent to reduce, by $5,000,000.00 or an integral multiple of $1,000,000.00 in excess thereof, the unborrowed portion of the Term Loan B Commitments (it being understood, for the avoidance of doubt, that any previously borrowed portion of the Term Loan B Commitments which has been repaid shall not in any event be deemed to be unborrowed for purposes hereof), whereupon the Term Loan B Commitments of the Term Loan B Lenders shall be reduced pro rata in accordance with their respective Term Loan B Commitment Percentages of the amount specified in such notice, any such reduction to be without penalty. Promptly after receiving any notice from the Borrower delivered pursuant to this §2.5(b), the Agent will notify the Term Loan B Lenders of the substance thereof. Upon the effective date of any such reduction of the unborrowed portion of the Term Loan B Commitments, the Borrower shall pay to the Agent for the respective accounts of the Term Loan B Lenders the full amount of any term loan unused fee under §2.3(c) then accrued on the amount of the reduction. No reduction of the unborrowed portion of the Term Loan B Commitments may be reinstated.

§2.6 Interest on Loans.

(a) Each Revolving Credit Base Rate Loan shall bear interest for the period commencing with the Drawdown Date thereof and ending on the date on which such Base Rate Loan is repaid or converted to a LIBOR Rate Loan at the rate per annum equal to the sum of the Base Rate plus the Applicable Margin for Revolving Credit Base Rate Loans.

(b) Each Revolving Credit LIBOR Rate Loan shall bear interest for the period commencing with the Drawdown Date thereof and ending on the last day of each Interest Period with respect thereto at the rate per annum equal to the sum of LIBOR determined for such Interest Period plus the Applicable Margin for Revolving Credit LIBOR Rate Loans.

(c) Each Term A Base Rate Loan shall bear interest for the period commencing with the Drawdown Date thereof and ending on the date on which such Term A Base Rate Loan is repaid or is converted to a Term A LIBOR Rate Loan at a rate per annum equal to the sum of the Base Rate plus the Applicable Margin for Term A Base Rate Loans.

(d) Each Term A LIBOR Rate Loan shall bear interest for the period commencing with the Drawdown Date thereof and ending on the last day of each Interest Period with respect thereto at the rate per annum equal to the sum of LIBOR determined for such Interest Period plus the Applicable Margin for Term A LIBOR Rate Loans.

(e) Each Term B Base Rate Loan shall bear interest for the period commencing with the Drawdown Date thereof and ending on the date on which such Term B Base Rate Loan is repaid or is converted to a Term B LIBOR Rate Loan at a rate per annum equal to the sum of the Base Rate plus the Applicable Margin for Term B Base Rate Loans.

(f) Each Term B LIBOR Rate Loan shall bear interest for the period commencing with the Drawdown Date thereof and ending on the last day of each Interest Period with respect thereto at the rate per annum equal to the sum of LIBOR determined for such Interest Period plus the Applicable Margin for Term B LIBOR Rate Loans.

(g) The Borrower promises to pay interest on each Loan in arrears on each Interest Payment Date with respect thereto.

(h) Base Rate Loans and LIBOR Rate Loans may be converted to Loans of the other Type as provided in §4.1.

§2.7 Requests for Revolving Credit Loans. Except with respect to any Revolving Credit Loans outstanding as of the Closing Date, the Borrower shall give to the Agent written notice executed by an Authorized Officer in the form of Exhibit C hereto (or telephonic notice confirmed in writing in the form of Exhibit G hereto) of each Revolving Credit Loan requested hereunder (a "Loan Request") by 12:00 p.m. (Eastern Standard Time) one (1) Business Day prior to the proposed Drawdown Date with respect to Base Rate Loans and two (2) Business Days prior to the proposed Drawdown Date with respect to LIBOR Rate Loans. Each such notice shall specify with respect to the requested Revolving Credit Loan the proposed principal amount of such Revolving Credit Loan, the Type of Revolving Credit Loan, the initial Interest Period (if applicable) for such Revolving Credit Loan and the Drawdown Date. Each such notice shall also contain (i) a general statement as to the purpose for which such advance shall be used (which purpose shall be in accordance with the terms of §2.9) and (ii) a certification by the chief financial officer or controller of Parent that the Borrower, the Guarantors and each Unencumbered Property Subsidiary are and will be in compliance with all covenants under the Loan Documents after giving effect to the making of such Revolving Credit Loan. Promptly upon receipt of any such notice, the Agent shall notify each of the Revolving Credit Lenders thereof. Each such Loan Request shall be irrevocable and binding on the Borrower and shall obligate the Borrower to accept the Revolving Credit Loan requested from the Revolving Credit Lenders on the proposed Drawdown Date. Each Loan Request shall be (a) for a Revolving Credit Base Rate Loan in a minimum aggregate amount of $500,000.00 or an integral multiple of $100,000.00 in excess thereof; or (b) for a Revolving Credit LIBOR Rate Loan in a minimum aggregate amount of $500,000.00 or an integral multiple of $100,000.00 in excess thereof; provided, however, that there shall be no more than ten (10) LIBOR Rate Loans outstanding at any one time.

§2.8 Funds for Loans.

(a) Not later than 1:00 p.m. (Eastern Standard Time) on the proposed Drawdown Date of any Revolving Credit Loans or Term Loans, each of the Revolving Credit Lenders or Term Loan Lenders, as applicable, will make available to the Agent, at the Agent's Head Office, in immediately available funds, the amount of such Lender's Commitment Percentage of the amount of the requested Loans which may be disbursed pursuant to §2.1 or §2.2. Upon receipt from each Revolving Credit Lender or Term Loan Lender, as applicable, of such amount, and upon receipt of the documents required by §10 and §11 and the satisfaction of the other conditions set forth therein, to the extent applicable, the Agent will make available to the Borrower the aggregate amount of such Revolving Credit Loans or Term Loans made available to the Agent by the Revolving Credit Lenders or Term Loan Lenders, as applicable, by crediting such

amount to the account of the Borrower maintained at the Agent's Head Office. The failure or refusal of any Revolving Credit Lender or Term Loan Lender to make available to the Agent at the aforesaid time and place on any Drawdown Date the amount of its Commitment Percentage of the requested Loans shall not relieve any other Revolving Credit Lender or Term Loan Lender from its several obligation hereunder to make available to the Agent the amount of such other Lender's Commitment Percentage of any requested Loans, including any additional Loans that may be requested subject to the terms and conditions hereof to provide funds to replace those not advanced by the Lender so failing or refusing. In the event of any such failure or refusal, the Lenders not so failing or refusing shall be entitled to a priority secured position as against the Lender or Lenders so failing or refusing to make available to the Borrower the amount of its or their Commitment Percentage for such Loans as provided in §12.5.

(b) Unless the Agent shall have been notified by any Lender prior to the applicable Drawdown Date of any Revolving Credit Loans or any Term Loans or on the Closing Date or any Increase Date with respect to any Term Loans, that such Lender will not make available to Agent such Lender's Commitment Percentage of a proposed Loan, Agent may in its discretion assume that such Lender has made such Loan available to Agent in accordance with the provisions of this Agreement and the Agent may, if it chooses, in reliance upon such assumption make such Loan available to the Borrower, and such Lender shall be liable to the Agent for the amount of such advance. If such Lender does not pay such corresponding amount upon the Agent's demand therefor, the Agent will promptly notify the Borrower, and the Borrower shall promptly pay such corresponding amount to the Agent. The Agent shall also be entitled to recover from the Lender or the Borrower, as the case may be, interest on such corresponding amount in respect of each day from the date such corresponding amount was made available by the Agent to the Borrower to the date such corresponding amount is recovered by the Agent at a per annum rate equal to (i) from the Borrower at the applicable rate for such Loan or (ii) from a Lender at the Federal Funds Effective Rate plus one percent (1%).

§2.9 Use of Proceeds. The Borrower will use the proceeds of the Loans and the Letters of Credit solely to (a) pay closing costs in connection with this Agreement; (b) to finance Borrower's direct and indirect investments in Real Estate and Mortgage Receivables; and (c) for general working capital purposes.

§2.10 Letters of Credit.

(a) Subject to the terms and conditions set forth in this Agreement, at any time and from time to time from the Closing Date through the day that is ninety (90) days prior to the Revolving Credit Maturity Date, the Issuing Lender shall issue such Letters of Credit as the Borrower may request upon the delivery of a written request in the form of Exhibit D hereto (a "Letter of Credit Request") to the Issuing Lender, provided that (i) no Default or Event of Default shall have occurred and be continuing, (ii) upon issuance of such Letter of Credit, the Letter of Credit Liabilities shall not exceed $25,000,000.00 (subject to reduction as provided in §2.4), (iii) in no event shall the sum of (A) the Revolving Credit Loans Outstanding and (B) the amount of Letter of Credit Liabilities (after giving effect to all Letters of Credit requested) exceed the Total Revolving Credit Commitment, (iv) the conditions set forth in §§10 and 11 shall have been satisfied, (v) in no event shall any amount drawn under a Letter of Credit be available for reinstatement or a subsequent drawing under such Letter of Credit, and (vi) in no event shall the

sum of (X) the Outstanding amount of the Revolving Credit Loans and the Term Loans and (Y) the amount of Letter of Credit Liabilities (after giving effect to all Letters of Credit requested) exceed the lesser of the Total Commitment or the Unencumbered Asset Availability. Notwithstanding anything to the contrary contained in this §2.10, the Issuing Lender shall not be obligated to issue, amend, extend, renew or increase any Letter of Credit at a time when any other Revolving Credit Lender is a Defaulting Lender, unless the Issuing Lender is satisfied that the participation therein will otherwise be fully allocated to the Revolving Credit Lenders that are Non-Defaulting Lenders consistent with §2.13(c) and the Defaulting Lender shall have no participation therein, except to the extent the Issuing Lender has entered into arrangements with the Borrower or such Defaulting Lender which are satisfactory to the Issuing Lender in its good faith determination to eliminate the Issuing Lender's Fronting Exposure with respect to any such Defaulting Lender, including the delivery of cash collateral. The Issuing Lender may assume that the conditions in §10 and §11 have been satisfied unless it receives written notice from a Revolving Credit Lender that such conditions have not been satisfied. Each Letter of Credit Request shall be executed by an Authorized Officer of Borrower. The Issuing Lender shall be entitled to conclusively rely on such Person's authority to request a Letter of Credit on behalf of Borrower. The Issuing Lender shall have no duty to verify the authenticity of any signature appearing on a Letter of Credit Request. The Borrower assumes all risks with respect to the use of the Letters of Credit. Unless the Issuing Lender and the Required Revolving Credit Lenders otherwise consent, the term of any Letter of Credit shall not exceed a period of time commencing on the issuance of the Letter of Credit and ending on the date which is thirty (30) days prior to the Revolving Credit Maturity Date, or to the Revolving Credit Maturity Date to the extent any such Letter of Credit has been cash collateralized in a manner reasonably satisfactory to the Agent and the Issuing Lender (but in any event the term shall not extend beyond the Revolving Credit Maturity Date). The amount available to be drawn under any Letter of Credit shall reduce on a dollar-for-dollar basis the amount available to be drawn under the Total Revolving Credit Commitment as a Revolving Credit Loan.

(b) Each Letter of Credit Request shall be submitted to the Issuing Lender at least five (5) Business Days (or such shorter period as the Issuing Lender may approve) prior to the date upon which the requested Letter of Credit is to be issued. Each such Letter of Credit Request shall contain (i) a statement as to the purpose for which such Letter of Credit shall be used (which purpose shall be in accordance with the terms of this Agreement), and (ii) a certification by the chief financial officer or controller of Parent that the Borrower, Guarantors and Unencumbered Property Subsidiaries are and will be in compliance with all covenants under the Loan Documents after giving effect to the issuance of such Letter of Credit. The Borrower shall further deliver to the Issuing Lender such additional applications (which application as of the date hereof is in the form of Exhibit H hereto) and documents as the Issuing Lender may reasonably require, in conformity with the then standard practices of its letter of credit department, in connection with the issuance of such Letter of Credit; provided that in the event of any conflict, the terms of this Agreement shall control.

(c) The Issuing Lender shall, subject to the conditions set forth in this Agreement, issue the Letter of Credit on or before five (5) Business Days following receipt of the documents last due pursuant to §2.10(b). Each Letter of Credit shall be in form and substance reasonably satisfactory to the Issuing Lender in its reasonable discretion.

(d) Upon the issuance of a Letter of Credit, each Revolving Credit Lender shall be deemed to have purchased a participation therein from Issuing Lender in an amount equal to its respective Revolving Credit Commitment Percentage of the amount of such Letter of Credit. No Revolving Credit Lender's obligation to participate in a Letter of Credit shall be affected by any other Revolving Credit Lender's failure to perform as required herein with respect to such Letter of Credit or any other Letter of Credit.

(e) Upon the issuance of each Letter of Credit, the Borrower shall pay to the Issuing Lender (i) for its own account, a Letter of Credit fee calculated at the rate of one-eighth of one percent (0.125%) per annum of the amount available to be drawn under such Letter of Credit (which fee shall not be less than $1,500 in any event), and (ii) for the accounts of the Revolving Credit Lenders (including the Issuing Lender) in accordance with their respective percentage shares of participation in such Letter of Credit, a Letter of Credit fee calculated at the rate per annum equal to the Applicable Margin then applicable to Revolving Credit LIBOR Rate Loans on the amount available to be drawn under such Letter of Credit. Such fees shall be payable in quarterly installments in arrears with respect to each Letter of Credit on the first day of each calendar quarter following the date of issuance and continuing on each quarter or portion thereof thereafter, as applicable, or on any earlier date on which the Revolving Credit Commitments shall terminate and on the expiration or return of any Letter of Credit. In addition, the Borrower shall pay to Issuing Lender for its own account within five (5) days of demand of Issuing Lender the standard issuance and documentation charges for Letters of Credit issued from time to time by Issuing Lender.

(f) In the event that any amount is drawn under a Letter of Credit by the beneficiary thereof, the Borrower shall reimburse the Issuing Lender by having such amount drawn treated as an outstanding Revolving Credit Base Rate Loan under this Agreement (Borrower being deemed to have requested a Revolving Credit Base Rate Loan on such date in an amount equal to the amount of such drawing and such amount drawn shall be treated as an outstanding Revolving Credit Base Rate Loan under this Agreement) and the Agent shall promptly notify each Revolving Credit Lender by telecopy, email, telephone (confirmed in writing) or other similar means of transmission, and each Revolving Credit Lender shall promptly and unconditionally pay to the Agent, for the Issuing Lender's own account, an amount equal to such Revolving Credit Lender's Revolving Credit Commitment Percentage of such Letter of Credit (to the extent of the amount drawn). If and to the extent any Revolving Credit Lender shall not make such amount available on the Business Day on which such draw is funded, such Revolving Credit Lender agrees to pay such amount to the Agent forthwith on demand, together with interest thereon, for each day from the date on which such draw was funded until the date on which such amount is paid to the Agent, at the Federal Funds Effective Rate until three (3) days after the date on which the Agent gives notice of such draw and at the Federal Funds Effective Rate plus one percent (1.0%) for each day thereafter. Further, such Revolving Credit Lender shall be deemed to have assigned any and all payments made of principal and interest on its Revolving Credit Loans, amounts due with respect to its participations in Letters of Credit and any other amounts due to it hereunder to the Agent to fund the amount of any drawn Letter of Credit which such Revolving Credit Lender was required to fund pursuant to this §2.10(f) until such amount has been funded (as a result of such assignment or otherwise). In the event of any such failure or refusal, the Revolving Credit Lenders not so failing or refusing shall be entitled to a priority secured position for such amounts as provided in §12.5. The failure of any Revolving Credit Lender to make funds available to the Agent in such

amount shall not relieve any other Revolving Credit Lender of its obligation hereunder to make funds available to the Agent pursuant to this §2.10(f).

(g) If after the issuance of a Letter of Credit pursuant to §2.10(c) by the Issuing Lender, but prior to the funding of any portion thereof by a Revolving Credit Lender, for any reason a drawing under a Letter of Credit cannot be refinanced as a Revolving Credit Loan, each Revolving Credit Lender will, on the date such Revolving Credit Loan pursuant to §2.10(f) was to have been made, purchase an undivided participation interest in the Letter of Credit in an amount equal to its Revolving Credit Commitment Percentage of the amount of such Letter of Credit. Each Revolving Credit Lender will immediately transfer to the Issuing Lender in immediately available funds the amount of its participation and upon receipt thereof the Issuing Lender will deliver to such Revolving Credit Lender a Letter of Credit participation certificate dated the date of receipt of such funds and in such amount.

(h) Whenever at any time after the Issuing Lender has received from any Revolving Credit Lender any such Revolving Credit Lender's payment of funds under a Letter of Credit and thereafter the Issuing Lender receives any payment on account thereof, then the Issuing Lender will distribute to such Revolving Credit Lender its participation interest in such amount (appropriately adjusted in the case of interest payments to reflect the period of time during which such Revolving Credit Lender's participation interest was outstanding and funded); provided, however, that in the event that such payment received by the Issuing Lender is required to be returned, such Revolving Credit Lender will return to the Issuing Lender any portion thereof previously distributed by the Issuing Lender to it.

(i) The issuance of any supplement, modification, amendment, renewal or extension to or of any Letter of Credit shall be treated in all respects the same as the issuance of a new Letter of Credit.

(j) Borrower (rather than Issuing Lender) assumes all risks of the acts, omissions, or misuse of any Letter of Credit by the beneficiary thereof; provided, however, that this assumption is not intended to, and shall not, preclude the Borrower's pursuing such rights and remedies as it may have against the beneficiary or transferee or any other Person at law or under any other agreement. Neither Agent, Issuing Lender nor any Revolving Credit Lender will be responsible for (i) the form, validity, sufficiency, accuracy, genuineness or legal effect of any Letter of Credit or any document submitted by any party in connection with the issuance of any Letter of Credit, even if such document should in fact prove to be in any or all respects invalid, insufficient, inaccurate, fraudulent or forged; (ii) the form, validity, sufficiency, accuracy, genuineness or legal effect of any instrument transferring or assigning or purporting to transfer or assign any Letter of Credit or the rights or benefits thereunder or proceeds thereof in whole or in part, which may prove to be invalid or ineffective for any reason; (iii) failure of any beneficiary of any Letter of Credit to comply fully with the conditions required in order to demand payment under a Letter of Credit; (iv) errors, omissions, interruptions or delays in transmission or delivery of any messages, by mail, cable, telecopy, email or otherwise; (v) errors in interpretation of technical terms; (vi) any loss or delay in the transmission or otherwise of any document or draft required by or from a beneficiary in order to make a disbursement under a Letter of Credit or the proceeds thereof; (vii) for the misapplication by the beneficiary of any Letter of Credit of the proceeds of any drawing under such Letter of Credit; and (viii) for any consequences arising from causes

beyond the control of Agent or any Revolving Credit Lender. None of the foregoing will affect, impair or prevent the vesting of any of the rights or powers granted to Agent, Issuing Lender or the Revolving Credit Lenders hereunder. In furtherance and extension and not in limitation or derogation of any of the foregoing, any act taken or omitted to be taken by Agent, Issuing Lender or the other Revolving Credit Lenders in good faith will be binding on Borrower and will not put Agent, Issuing Lender or the other Revolving Credit Lenders under any resulting liability to Borrower; provided nothing contained herein shall relieve Issuing Lender for liability to Borrower arising as a result of the gross negligence or willful misconduct of Issuing Lender as determined by a court of competent jurisdiction after the exhaustion of all applicable appeal periods.

§2.11 Increase in Total Commitment.

(a) Provided that no Default or Event of Default has occurred and is continuing, subject to the terms and conditions set forth in this §2.11, the Borrower shall have the option at any time and from time to time before the date that is forty-five (45) days prior to the Revolving Credit Maturity Date (as the same may be extended pursuant to §2.12 below), Term Loan A Maturity Date or Term Loan B Maturity Date, as applicable, to request an increase in the Total Revolving Credit Commitment, the Total Term Loan A Commitment and/or the Total Term Loan B Commitment such that after giving effect to such increase the Total Commitment does not exceed $425,000,000.00 in the aggregate by giving written notice to the Agent (each, an "Increase Notice"; and the amount of such requested increase is the "Commitment Increase"), provided that any such individual increase must be in a minimum amount of $5,000,000.00. Upon receipt of any Increase Notice, the Agent shall consult with Arranger and shall notify the Borrower of the amount of facility fees to be paid to any Lenders who provide an additional Revolving Credit Commitment, Term Loan A Commitment and/or Term Loan B Commitment, as applicable, in connection with such increase in the Revolving Credit Commitment, Term Loan A Commitment and/or Term Loan B Commitment, as applicable (which shall be in addition to the fees to be paid to Arranger pursuant to the Agreement Regarding Fees). If the Borrower agrees to pay the facility fees so determined (and/or such other fees as may be agreed to by the Borrower, Agent and/or Arranger in connection with such Commitment Increase), then the Agent shall send a notice to all Revolving Credit Lenders, Term Loan A Lenders and/or Term Loan B Lenders, as applicable (the "Additional Commitment Request Notice") informing them of the Borrower's request to increase the Total Revolving Credit Commitment, the Total Term Loan A Commitment or the Total Term Loan B Commitment, as applicable, and of the facility fees to be paid with respect thereto. Each Revolving Credit Lender, Term Loan A Lender or Term Loan B Lender, as applicable, who desires to provide an additional Revolving Credit Commitment, Term Loan A Commitment or Term Loan B Commitment, as applicable, upon such terms shall provide Agent with a written commitment letter specifying the amount of the additional Revolving Credit Commitment, Term Loan A Commitment or Term Loan B Commitment, as applicable, by which it is willing to provide prior to such deadline as may be specified in the Additional Commitment Request Notice. If the requested increase is oversubscribed then the Agent and the Arranger shall allocate the Commitment Increase among the Revolving Credit Lenders, Term Loan A Lenders or Term Loan B Lenders, as applicable, who provide such commitment letters on such basis as the Agent and the Arranger shall determine in their sole discretion. If the additional Revolving Credit Commitments, Term Loan A Commitments or Term Loan B Commitments, as applicable, so provided are not sufficient to provide the full amount of the such Commitment Increase requested by the Borrower, then the Agent, Arranger or Borrower may, but shall not be obligated to, invite one or more banks

or lending institutions (which banks or lending institutions shall be reasonably acceptable to Agent, Arranger and Borrower) to become a Revolving Credit Lender, Term Loan A Lender or Term Loan B Lender, as applicable, and provide an additional Revolving Credit Commitment, Term Loan A Commitment or Term Loan B Commitment, as applicable. The Agent shall provide all Revolving Credit Lenders, Term Loan A Lenders or Term Loan B Lenders, as applicable, with a notice setting forth the amount, if any, of the additional Revolving Credit Commitment, Term Loan A Commitment or Term Loan B Commitment, as applicable, to be provided by each Revolving Credit Lender, Term Loan A Lender or Term Loan B Lender, as applicable, and the revised Revolving Credit Commitment Percentages, Term Loan A Commitment Percentages or Term Loan B Commitment Percentages, as applicable, which shall be applicable after the effective date of the Commitment Increase specified therein (the "Commitment Increase Date"). In no event shall any Lender be obligated to provide an additional Revolving Credit Commitment, Term Loan A Commitment or Term Loan B Commitment.

(b) On any Commitment Increase Date the outstanding principal balance of the Revolving Credit Loans, Term Loans A or Term Loans B, as applicable, shall be reallocated among the Revolving Credit Lenders, Term Loan A Lenders or Term Loan B Lenders, as applicable, such that after the applicable Commitment Increase Date the outstanding principal amount of Revolving Credit Loans, Term Loans A or Term Loans B, as applicable, owed to each Revolving Credit Lender, Term Loan A Lender or Term Loan B Lender, as applicable, shall be equal to such Lender's Revolving Credit Commitment Percentage, Term Loan A Commitment Percentage or Term Loan B Commitment Percentage, as applicable (as in effect after the applicable Commitment Increase Date) of the outstanding principal amount of all Revolving Credit Loans, Term Loans A or Term Loans B, as applicable. The participation interests of the Revolving Credit Lenders in Letters of Credit shall be similarly adjusted. On any Commitment Increase Date, those Revolving Credit Lenders, Term Loan A Lenders or Term Loan B Lenders whose Revolving Credit Commitment Percentage, Term Loan A Commitment Percentage or Term Loan B Commitment Percentage is increasing shall advance the funds to the Agent and the funds so advanced shall be distributed among the Revolving Credit Lenders, Term Loan A Lenders or Term Loan B Lenders, as applicable, whose Revolving Credit Commitment Percentage, Term Loan A Commitment Percentage or Term Loan B Commitment Percentage, as applicable, is decreasing as necessary to accomplish the required reallocation of the outstanding Revolving Credit Loans, Term Loans A or Term Loans B, as applicable. The funds so advanced shall be Base Rate Loans until converted to LIBOR Rate Loans which are allocated among all Lenders based on their Commitment Percentages. To the extent such reallocation results in certain Lenders receiving funds which are applied to LIBOR Rate Loans prior to the last day of the applicable Interest Period, then the Borrower shall pay to the Agent for the account of the affected Lenders the Breakage Costs for each such Lender (provided that the parties agree to attempt to coordinate the closing of any increase of the Total Revolving Credit Commitment, Total Term Loan A Commitment or Total Term Loan B Commitment, as applicable, to minimize Breakage Costs that may come due); provided, however, each Lender agrees to apply any amounts received by them pursuant to this §2.11(b) first to the principal of any Base Rate Loans held by such Lender and then to the principal of LIBOR Rate Loans held by such Lender.

(c) Upon the effective date of each increase in the Total Revolving Credit Commitment, Total Term Loan A Commitment or Total Term Loan B Commitment, as applicable, pursuant to this §2.11 the Agent may unilaterally revise Schedule 1 hereto and the Borrower shall

execute and deliver to the Agent new Revolving Credit Notes, Term Loan A Notes or Term Loan B Notes for each Lender whose Commitment has changed so that the principal amount of such Revolving Credit Lender's Revolving Credit Note shall equal its Revolving Credit Commitment, such Term Loan A Lender's Term Loan Note shall equal its Term Loan A Commitment, and such Term Loan B Lender's Term Loan Note shall equal its Term Loan B Commitment. The Agent shall deliver such replacement Revolving Credit Notes, Term Loan A Notes and Term Loan B Notes to the respective Lenders in exchange for the Revolving Credit Notes, Term Loan A Notes and Term Loan B Notes replaced thereby which shall be surrendered by such Lenders. Such new Revolving Credit Notes, Term Loan A Notes and Term Loan B Notes shall provide that they are replacements for the surrendered Revolving Credit Notes, Term Loan A Notes and Term Loan B Notes, as applicable, and that they do not constitute a novation, shall be dated as of the Commitment Increase Date and shall otherwise be in substantially the form of the replaced Revolving Credit Notes, Term Loan A Notes or Term Loan B Notes, as applicable. Within five (5) days of issuance of any new Revolving Credit Notes, Term Loan A Notes or Term Loan B Notes, pursuant to this §2.11(c), the Borrower shall deliver an opinion of counsel, addressed to the Lenders and the Agent, relating to the due authorization, execution and delivery of such new Revolving Credit Notes, Term Loan A Notes and Term Loan B Notes and the enforceability thereof, in form and substance substantially similar to the opinion delivered in connection with the first disbursement under this Agreement. The surrendered Revolving Credit Notes, Term Loan A Notes and Term Loan B Notes shall be canceled and returned to the Borrower.

(d) Notwithstanding anything to the contrary contained herein, the obligation of the Agent and the Revolving Credit Lenders to increase the Total Revolving Credit Commitment, the Agent and the Term Loan A Lenders to increase the Total Term Loan A Commitment, or the Agent and the Term Loan B Lenders to increase the Total Term Loan B Commitment as applicable, pursuant to this §2.11 shall be conditioned upon satisfaction of the following conditions precedent which must be satisfied prior to the effectiveness of any increase of the Total Revolving Credit Commitment, Total Term Loan A Commitment or the Total Term Loan B Commitment, as applicable:

(i) Payment of Activation Fee. The Borrower shall pay (A) to the Agent and the Arranger certain arrangement and other fees with respect to the applicable Commitment Increase pursuant to a separate agreement to be entered into among the Borrower, the Agent and the Arranger prior to the applicable Commitment Increase Date, and (B) to the Arranger such facility fees as the Revolving Credit Lenders, Term Loan A Lenders or Term Loan B Lenders who are providing an additional Revolving Credit Commitment, Term Loan A Commitment or Term Loan B Commitment, as applicable, may require to increase the aggregate Revolving Credit Commitment, Term Loan A Commitment or Term Loan B Commitment, which fees shall, when paid, be fully earned and non-refundable under any circumstances. The Arranger shall pay to the Lenders acquiring the applicable Commitment Increase certain fees pursuant to their separate agreement; and

(ii) No Default. On the date any Increase Notice is given and on the date such increase becomes effective, both immediately before and after the Total Revolving Credit Commitment, Term Loan A Commitment or Term Loan B Commitment, as applicable, is increased, there shall exist no Default or Event of Default; and

(iii) Representations True. The representations and warranties made by the Borrower and the Guarantors in the Loan Documents or otherwise made by or on behalf of the Borrower, the Guarantors and the Unencumbered Property Subsidiaries in connection therewith or after the date thereof shall have been true and correct in all material respects when made and shall also be true and correct in all material respects on the date of such Increase Notice and on the date the Total Revolving Credit Commitment, Term Loan A Commitment or Term Loan B Commitment is increased (except to the extent of any changes resulting from transactions permitted by this Agreement, and except to the extent such representations relate expressly to an earlier date, which representations shall be required to be true and correct only as of such specified date), both immediately before and after the Total Revolving Credit Commitment, Term Loan A Commitment or Term Loan B Commitment is increased; and

(iv) Additional Documents and Expenses. The Borrower and the Guarantors shall execute and deliver to Agent and the Lenders such additional documents, instruments, certifications and opinions as the Agent may reasonably require, including, without limitation, a Compliance Certificate, demonstrating compliance with all covenants, representations and warranties set forth in the Loan Documents after giving effect to the increase; and

(v) Beneficial Ownership Certification. If requested by the Agent or any Lender, Borrower shall have delivered, prior to the Commitment Increase Date, to the Agent (and any such Lender) a completed and executed Beneficial Ownership Certification.

§2.12 Extension of Revolving Credit Maturity Date. The Borrower shall have the one-time right and option, in its sole discretion, to extend the Revolving Credit Maturity Date to July 2, 2024, upon satisfaction of the following conditions precedent, which must be satisfied prior to the effectiveness of any extension of the Revolving Credit Maturity Date:

(a) Extension Request. The Borrower shall deliver written notice of such request (the "Extension Request") to the Agent not earlier than the date which is one hundred twenty (120) days and not later than the date which is sixty (60) days prior to the Revolving Credit Maturity Date (as determined without regard to such extension). Any such Extension Request shall be irrevocable and binding on the Borrower.

(b) Payment of Extension Fee. The Borrower shall pay to the Agent for the pro rata accounts of the Revolving Credit Lenders in accordance with their respective Revolving Credit Commitments an extension fee in an amount equal to twenty (20) basis points on the Total Revolving Credit Commitment in effect on the Revolving Credit Maturity Date (as determined without regard to such extension), which fee shall, when paid, be fully earned and non-refundable under any circumstances.

(c) No Default. On the date the Extension Request is given and on the Revolving Credit Maturity Date (as determined without regard to such extension) there shall exist no Default or Event of Default.

(d) Representations and Warranties. The representations and warranties made by the Borrower and the Guarantors in the Loan Documents or otherwise made by or on behalf of the Borrower, Guarantors and Unencumbered Property Subsidiaries in connection therewith or

after the date thereof shall have been true and correct in all material respects when made and shall also be true and correct in all material respects on the date the Extension Request is given and on the Revolving Credit Maturity Date (as determined without regard to such extension) other than for representations to the extent they relate expressly to an earlier date, which representations shall be required to be true and correct only as of such specified date, and except to the extent of any changes resulting from transactions permitted by this Agreement.

(e) Beneficial Ownership Certification. If requested by the Agent or any Lender, Borrower shall have delivered, at least five (5) Business Days prior to the Revolving Credit Maturity Date (as determined without regard to such extension), to the Agent (and any such Lender) a completed and executed Beneficial Ownership Certification.

§2.13 Defaulting Lenders.

(a) If for any reason any Lender shall be a Defaulting Lender, then, in addition to the rights and remedies that may be available to the Agent or the Borrower under this Agreement or Applicable Law, such Defaulting Lender's right to participate in the administration of the Loans, this Agreement and the other Loan Documents, including without limitation, any right to vote in respect of, to consent to or to direct any action or inaction of the Agent or to be taken into account in the calculation of the Required Lenders, Required Revolving Credit Lenders, Required Term Loan A Lenders, Required Term Loan B Lenders or all of the Lenders, shall be suspended during the pendency of such failure or refusal. If a Lender is a Defaulting Lender because it has failed to make timely payment to the Agent of any amount required to be paid to the Agent hereunder (without giving effect to any notice or cure periods), in addition to other rights and remedies which the Agent or the Borrower may have under the immediately preceding provisions or otherwise, the Agent shall be entitled (i) to collect interest from such Defaulting Lender on such delinquent payment for the period from the date on which the payment was due until the date on which the payment is made at the Federal Funds Effective Rate plus one percent (1%), (ii) to withhold or setoff and to apply in satisfaction of the defaulted payment and any related interest, any amounts otherwise payable to such Defaulting Lender under this Agreement or any other Loan Document and (iii) to bring an action or suit against such Defaulting Lender in a court of competent jurisdiction to recover the defaulted amount and any related interest. Any amounts received by the Agent in respect of a Defaulting Lender's Loans shall be applied as set forth in §2.13(d).

(b) Any Non-Defaulting Lender may, but shall not be obligated, in its sole discretion, to acquire all or a portion of a Defaulting Lender's Commitments. Any Lender desiring to exercise such right shall give written notice thereof to the Agent and the Borrower no sooner than two (2) Business Days and not later than five (5) Business Days after such Defaulting Lender became a Defaulting Lender. If more than one Lender exercises such right, each such Lender shall have the right to acquire an amount of such Defaulting Lender's Commitments in proportion to the Commitments of the other Lenders exercising such right. If after such fifth (5^{th}) Business Day, the Lenders have not elected to purchase all of the Commitments of such Defaulting Lender, then the Borrower (so long as no Default or Event of Default exists) or the Required Lenders may, by giving written notice thereof to the Agent, such Defaulting Lender and the other Lenders, demand that such Defaulting Lender assign its Commitments to an eligible assignee subject to and in accordance with the provisions of §18.1 for the purchase price provided for below and upon any such demand such Defaulting Lender shall comply with such demand and shall consummate such

assignment (subject to and in accordance with the provisions of §18.1). No party hereto shall have any obligation whatsoever to initiate any such replacement or to assist in finding an eligible assignee. Upon any such purchase or assignment, and any such demand with respect to which the conditions specified in §18.1 have been satisfied, the Defaulting Lender's interest in the Loans and its rights hereunder (but not its liability in respect thereof or under the Loan Documents or this Agreement to the extent the same relate to the period prior to the effective date of the purchase) shall terminate on the date of purchase, and the Defaulting Lender shall promptly execute all documents reasonably requested to surrender and transfer such interest to the purchaser or assignee thereof, including an appropriate Assignment and Acceptance Agreement. The purchase price for the Commitments of a Defaulting Lender shall be equal to the amount of the principal balance of the Loans outstanding and owed by the Borrower to the Defaulting Lender plus any accrued but unpaid interest thereon and accrued but unpaid fees. Prior to payment of such purchase price to a Defaulting Lender, the Agent shall apply against such purchase price any amounts retained by the Agent pursuant to §2.13(d).

(c) During any period in which there is a Defaulting Lender, all or any part of such Defaulting Lender's obligation to acquire, refinance or fund participations in Letters of Credit pursuant to §2.10(g) shall be reallocated among the Revolving Credit Lenders that are Non-Defaulting Lenders in accordance with their respective Revolving Credit Commitment Percentages (computed without giving effect to the Revolving Credit Commitment of such Defaulting Lender); provided that (i) each such reallocation shall be given effect only if, at the date the applicable Revolving Credit Lender becomes a Defaulting Lender, no Default or Event of Default exists, (ii) the conditions set forth in §10 and §11 are satisfied at the time of such reallocation (and, unless the Borrower shall have notified the Agent at such time, the Borrower shall be deemed to have represented and warranted that such conditions are satisfied at the time), (iii) the representations and warranties in the Loan Documents shall be true and correct in all material respects on and as of the date of such reallocation with the same effect as though made on and as of such date (it being understood and agreed that any representation or warranty which by its terms is made as of a specified date shall be required to be true and correct only as of such specified date, and that any representation or warranty that is qualified by any materiality standard shall be required to be true and correct in all respects), and (iv) the aggregate obligation of each Revolving Credit Lender that is a Non-Defaulting Lender to acquire, refinance or fund participations in Letters of Credit shall not exceed the positive difference, if any, of (A) the Revolving Credit Commitment of that Non-Defaulting Lender minus (B) the sum of (1) the aggregate outstanding principal amount of the Revolving Credit Loans of that Revolving Credit Lender plus (2) such Revolving Credit Lender's pro rata portion in accordance with its Revolving Credit Commitment Percentage of outstanding Letter of Credit Liabilities. Subject to §34, no reallocation hereunder shall constitute a waiver or release of any claim of any party hereunder against a Defaulting Lender arising from that Lender having become a Defaulting Lender, including any claim of a Non-Defaulting Lender as a result of such Non-Defaulting Lender's increased exposure following such reallocation.

(d) Any payment of principal, interest, fees or other amounts received by the Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, or otherwise, and including any amounts made available to the Agent for the account of such Defaulting Lender pursuant to §13), shall be applied at such time or times as may be determined by the Agent as follows: first, to the payment of any amounts owing by such Defaulting Lender

to the Agent (other than with respect to Letter of Credit Liabilities) hereunder; second, to the payment of any amounts owing by such Defaulting Lender to the Issuing Lender (with respect to Letter of Credit Liabilities); third, if so determined by the Agent or requested by the Issuing Lender, to be held as cash collateral for future funding obligations of such Defaulting Lender of any participation in any Letter of Credit; fourth, as the Borrower may request (so long as no Default or Event of Default exists), to the funding of any Loan in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Agent; fifth, if so determined by the Agent and the Borrower, to be held in a non-interest bearing deposit account and released pro rata in order to (x) satisfy obligations of such Defaulting Lender to fund Loans or participations under this Agreement and (y) be held as cash collateral for future funding obligations of such Defaulting Lender of any participation in any Letter of Credit; sixth, to the payment of any amounts owing to the Agent or the Lenders (including the Issuing Lender) as a result of any judgment of a court of competent jurisdiction obtained by the Agent or any Lender (including the Issuing Lender) against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; seventh, so long as no Default or Event of Default exists, to the payment of any amounts owing to the Borrower as a result of any judgment of a court of competent jurisdiction obtained by the Borrower against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; and eighth, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; provided that if (i) such payment is a payment of the principal amount of any Loans or funded participations in Letters of Credit in respect of which such Defaulting Lender has not fully funded its appropriate share and (ii) such Loans or funded participations in Letters of Credit were made at a time when the conditions set forth in §10 and §11, to the extent required by this Agreement, were satisfied or waived, such payment shall be applied solely to pay the Loans of, and funded participations in Letters of Credit owed to, all Non-Defaulting Lenders on a pro rata basis until such time as all Loans and funded and unfunded participations in Letters of Credit are held by the Lenders pro rata in accordance with their Revolving Credit Commitment Percentages and Term Loan Commitment Percentages, as applicable, without regard to §2.13(c), prior to being applied to the payment of any Loans of, or funded participations in Letters of Credit owed to, such Defaulting Lender. Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender or to post cash collateral pursuant to this §2.13(d) shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto, and to the extent allocated to the repayment of principal of the Loan, shall not be considered outstanding principal under this Agreement.

(e) Within five (5) Business Days of demand by the Issuing Lender from time to time, the Borrower shall deliver to the Agent for the benefit of the Issuing Lender cash collateral in an amount sufficient to cover all Fronting Exposure with respect to the Issuing Lender (after giving effect to §2.10(a) and §2.13(c)) on terms satisfactory to the Issuing Lender in its good faith determination (and such cash collateral shall be in Dollars). Any such cash collateral shall be deposited in the Collateral Account as collateral (solely for the benefit of the Issuing Lender) for the payment and performance of each Defaulting Lender's pro rata portion in accordance with their respective Revolving Credit Commitment Percentages of outstanding Letter of Credit Liabilities. Moneys in the Collateral Account deposited pursuant to this section shall be applied by the Agent to reimburse the Issuing Lender immediately for each Defaulting Lender's pro rata portion in accordance with their respective Revolving Credit Commitment Percentages of any

funding obligation with respect to a Letter of Credit which has not otherwise been reimbursed by the Borrower or such Defaulting Lender.

(f) (i) Notwithstanding anything herein to the contrary, each Revolving Credit Lender that is a Defaulting Lender shall not be entitled to receive any Unused Fee or Facility Fee pursuant to §2.3 for any period during which that Revolving Credit Lender is a Defaulting Lender.

(ii) Each Revolving Credit Lender that is a Defaulting Lender shall not be entitled to receive Letter of Credit fees pursuant to §2.10(e) for any period during which that Revolving Credit Lender is a Defaulting Lender.

(iii) With respect to any Unused Fee, Facility Fee or Letter of Credit fees not required to be paid to any Defaulting Lender pursuant to clause (i) or (ii) above, the Borrower shall (x) pay to each Non-Defaulting Lender that is a Revolving Credit Lender that portion of any such fee otherwise payable to such Defaulting Lender with respect to such Defaulting Lender's participation in Letter of Credit Liabilities that has been reallocated to such Non-Defaulting Lender pursuant to §2.13(c), (y) pay to the Issuing Lender the amount of any such fee otherwise payable to such Defaulting Lender to the extent allocable to the Issuing Lender's Fronting Exposure to such Defaulting Lender and (z) not be required to pay any remaining amount of any such fee.

(g) If the Borrower and the Agent agree in writing in their sole discretion that a Defaulting Lender should no longer be deemed to be a Defaulting Lender, the Agent will so notify the parties hereto, whereupon as of the date specified in such notice and subject to any conditions set forth therein (which may include arrangements with respect to any cash collateral), that Lender will, to the extent applicable, purchase that portion of outstanding Loans of the other Lenders or take such other actions as the Agent may determine to be necessary to cause the Loans and funded and unfunded participations in Letters of Credit to be held on a pro rata basis by the Lenders in accordance with their Commitments (without giving effect to §2.13(c)), whereupon such Lender will cease to be a Defaulting Lender; provided that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of the Borrower while such Lender was a Defaulting Lender; and provided, further, that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from such Lender's having been a Defaulting Lender.

§3. REPAYMENT OF THE LOANS.

§3.1 Stated Maturity. The Borrower promises to pay on the Revolving Credit Maturity Date and there shall become absolutely due and payable on the Revolving Credit Maturity Date all of the Revolving Credit Loans and other Letter of Credit Liabilities outstanding on such date, together with any and all accrued and unpaid interest thereon. The Borrower promises to pay on the Term Loan A Maturity Date and there shall become absolutely due and payable on the Term Loan A Maturity Date all of the Term Loans A Outstanding on such date, together with any and all accrued and unpaid interest thereon. The Borrower promises to pay on the Term Loan B Maturity Date and there shall become absolutely due and payable on the Term Loan B Maturity

Date all of the Term Loans B Outstanding on such date, together with any and all accrued and unpaid interest thereon.

§3.2 Mandatory Prepayments. If at any time (i) the sum of the aggregate outstanding principal amount of the Revolving Credit Loans and the Letter of Credit Liabilities exceeds the lesser of (a) the Total Revolving Credit Commitment or (b) the Unencumbered Asset Availability, minus the principal amount of the outstanding Term Loans, or (ii) the sum of the aggregate outstanding principal amount of the Revolving Credit Loans, the Term Loans and the Letter of Credit Liabilities exceeds the lesser of (a) the Total Commitment or (b) the Unencumbered Asset Availability, then the Borrower shall, within ten (10) Business Days of such occurrence (or such longer period of time as Agent may agree in its sole and absolute discretion), pay the amount of such excess to the Agent for the respective accounts of the Lenders, as applicable, for application to the Revolving Credit Loans and Term Loans as provided in §3.4, together with any additional amounts payable pursuant to §4.8.

§3.3 Optional Prepayments.

(a) The Borrower shall have the right, at its election, to prepay the outstanding amount of the Revolving Credit Loans, as a whole or in part, at any time without penalty or premium, and in the case of prepayment in full, at Borrower's election, to terminate the Revolving Credit Commitments; provided, that if any prepayment of the outstanding amount of any Revolving Credit LIBOR Rate Loans pursuant to this §3.3 is made on a date that is not the last day of the Interest Period relating thereto, such prepayment shall be accompanied by the payment of any amounts due pursuant to §4.8.

(b) The Borrower shall have the right, at its election, to prepay the outstanding amount of the Term Loans, as a whole or in part, at any time without penalty or premium; provided, that if any prepayment of the outstanding amount of any Term LIBOR Rate Loans pursuant to this §3.3 is made on a date that is not the last day of the Interest Period relating thereto, such prepayment shall be accompanied by the payment of any amounts due pursuant to §4.8.

(c) The Borrower shall give the Agent, no later than 10:00 a.m. (Eastern Standard Time) at least two (2) days prior written notice of any prepayment pursuant to this §3.3, in each case specifying the proposed date of prepayment of the Loans and the principal amount to be prepaid (provided that any such notice may be revoked or modified upon one (1) day's prior notice to the Agent).

§3.4 Partial Prepayments. Each partial prepayment of the Loans under §3.3 shall be in a minimum amount of $500,000.00 or an integral multiple of $100,000.00 in excess thereof, shall be accompanied by the payment of accrued interest on the principal prepaid to the date of payment. Each partial payment under §3.2 and §3.3 shall be applied in the absence of instruction by the Borrower, to the principal of Revolving Credit Loans and then pro rata to the principal of Term Loans A and Term Loans B (and with respect to each category of Loans, first to the principal of Base Rate Loans, and then to the principal of LIBOR Rate Loans).

§3.5 Effect of Prepayments. Amounts of the Revolving Credit Loans prepaid under §3.2 and §3.3 prior to the Revolving Credit Maturity Date may be reborrowed as provided in §2. Any portion of the Term Loans that is prepaid may not be reborrowed.

§4. CERTAIN GENERAL PROVISIONS.

§4.1 Conversion Options.

(a) The Borrower may elect from time to time to convert any of its outstanding Revolving Credit Loans to a Revolving Credit Loan of another Type or any of its outstanding Term Loans to another Term Loan of another Type and such Revolving Credit Loans or Term Loans shall thereafter bear interest as a Base Rate Loan or a LIBOR Rate Loan, as applicable; provided that (i) with respect to any such conversion of a LIBOR Rate Loan to a Base Rate Loan, the Borrower shall give the Agent at least one (1) Business Day's prior written notice of such election, and such conversion shall only be made on the last day of the Interest Period with respect to such LIBOR Rate Loan, unless Borrower elects to pay the Breakage Costs association with such conversion; (ii) with respect to any such conversion of a Base Rate Loan to a LIBOR Rate Loan, the Borrower shall give the Agent at least two (2) LIBOR Business Days' prior written notice of such election and the Interest Period requested for such Loan, the principal amount of the Loan so converted shall be in a minimum aggregate amount of $500,000.00 or an integral multiple of $100,000.00 in excess thereof and, after giving effect to the making of such Loan, there shall be no more than ten (10) LIBOR Rate Loans outstanding at any one time; and (iii) no Loan may be converted into a LIBOR Rate Loan when any Default or Event of Default has occurred and is continuing. All or any part of the outstanding Revolving Credit Loans or Term Loans of any Type may be converted as provided herein, provided that no partial conversion shall result in a Revolving Credit Base Rate Loan or a Term Base Rate Loan in a principal amount of less than $500,000.00 or an integral multiple of $100,000.00 or a Revolving Credit LIBOR Rate Loan or a Term LIBOR Rate Loan in a principal amount of less than $500,000.00 or an integral multiple of $100,000.00. On the date on which such conversion is being made, each Lender shall take such action as is necessary to transfer its Commitment Percentage of such Loans to its Domestic Lending Office or its LIBOR Lending Office, as the case may be. Each Conversion/Continuation Request relating to the conversion of a Base Rate Loan to a LIBOR Rate Loan shall be irrevocable by the Borrower.

(b) Any LIBOR Rate Loan may be continued as such Type upon the expiration of an Interest Period with respect thereto by compliance by the Borrower with the terms of §4.1; provided that no LIBOR Rate Loan may be continued as such when any Default or Event of Default has occurred and is continuing, but shall be automatically converted to a Base Rate Loan on the last day of the Interest Period relating thereto ending during the continuance of any Default or Event of Default.

(c) In the event that the Borrower does not notify the Agent of its election hereunder with respect to any LIBOR Rate Loan, such Loan shall be automatically continued as a LIBOR Rate Loan for the same Interest Period (unless such Interest Period shall be greater than the time remaining until the Revolving Credit Maturity Date, Term Loan A Maturity Date or Term Loan B Maturity Date, as applicable, in which case the Interest Period shall be the Interest Period closest to the time remaining, without exceeding the time to the Revolving Credit Maturity Date,

Term Loan A Maturity Date or Term Loan B Maturity Date, as applicable) at the end of the applicable Interest Period.

§4.2 Fees. The Borrower agrees to pay to KeyBank, Agent and Arranger for their own account certain fees for services rendered or to be rendered in connection with the Loans as provided pursuant to the separate fee letter dated December 16, 2020, between Borrower, KeyBank and the Arranger (the "Agreement Regarding Fees"). All such fees shall be fully earned when paid and nonrefundable under any circumstances.

§4.3 Rates. The Agent does not warrant or accept responsibility for, and shall not have any liability with respect to, the administration, submission or any other matter related to the rates in the definition of "LIBOR" or with respect to any comparable or successor rate thereto, provided that the foregoing shall not apply to any liability arising out of the bad faith, willful misconduct or gross negligence of the Agent.

§4.4 Funds for Payments.

(a) All payments of principal, interest, facility fees, Letter of Credit fees, closing fees and any other amounts due hereunder or under any of the other Loan Documents shall be made to the Agent, for the respective accounts of the Lenders and the Agent, as the case may be, at the Agent's Head Office, not later than 4:00 p.m. (Eastern Standard Time) on the day when due, in each case in lawful money of the United States in immediately available funds. If not received by 4:00 p.m. (Eastern Standard Time) on the day when due, the Agent is hereby authorized to charge the accounts of the Borrower with KeyBank, on the dates when the amount thereof shall become due and payable, with the amounts of the principal of and interest on the Loans and all fees, charges, expenses and other amounts owing to the Agent and/or the Lenders under the Loan Documents. Subject to the foregoing, all payments made to Agent on behalf of the Lenders, and actually received by Agent, shall be deemed received by the Lenders on the date actually received by Agent.

(b) All payments by the Borrower hereunder and under any of the other Loan Documents shall be made without setoff or counterclaim, and free and clear of and without deduction or withholding for any Taxes, except as required by Applicable Law. If any Applicable Law (as determined in the good faith discretion of an applicable Withholding Agent) requires the deduction or withholding of any Tax from any such payment by a Withholding Agent, then the applicable Withholding Agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with Applicable Law and, if such Tax is an Indemnified Tax, then the sum payable by the Borrower or other applicable Guarantor shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this §4.4) the applicable Recipient receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(c) The Borrower and the Guarantors shall timely pay to the relevant Governmental Authority in accordance with Applicable Law, or at the option of the Agent timely reimburse it for the payment of, any Other Taxes.

(d) The Borrower and the Guarantors shall jointly and severally indemnify each Recipient, within fifteen (15) days after demand therefor (or within sixty (60) days of demand if the amount demanded by a Recipient is in excess of $100,000), for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this §4.4) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender (with a copy to the Agent), or by the Agent on its own behalf or on behalf of a Lender, and a reasonably detailed explanation of such amounts which are due, shall be conclusive absent manifest error;

(e) Each Lender shall severally indemnify the Agent, within ten (10) days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that the Borrower or a Guarantor has not already indemnified the Agent for such Indemnified Taxes and without limiting the obligation of the Borrower and the Guarantors to do so), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of §18.4 relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by the Agent in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Agent to set off and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by the Agent to the Lender from any other source against any amount due to the Agent under this §4.4(e).

(f) Upon the request of Agent or any Lender, as soon as practicable after any payment of Taxes by the Borrower or any Guarantor to a Governmental Authority pursuant to this §4.4, the Borrower or such Guarantor shall deliver to the Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment, or other evidence of such payment reasonably satisfactory to the Agent.

(g)

(i) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to the Borrower and the Agent, at the time or times reasonably requested by the Borrower or the Agent, such properly completed and executed documentation reasonably requested by the Borrower or the Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Borrower or the Agent, shall deliver such other documentation prescribed by Applicable Law or reasonably requested by the Borrower or the Agent as will enable the Borrower or the Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in the immediately following clauses (ii)(A), (ii)(B) and (ii)(D)) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material

unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) Without limiting the generality of the foregoing, in the event that the Borrower is a U.S. Person:

A. any Lender that is a U.S. Person shall deliver to the Borrower and the Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Agent), an electronic copy (or an original if requested by the Borrower or the Agent) of an executed IRS Form W-9 (or any successor form) certifying that such Lender is exempt from U.S. federal backup withholding tax;

B. any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Agent), whichever of the following is applicable;

I. in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Loan Document, an electronic copy (or an original if requested by the Borrower or the Agent) of an executed IRS Form W-8BEN or W-8BEN-E establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "interest" article of such tax treaty and (y) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN or W-8BEN-E establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

II. an electronic copy (or an original if requested by the Borrower or the Agent) of an executed IRS Form W-8ECI;

III. in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate substantially in the form of Exhibit I-1 to the effect that such Foreign Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, a "10 percent shareholder" of the Borrower within the meaning of Section 881(c)(3)(B) of the Code, or a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Code (a "U.S. Tax Compliance Certificate") and (y) executed originals of IRS Form W-8BEN or W-8BEN-E; or

IV. to the extent a Foreign Lender is not the beneficial owner, an electronic copy (or an original if requested by the Borrower or the Agent) of an executed IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN or W-8BEN-E, a U.S. Tax Compliance Certificate substantially in the form of Exhibit I-2 or Exhibit I-3, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax

Compliance Certificate substantially in the form of Exhibit I-4 on behalf of each such direct and indirect partner.

C. any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Agent), an electronic copy (or an original if requested by the Borrower or the Agent) of any other form prescribed by Applicable Law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by Applicable Law to permit the Borrower or the Agent to determine the withholding or deduction required to be made; and

D. if a payment made to a Lender under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Borrower and the Agent at the time or times prescribed by Applicable Law and at such time or times reasonably requested by the Borrower or the Agent such documentation prescribed by Applicable Law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower or the Agent as may be necessary for the Borrower and the Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (D), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower and the Agent in writing of its legal inability to do so.

(h) If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this §4.4 (including by the payment of additional amounts pursuant to this §4.4), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this §4.4 with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this subsection (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this subsection, in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this subsection the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund has not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This subsection shall not be construed to require any indemnified party

to make available its Tax returns (or any other information relating to its Taxes that it reasonably deems confidential) to the indemnifying party or any other Person.

(i) Each party's obligations under this §4.4 shall survive the resignation or replacement of the Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all obligations under any Loan Document.

(j) The obligations of the Borrower to the Revolving Credit Lenders under this Agreement with respect to Letters of Credit (and of the Revolving Credit Lenders to make payments to the Issuing Lender with respect to Letters of Credit) shall be absolute, unconditional and irrevocable, and shall be paid and performed strictly in accordance with the terms of this Agreement, under all circumstances whatsoever, including, without limitation, the following circumstances: (i) any lack of validity or enforceability of this Agreement, any Letter of Credit or any of the other Loan Documents; (ii) any improper use which may be made of any Letter of Credit or any improper acts or omissions of any beneficiary or transferee of any Letter of Credit in connection therewith; (iii) the existence of any claim, set-off, defense or any right which the Borrower or any of its Subsidiaries or Affiliates may have at any time against any beneficiary or any transferee of any Letter of Credit (or persons or entities for whom any such beneficiary or any such transferee may be acting) or the Revolving Credit Lenders (other than the defense of payment to the Revolving Credit Lenders in accordance with the terms of this Agreement) or any other Person, whether in connection with any Letter of Credit, this Agreement, any other Loan Document, or any unrelated transaction; (iv) any draft, demand, certificate, statement or any other documents presented under any Letter of Credit proving to be insufficient, forged, fraudulent or invalid in any respect or any statement therein being untrue or inaccurate in any respect whatsoever; (v) any breach of any agreement between the Borrower, any Guarantor or any of their respective Subsidiaries or Affiliates and any beneficiary or transferee of any Letter of Credit; (vi) any irregularity in the transaction with respect to which any Letter of Credit is issued, including any fraud by the beneficiary or any transferee of such Letter of Credit; (vii) payment by the Issuing Lender under any Letter of Credit against presentation of a sight draft, demand, certificate or other document which does not comply with the terms of such Letter of Credit, provided that such payment shall not have constituted bad faith, gross negligence or willful misconduct on the part of the Issuing Lender as determined by a court of competent jurisdiction after the exhaustion of all applicable appeal periods; (viii) any non-application or misapplication by the beneficiary of a Letter of Credit of the proceeds of such Letter of Credit; (ix) the legality, validity, form, regularity or enforceability of the Letter of Credit; (x) the failure of any payment by Issuing Lender to conform to the terms of a Letter of Credit (if, in Issuing Lender's good faith judgment, such payment is determined to be appropriate); (xi) the surrender or impairment of any security for the performance or observance of any of the terms of any of the Loan Documents; (xii) the occurrence of any Default or Event of Default; and (xiii) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing, provided that such other circumstances or happenings shall not have been the result of bad faith, gross negligence or willful misconduct on the part of the Issuing Lender as determined by a court of competent jurisdiction after the exhaustion of all applicable appeal periods.

§4.5 Computations. All computations of interest on the Loans and of other fees to the extent applicable shall be based on a 360-day year (or a 365 or 366 day year, as applicable, in the

case of Base Rate Loans) and paid for the actual number of days elapsed. Except as otherwise provided in the definition of the term "Interest Period" with respect to LIBOR Rate Loans, whenever a payment hereunder or under any of the other Loan Documents becomes due on a day that is not a Business Day, the due date for such payment shall be extended to the next succeeding Business Day, and interest shall accrue during such extension. The Outstanding Loans as reflected on the records of the Agent from time to time shall be considered prima facie evidence of such amount absent manifest error.

§4.6 Suspension of LIBOR Rate Loans. Subject to §4.17, in the event that, prior to the commencement of any Interest Period relating to any LIBOR Rate Loan, the Agent shall in its good faith discretion determine that adequate and reasonable methods do not exist for ascertaining LIBOR for such Interest Period, or the Agent shall reasonably determine that LIBOR will not accurately and fairly reflect the cost of the Lenders making or maintaining LIBOR Rate Loans for such Interest Period, the Agent shall forthwith give notice of such determination (which shall be conclusive and binding on the Borrower and the Lenders absent manifest error) to the Borrower and the Lenders. In such event (a) any Loan Request with respect to a LIBOR Rate Loan shall be automatically withdrawn and shall be deemed a request for a Base Rate Loan and (b) each LIBOR Rate Loan will automatically, on the last day of the then current Interest Period applicable thereto, become a Base Rate Loan, and the obligations of the Lenders to make LIBOR Rate Loans shall be suspended until the Agent determines that the circumstances giving rise to such suspension no longer exist, whereupon the Agent shall promptly notify the Borrower and the Lenders thereof.

§4.7 Illegality. Notwithstanding any other provisions herein, if any present or future law, regulation, treaty or directive or the interpretation or application thereof shall make it unlawful, or any central bank or other Governmental Authority having jurisdiction over a Lender or its LIBOR Lending Office shall assert that it is unlawful, for any Lender to make or maintain LIBOR Rate Loans, such Lender shall forthwith give notice of such circumstances to the Agent and the Borrower and thereupon (a) the commitment of the Lenders to make LIBOR Rate Loans shall forthwith be suspended and (b) the LIBOR Rate Loans then outstanding shall be converted automatically to Base Rate Loans on the last day of each Interest Period applicable to such LIBOR Rate Loans or within such earlier period as may be required by law. Notwithstanding the foregoing, before giving such notice, the applicable Lender shall designate a different lending office if such designation will void the need for giving such notice and will not, in the judgment of such Lender, be otherwise materially disadvantageous to such Lender or increase any costs payable by Borrower hereunder.

§4.8 Additional Interest. If any LIBOR Rate Loan or any portion thereof is repaid or is converted to a Base Rate Loan for any reason on a date which is prior to the last day of the Interest Period applicable to such LIBOR Rate Loan, or if repayment of the Loans has been accelerated as provided in §12.1, or if the Borrower fails to draw down on the first day of the applicable Interest Period any amount as to which the Borrower has elected a LIBOR Rate Loan, the Borrower will pay to the Agent upon demand for the account of the applicable Lenders in accordance with their respective Commitment Percentages, in addition to any amounts of interest otherwise payable hereunder, the Breakage Costs. Borrower understands, agrees and acknowledges the following: (i) no Lender has any obligation to purchase, sell and/or match funds in connection with the use of LIBOR as a basis for calculating the rate of interest on a LIBOR Rate Loan; (ii) LIBOR is used merely as a reference in determining such rate; and (iii) Borrower has accepted LIBOR as a

reasonable and fair basis for calculating such rate and any Breakage Costs. Borrower further agrees to pay the Breakage Costs, if any, whether or not a Lender elects to purchase, sell and/or match funds.

§4.9 Additional Costs, Etc. Notwithstanding anything herein to the contrary, if any Change in Law shall:

(a) subject any Recipient to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (b) through (d) of the definition of Excluded Taxes and (C) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto, or

(b) impose, modify or deem applicable any special deposit, reserve (other than the Reserve Percentage), compulsory loan, insurance charge or similar requirement against assets of, deposits with or credit extended or participated in by, any Lender or the Issuing Lender, or

(c) impose on any Lender or the Issuing Lender or the London Interbank market any other condition, cost or expense (other than Taxes) affecting this Agreement or Loans made by such Lender or any Letter of Credit or participation therein; and the result of any of the foregoing is:

(i) to increase the cost to such Lender or such other Recipient of making, converting to, continuing or maintaining any Loan or of maintaining its obligation to make any such Loan, or to increase the cost to such Lender, the Issuing Lender or such other Recipient of participating in, issuing or maintaining any Letter of Credit (or of maintaining its obligation to participate in or to issue any Letter of Credit), or

(ii) to reduce the amount of principal, interest or other amount payable to any Lender, the Issuing Lender or other Recipient hereunder on account of such Lender's Commitment or any of the Loans or the Letters of Credit, or

(iii) to require any Lender or such other Recipient to make any payment or to forego any interest or other sum payable hereunder, the amount of which payment or foregone interest or other sum is calculated by reference to the gross amount of any sum receivable or deemed received by such Lender or such other Recipient from the Borrower hereunder,

then, and in each such case, the Borrower will, within fifteen (15) days of demand (or within sixty (60) days of demand if the amount demanded by a Recipient is in excess of $100,000.00) made by a Recipient at any time and from time to time and as often as the occasion therefor may arise, pay to such Recipient such additional amounts as such Recipient shall reasonably determine in good faith to be sufficient to compensate such Recipient for such additional cost, reduction, payment or foregone interest or other sum. Each Recipient in determining such amounts may use any reasonable averaging and attribution methods generally applied by such Recipient.

§4.10 Capital Adequacy. If any Lender or Issuing Lender determines that any Change in Law affecting such Lender or Issuing Lender or any lending office of such Lender or such Lender's or Issuing Lender's holding company, if any, regarding capital or liquidity requirements, has or would have the effect of reducing the rate of return on such Lender's or Issuing Lender's capital

or on the capital of such Lender's or Issuing Lender's holding company, if any, as a consequence of this Agreement, the Commitments of such Lender or the Loans made by, or participations in Letters of Credit held by, such Lender, or the Letters of Credit issued by any Issuing Lender, to a level below that which such Lender or Issuing Lender or such Lender's or Issuing Lender's holding company could have achieved but for such Change in Law (taking into consideration such Lender's or Issuing Lender's policies and the policies of such Lender's or Issuing Lender's holding company with respect to capital adequacy and assuming the full utilization of such entity's capital) by an amount deemed by such Lender to be material, then from time to time the Borrower will pay to such Lender or Issuing Lender, as the case may be, such additional amount or amounts as will compensate such Lender or Issuing Lender or such Lender's or Issuing Lender's holding company for any such reduction suffered as and when such reduction is determined, upon presentation by such Lender of a statement of the amount setting forth the Lender's reasonable calculation thereof. In determining such amount, such Lender may use any reasonable averaging and attribution methods generally applied by such Lender.

§4.11 Breakage Costs. Borrower shall pay all Breakage Costs required to be paid by it pursuant to this Agreement and incurred from time to time by any Lender upon demand within fifteen (15) days from receipt of written notice from Agent, or such earlier date as may be required by this Agreement.

§4.12 Default Interest. Following the occurrence and during the continuance of any Event of Default, and regardless of whether or not the Agent or the Lenders shall have accelerated the maturity of the Loans, all Loans shall bear interest payable on demand at a rate per annum equal to four percent (4%) above the Base Rate (the "Default Rate"), until such amount shall be paid in full (after as well as before judgment), and the fee payable with respect to Letters of Credit shall be increased to a rate equal to four percent (4%) above the Letter of Credit fee that would otherwise be applicable to such time, or if any of such amounts shall exceed the maximum rate permitted by law, then at the maximum rate permitted by law.

§4.13 Certificate. A certificate setting forth any amounts payable pursuant to §4.8, §4.9, §4.10, §4.11 or §4.12 and a reasonably detailed explanation of such amounts which are due, submitted by any Recipient to the Borrower, shall be conclusive in the absence of manifest error. Unless otherwise specifically provided herein, the Borrower shall pay such Recipient, as the case may be, the amount shown as due on any such certificate within fifteen (15) days after receipt thereof (or sixty (60) days after receipt thereof if the amount shown as due in such certificate is in excess of $100,000.00).

§4.14 Limitation on Interest. Notwithstanding anything in this Agreement or the other Loan Documents to the contrary, all agreements between or among the Borrower, the Guarantors, the Lenders and the Agent, whether now existing or hereafter arising and whether written or oral, are hereby limited so that in no contingency, whether by reason of acceleration of the maturity of any of the Obligations or otherwise, shall the interest contracted for, charged or received by the Lenders exceed the maximum amount permissible under Applicable Law. If, from any circumstance whatsoever, interest would otherwise be payable to the Lenders in excess of the maximum lawful amount, the interest payable to the Lenders shall be reduced to the maximum amount permitted under Applicable Law; and if from any circumstance the Lenders shall ever receive anything of value deemed interest by Applicable Law in excess of the maximum lawful

amount, an amount equal to any excessive interest shall be applied to the reduction of the principal balance of the Obligations and to the payment of interest or, if such excessive interest exceeds the unpaid balance of principal of the Obligations, such excess shall be refunded to the Borrower. All interest paid or agreed to be paid to the Lenders shall, to the extent permitted by Applicable Law, be amortized, prorated, allocated and spread throughout the full period until payment in full of the principal of the Obligations (including the period of any renewal or extension thereof) so that the interest thereon for such full period shall not exceed the maximum amount permitted by Applicable Law. This Section shall control all agreements between or among the Borrower, the Guarantors, the Lenders and the Agent.

§4.15 Certain Provisions Relating to Increased Costs. If a Lender gives notice of the existence of the circumstances set forth in §4.7 or any Lender requests compensation for any losses or costs to be reimbursed pursuant to any one or more of the provisions of §4.4, §4.9 or §4.10, then, upon request of Borrower, such Lender, as applicable, shall use reasonable efforts to eliminate, mitigate or reduce amounts that would otherwise be payable by Borrower under the foregoing provisions, provided that such action would not be otherwise prejudicial to such Lender, including, without limitation, by designating another of such Lender's offices, branches or affiliates; the Borrower agreeing to pay all reasonably incurred costs and expenses incurred by such Lender in connection with any such action. Notwithstanding anything to the contrary contained herein, if no Default or Event of Default shall have occurred and be continuing, and if any Lender has given notice of the existence of the circumstances set forth in §4.7 or has requested payment or compensation for any losses or costs to be reimbursed pursuant to any one or more of the provisions of §4.4, §4.9 or §4.10 (each, an "Affected Lender"), then, within thirty (30) days after such notice or request for payment or compensation, Borrower shall have the right as to such Affected Lender, to be exercised by delivery of written notice delivered to the Agent and the Affected Lender within such thirty (30) day period, to elect to cause the Affected Lender to transfer its Commitment. The Agent shall promptly notify the remaining Lenders that each of such Lenders shall have the right, but not the obligation, to acquire a portion of the Commitment, pro rata based upon their relevant Commitment Percentages, of the Affected Lender (or if any of such Lenders does not elect to purchase its pro rata share, then to such remaining Lenders in such proportion as approved by the Agent). In the event that the Lenders do not elect to acquire all of the Affected Lender's Commitment, then the Agent shall endeavor to obtain a new Lender to acquire such remaining Commitment. Upon any such purchase of the Commitment of the Affected Lender, the Affected Lender's interest in the Obligations and its rights hereunder and under the Loan Documents shall terminate at the date of purchase, and the Affected Lender shall promptly execute all documents reasonably requested to surrender and transfer such interest. The purchase price for the Affected Lender's Commitment shall equal any and all amounts outstanding and owed by Borrower to the Affected Lender, including principal and all accrued and unpaid interest or fees.

§4.16 Delay in Requests. Failure or delay on the part of any Lender or Issuing Lender to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's or Issuing Lender's right to demand such compensation; provided that the Borrower shall not be required to compensate a Lender or Issuing Lender pursuant to this Section for any increased costs incurred or reductions suffered more than nine months prior to the date that such Lender or Issuing Lender, as the case may be, notifies the Borrower of the Change in Law giving rise to such increased costs or reductions, and of such Lender's or Issuing Lender's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or

reductions is retroactive, then the nine-month period referred to above shall be extended to include the period of retroactive effect thereof).

§4.17 Successor LIBOR Rate.

(a) Benchmark Replacement. Notwithstanding anything to the contrary herein or in any other Loan Document, if a Benchmark Transition Event or an Early Opt-in Election, as applicable, and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any setting of the then-current Benchmark, then (x) if a Benchmark Replacement is determined in accordance with clause (1) or (2) of the definition of "Benchmark Replacement" for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in respect of such Benchmark setting and subsequent Benchmark settings without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document and (y) if a Benchmark Replacement is determined in accordance with clause (3) of the definition of "Benchmark Replacement" for such Benchmark Replacement Date, in each instance notwithstanding the requirements of §27 of this Agreement or anything else contained herein or in any other Loan Document, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in respect of any Benchmark setting at or after 5:00 p.m. (New York City time) on the fifth (5th) Business Day after the date notice of such Benchmark Replacement is provided to the Lenders without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document so long as the Agent has not received, by such time, written notice of objection to such Benchmark Replacement from Lenders comprising the Required Lenders.

(b) Benchmark Replacement Conforming Changes. In connection with the implementation of a Benchmark Replacement, the Agent will have the right to make Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Loan Document.

(c) Notices; Standards for Decisions and Determinations. The Agent will promptly notify the Borrower and the Lenders in writing of (i) any occurrence of a Benchmark Transition Event or an Early Opt-in Election, as applicable, and its related Benchmark Replacement Date, (ii) the implementation of any Benchmark Replacement, (iii) the effectiveness of any Benchmark Replacement Conforming Changes, (iv) the removal or reinstatement of any tenor of a Benchmark pursuant to clause (d) below and (v) the commencement or conclusion of any Benchmark Unavailability Period. Any determination, decision or election that may be made by the Agent or, if applicable, any Lender (or group of Lenders) pursuant to this §4.17, including, without limitation, any determination with respect to a tenor, rate or adjustment, or implementation of any Benchmark Replacement Conforming Changes, or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding on all parties hereto absent manifest error and may be made in its or their sole discretion and without consent from any other party to this Agreement or any other Loan Document, except, in each case, as expressly required pursuant to this §4.17 and

shall not be a basis of any claim of liability of any kind or nature by any party hereto, all such claims being hereby waived individually by each party hereto.

(d) Unavailability of Tenor of Benchmark. Notwithstanding anything to the contrary herein or in any other Loan Document, at any time (including in connection with the implementation of a Benchmark Replacement), (i) if the then-current Benchmark is a term rate (including Term SOFR or USD LIBOR) and either (A) any tenor for such Benchmark is not displayed on a screen or other information service that publishes such rate from time to time as selected by the Agent in its reasonable discretion or (B) the regulatory supervisor for the administrator of such Benchmark or a Relevant Governmental Body has provided a public statement or publication of information announcing that any tenor for such Benchmark is or will be no longer representative, then the Agent may modify the definition of "Interest Period" for any Benchmark settings at or after such time to remove such unavailable or non-representative tenor and (ii) if a tenor that was removed pursuant to clause (i) above either (A) is subsequently displayed on a screen or information service for a Benchmark (including a Benchmark Replacement) or (B) is not, or is no longer, subject to an announcement that it is or will no longer be representative for a Benchmark (including a Benchmark Replacement), then the Agent may modify the definition of "Interest Period" for all Benchmark settings at or after such time to reinstate such previously removed tenor.

(e) Benchmark Unavailability Period. Upon the Borrower's receipt of notice of the commencement of a Benchmark Unavailability Period, the Borrower may revoke any request for a borrowing of Loans that is to be a LIBOR Rate Loan, conversion to or continuation of LIBOR Rate Loans to be made, converted or continued during any Benchmark Unavailability Period and, failing that, the Borrower will be deemed to have converted any such request into a request for a borrowing of or conversion to Base Rate Loans. During any Benchmark Unavailability Period or at any time that a tenor for the then-current Benchmark is not an Available Tenor, the component of Base Rate based upon the then-current Benchmark or such tenor for such Benchmark, as applicable, will not be used in any determination of the Base Rate.

§5. UNSECURED OBLIGATIONS.

§5.1 Unsecured Obligations. The Lenders have agreed to make the Loans to the Borrower and the Issuing Lender has agreed to issue Letters of Credit for the account of the Borrower on an unsecured basis. Notwithstanding the foregoing, the Obligations shall be guaranteed pursuant to the terms of the Guaranty.

§5.2 Additional Subsidiary Guarantors. In the event that the Borrower shall request that certain Real Estate of a Wholly Owned Subsidiary of the Borrower be included as a Subject Property, the Borrower shall as a condition thereto, in addition to the requirements of §7.16, cause each such Wholly Owned Subsidiary, and each other Wholly Owned Subsidiary of the Borrower which owns, directly or indirectly, Equity Interests in such Wholly Owned Subsidiary (other than an entity which serves only as the general partner of such Wholly Owned Subsidiary and owns no more than one percent (1%) of the Equity Interests thereof), to execute and deliver to Agent a Joinder Agreement, and such Subsidiary shall become a Subsidiary Guarantor hereunder. In addition, in the event any Subsidiary of Parent shall constitute a Material Subsidiary, Borrower and Parent shall cause such Subsidiary, as a condition to such Subsidiary's becoming an obligor

or guarantor with respect to such other Recourse Indebtedness described therein, cause each such Subsidiary to execute and deliver to Agent a Joinder Agreement, and such Subsidiary shall become a Subsidiary Guarantor hereunder. Each such Subsidiary shall not be restricted by its respective organizational documents and Applicable Law, from serving as a Guarantor hereunder. The Borrower shall further cause all representations, covenants and agreements in the Loan Documents with respect to the Guarantors to be true and correct with respect to each such Subsidiary or other entity. In connection with the delivery of such Joinder Agreement, the Borrower shall deliver to the Agent such organizational agreements, resolutions, consents, opinions and other documents and instruments as the Agent may reasonably require.

§5.3 Release of a Subsidiary Guarantor.

(a) The Borrower may request in writing that the Agent release, and upon receipt of such request the Agent shall release (subject to the terms hereof), a Subsidiary Guarantor from the Guaranty so long as: (a) no Default or Event of Default shall then be in existence or would occur as a result of such release or the removal of Real Estate referred to in clause (c) below; (b) the Agent shall have received such written request at least five (5) Business Days prior to the requested date of release; and (c) any Real Estate owned or leased by such Subsidiary Guarantor shall be removed from the Subject Properties in accordance with §7.16 effective as of the date of such release. Delivery by the Borrower to the Agent of any such request for a release shall constitute a representation by the Borrower that the matters set forth in the preceding sentence (both as of the date of the giving of such request and as of the date of the effectiveness of such request) are true and correct with respect to such request. Notwithstanding the foregoing, the foregoing provisions shall not apply to Parent, which may only be released upon the written approval of Agent and all of the Lenders.

(b) Notwithstanding the terms of §5.2 and §5.3(a), from and after any date that Agent first receives written notice from Borrower that Borrower and/or Parent has first obtained an Investment Grade Rating, then subject to the terms of this §5.3(b), each Subsidiary Guarantor which is not a Material Subsidiary shall no longer be required to be a Guarantor, and Agent shall promptly release each such Subsidiary Guarantor (other than any Subsidiary Guarantor which are a Material Subsidiary) from the Guaranty; provided, however that notwithstanding the foregoing, Agent shall not be obligated to release any Subsidiary Guarantor from the Guaranty in the event that a Default or Event of Default shall have occurred and be continuing. In the event that at any time after Borrower and/or Parent obtains an Investment Grade Rating, Borrower and Parent shall no longer have an Investment Grade Rating, Borrower and Parent shall within thirty (30) days after such occurrence cause all such Persons which are required to be a Subsidiary Guarantor pursuant to §5.2 (without regard to this §5.3(b)) but are not then Subsidiary Guarantors hereunder to execute a Joinder Agreement and shall further cause to be satisfied within such thirty (30) day period all of the provisions of §5.2 that would be applicable to the addition of a new Subsidiary Guarantor. In no event shall the provisions of this §5.3(b) entitle Parent to be released from the Guaranty. For the avoidance of doubt, regardless of whether Borrower and/or Parent has an Investment Grade Rating, Borrower and Parent shall be required to cause any Subsidiary of Parent and/or Borrower which at any time constitutes a Material Subsidiary to become a Subsidiary Guarantor by executing a Joinder Agreement and shall comply with the provisions of §5.2 as a condition to such Material Subsidiary becoming an obligor or guarantor of such other Recourse Indebtedness.

§6. REPRESENTATIONS AND WARRANTIES.

The Borrower represents and warrants to the Agent and the Lenders as follows.

§6.1 Corporate Authority, Etc.

(a) Incorporation; Good Standing. Parent is a Maryland corporation duly organized pursuant to articles of incorporation filed with the Maryland Secretary of State, and is validly existing and in good standing under the laws of Maryland. Parent conducts its business in a manner which enables it to qualify as a real estate investment trust under, and to be entitled to the benefits of, §856 of the Code, and has elected to be treated as and is entitled to the benefits of a real estate investment trust thereunder. The Borrower is a Delaware limited partnership duly organized pursuant to its certificate of limited partnership filed with the Delaware Secretary of State, and is validly existing and in good standing under the laws of Delaware. The Borrower (i) has all requisite power to own its property and conduct its business as now conducted and as presently contemplated, and (ii) is in good standing and is duly authorized to do business in the jurisdiction of its organization and in each other jurisdiction where a failure to be so qualified in such other jurisdiction has had or could reasonably be expected to have a Material Adverse Effect.

(b) Subsidiaries. Each of the Guarantors and each of the Subsidiaries of the Borrower and Guarantors (including, without limitation, each of the Unencumbered Property Subsidiaries) (i) is a corporation, limited partnership, general partnership, limited liability company or trust duly organized under the laws of its State of organization and is validly existing and in good standing under the laws thereof, (ii) has all requisite power to own its property and conduct its business as now conducted and as presently contemplated and (iii) is in good standing and is duly authorized to do business in each jurisdiction where a Subject Property owned by it is located (to the extent required by Applicable Law) and in each other jurisdiction where a failure to be so qualified could reasonably be expected to have a Material Adverse Effect (and with respect to Subsidiaries of Borrower that are not Guarantors or Unencumbered Property Subsidiaries, except where a failure to comply with §6.1(b)(i), (ii) and (iii) individually or in the aggregate has not had and could not reasonably be expected to have a Material Adverse Effect).

(c) Authorization. The execution, delivery and performance of this Agreement and the other Loan Documents to which any of the Borrower or any Guarantor is a party and the transactions contemplated hereby and thereby (i) are within the authority of such Person, (ii) have been duly authorized by all necessary proceedings on the part of such Person, (iii) do not and will not conflict with or result in any breach or contravention of any provision of law, statute, rule or regulation to which such Person is subject or any judgment, order, writ, injunction, license or permit applicable to such Person, (iv) do not and will not conflict with or constitute a default (whether with the passage of time or the giving of notice, or both) under any provision of the partnership agreement, articles of incorporation or other charter documents or bylaws of, or any material agreement or other instrument binding upon, such Person or any of its properties, (v) do not and will not result in or require the imposition of any lien or other encumbrance on any of the properties, assets or rights of such Person other than the liens and encumbrances in favor of Agent contemplated by this Agreement and the other Loan Documents, and (vi) do not require the approval or consent of any Person other than those already obtained and delivered to Agent.

(d) Enforceability. The execution and delivery of this Agreement and the other Loan Documents to which any of the Borrower or any Guarantor is a party are valid and legally binding obligations of such Person enforceable in accordance with the respective terms and provisions hereof and thereof, except as enforceability is limited by bankruptcy, insolvency, reorganization, moratorium or other laws relating to or affecting generally the enforcement of creditors' rights and general principles of equity.

§6.2 Governmental Approvals. The execution, delivery and performance of this Agreement and the other Loan Documents to which the Borrower or any Guarantor is a party and the transactions contemplated hereby and thereby do not require the approval or consent of, or filing or registration with, or the giving of any notice to, any court, department, board, governmental agency or other Governmental Authority other than those already obtained.

§6.3 Title to Properties. Except as indicated on Schedule 6.3 hereto, the Borrower, the Guarantors and their respective Subsidiaries own or lease all of the assets reflected in the consolidated balance sheet of Parent as at the Balance Sheet Date or acquired or leased since that date (except property and assets sold or otherwise disposed of in the ordinary course of business since that date) or other adjustments that are not material in amount, subject to no rights of others, including any mortgages, leases pursuant to which Borrower or any of its Subsidiaries (or, to the best knowledge of Borrower, the Guarantors and their respective Subsidiaries any of their Affiliates) is the lessee, conditional sales agreements, title retention agreements, liens or other encumbrances except Permitted Liens and as to Subsidiaries of Borrower that are not Guarantors, except for such defects as individually or in the aggregate have not had and could not reasonably be expected to have a Material Adverse Effect.

§6.4 Financial Statements. The Borrower has furnished to Agent: (a) the consolidated balance sheet of Parent and its Subsidiaries as of the Balance Sheet Date and the related consolidated statement of income and cash flow for the calendar year then ended, (b) as of the Closing Date, an unaudited statement of Consolidated Net Operating Income for the period ending September 30, 2020 in form and substance reasonably satisfactory in form to the Agent, and (c) certain other financial information relating to the Borrower and the Guarantors. Such balance sheet and statements have been prepared in accordance with generally accepted accounting principles and fairly present the consolidated financial condition of Parent and its Subsidiaries as of such dates and the consolidated results of the operations of Parent and its Subsidiaries for such periods.

§6.5 No Material Changes. Since the Balance Sheet Date or the date of the most recent financial statements delivered pursuant to §7.4, as applicable, there has occurred no materially adverse change in the financial condition or business of the Borrower, Guarantors and their respective Subsidiaries taken as a whole as shown on or reflected in the consolidated balance sheet of the Parent as of the Balance Sheet Date, or its consolidated statement of income or cash flows for the calendar year then ended, other than changes in the ordinary course of business that have not and could not reasonably be expected to have a Material Adverse Effect. As of the date hereof, except as set forth on Schedule 6.5 hereto, there has occurred no materially adverse change in the financial condition, operations or business of any of the Subject Properties from the condition shown on the statements of income delivered to the Agent pursuant to §6.4 other than changes in

the ordinary course of business that have not had any materially adverse effect either individually or in the aggregate on the business or financial condition of such Subject Property.

§6.6 Franchises, Patents, Copyrights, Etc. The Borrower, the Guarantors and their respective Subsidiaries possess all franchises, patents, copyrights, trademarks, trade names, service marks, licenses and permits, and rights in respect of the foregoing, adequate for the conduct of their business substantially as now conducted without known conflict with any rights of others except with respect to Subsidiaries of Borrower that are not Guarantors or Unencumbered Property Subsidiaries where such failure individually or in the aggregate has not had and could not reasonably be expected to have a Material Adverse Effect.

§6.7 Litigation. Except as stated on Schedule 6.7 hereto, there are no actions, suits, proceedings or investigations of any kind pending or to the knowledge of the Borrower threatened against the Borrower, any Guarantor or any of their respective Subsidiaries before any court, tribunal, arbitrator, mediator or administrative agency or board which question the validity of this Agreement or any of the other Loan Documents, any action taken or to be taken pursuant hereto or thereto, or which if adversely determined could reasonably be expected to have a Material Adverse Effect. Except as set forth on Schedule 6.7 hereto, there are no judgments, final orders or awards outstanding against or affecting the Borrower, any Guarantor, any of their respective Subsidiaries or any Subject Property which could reasonably be expected to cause a default under §12.1(j).

§6.8 No Material Adverse Contracts, Etc. None of the Borrower, any Guarantor or any of their respective Subsidiaries is subject to any charter, corporate or other legal restriction, or any judgment, decree, order, rule or regulation that has or is expected in the future to have a Material Adverse Effect. None of the Borrower, any Guarantor or any of their respective Subsidiaries is a party to any contract or agreement that has or could reasonably be expected to have a Material Adverse Effect.

§6.9 Compliance with Other Instruments, Laws, Etc. None of the Borrower, the Guarantors or any of their respective Subsidiaries is in violation of any provision of its charter or other organizational documents, bylaws, or any agreement or instrument to which it is subject or by which it or any of its properties is bound or any decree, order, judgment, statute, license, rule or regulation, in any of the foregoing cases in a manner that has had or could reasonably be expected to have a Material Adverse Effect.

§6.10 Tax Status. Each of the Borrower, the Guarantors and their respective Subsidiaries (a) has made or filed all federal and state income and all other material tax returns, reports and declarations required by any jurisdiction to which it is subject or has obtained an extension for filing, (b) has paid prior to delinquency all taxes and other governmental assessments and charges shown or determined to be due on such returns, reports and declarations, except those being contested in good faith and by appropriate proceedings and (c) has set aside on its books provisions reasonably adequate for the payment of all taxes for periods subsequent to the periods to which such returns, reports or declarations apply. There are no unpaid taxes in any material amount claimed to be due by the taxing authority of any jurisdiction, and the officers or partners of such Person know of no basis for any such claim. There are no audits pending or to the knowledge of Borrower threatened with respect to any tax returns filed by Borrower, the Guarantors or their

respective Subsidiaries. The taxpayer identification number for Parent is 02-0681276, and for the Borrower is 91-2198700. No representation is made in this §6.10 regarding property taxes.

§6.11 No Event of Default. No Default or Event of Default has occurred and is continuing.

§6.12 Investment Company Act. None of the Borrower, the Guarantors or any of their respective Subsidiaries is an "investment company", or an "affiliated company" or a "principal underwriter" of an "investment company", as such terms are defined in the Investment Company Act of 1940.

§6.13 Absence of Liens. There are no Liens on any property of the Borrower, any Guarantor, any Unencumbered Property Subsidiary or any of their respective Subsidiaries or rights thereunder except as permitted by §8.2.

§6.14 [Intentionally Omitted].

§6.15 Certain Transactions. Except as disclosed on Schedule 6.15 hereto, none of the partners, officers, trustees, managers, members, directors, or employees of the Borrower, any Guarantor or any of their respective Subsidiaries is, nor shall any such Person become, a party to any transaction with the Borrower, any Guarantor or any of their respective Subsidiaries or Affiliates (other than for services as partners, managers, members, employees, officers and directors), including any agreement or other arrangement providing for the furnishing of services to or by, providing for rental of real or personal property to or from, or otherwise requiring payments to or from any partner, officer, trustee, director or such employee or, to the knowledge of the Borrower, any corporation, partnership, trust or other entity in which any partner, officer, trustee, director, or any such employee has a substantial interest or is an officer, director, trustee or partner, which are on terms less favorable to the Borrower, a Guarantor or any of their respective Subsidiaries than those that would be obtained in a comparable arms-length transaction.

§6.16 Employee Benefit Plans. The Borrower, each Guarantor, each Unencumbered Property Subsidiary and each ERISA Affiliate has fulfilled its obligation, if any, under the minimum funding standards of ERISA and the Code with respect to each Employee Benefit Plan, Multiemployer Plan or Guaranteed Pension Plan and is in compliance in all material respects with the presently applicable provisions of ERISA and the Code with respect to each Employee Benefit Plan, Multiemployer Plan or Guaranteed Pension Plan. Neither the Borrower, any Guarantor, any Unencumbered Property Subsidiary nor any ERISA Affiliate has (a) sought a waiver of the minimum funding standard under §412 of the Code in respect of any Employee Benefit Plan, Multiemployer Plan or Guaranteed Pension Plan, (b) failed to make any contribution or payment to any Employee Benefit Plan, Multiemployer Plan or Guaranteed Pension Plan, or made any amendment to any Employee Benefit Plan, Multiemployer Plan or Guaranteed Pension Plan, which has resulted or could reasonably be expected to result in the imposition of a Lien or the posting of a bond or other security under ERISA or the Code, or (c) incurred any liability under Title IV of ERISA other than a liability to the PBGC for premiums under §4007 of ERISA. None of the Subject Properties constitutes a "plan asset" of any Employee Plan, Multiemployer Plan or Guaranteed Pension Plan.

§6.17 Disclosure. All of the representations and warranties made by or on behalf of the Borrower, the Guarantors and their respective Subsidiaries in this Agreement and the other Loan Documents or any document or instrument delivered to the Agent or the Lenders by, or on behalf or at the direction of, the Borrower, any Guarantor or any of their respective Subsidiaries pursuant to or in connection with any of such Loan Documents are true and correct in all material respects, when taken as a whole, and neither the Borrower nor any Guarantor has failed to disclose such information as is necessary to make such representations and warranties not misleading, when taken as a whole. There is no material fact or circumstance that has not been disclosed to the Agent and the Lenders, and the written information, reports and other papers and data with respect to the Borrower, any Subsidiary, any Guarantor or any Subject Property (other than projections and estimates) furnished to the Agent or the Lenders in connection with this Agreement or the obtaining of the Commitments of the Lenders hereunder was, at the time so furnished, complete and correct in all material respects, or has been subsequently supplemented by other written information, reports or other papers or data, to the extent necessary to give in all material respects a true and accurate knowledge of the subject matter in all material respects when taken as a whole; provided that such representation shall not apply to budgets, projections and other forward-looking speculative information prepared in good faith by the Borrower (except to the extent the related assumptions were when made manifestly unreasonable).

§6.18 Place of Business. The principal place of business of the Borrower and each Guarantor is 1521 Westbranch Drive, Suite 100, McLean, Virginia 22102.

§6.19 Regulations T, U and X. No portion of any Loan is to be used for the purpose of purchasing or carrying any "margin security" or "margin stock" as such terms are used in Regulations T, U and X of the Board of Governors of the Federal Reserve System, 12 C.F.R. Parts 220, 221 and 224. Neither the Borrower, any Guarantor, nor any Unencumbered Property Subsidiary is engaged, nor will it engage, principally or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying any "margin security" or "margin stock" as such terms are used in Regulations T, U and X of the Board of Governors of the Federal Reserve System, 12 C.F.R. Parts 220, 221 and 224.

§6.20 Environmental Compliance.

(a) None of the Borrower, the Guarantors, their respective Subsidiaries, nor to the knowledge of the Borrower, the Guarantors and the Unencumbered Property Subsidiaries, any operator of any Real Estate, nor any operations thereon, is in violation, or alleged violation, of any judgment, decree, order, law, license, rule or regulation pertaining to environmental matters, including without limitation, those arising under the Resource Conservation and Recovery Act, the Comprehensive Environmental Response, Compensation and Liability Act of 1980 as amended ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986, the Federal Clean Water Act, the Federal Clean Air Act, the Toxic Substances Control Act, or any state or local statute, regulation, ordinance, order or decree relating to the environment (hereinafter "Environmental Laws"), which violation (i) involves Real Estate (other than the Subject Properties) and has had or could reasonably be expected to have a Material Adverse Effect or (ii) involves a Subject Property.

(b) Except as set forth on Schedule 6.20(b) hereto, none of the Borrower, the Guarantors nor any of their respective Subsidiaries has received notice from any third party including, without limitation, any federal, state or local Governmental Authority (i) that it has been identified as a potentially responsible party under any Environmental Law or with respect to any hazardous waste, as defined by 42 U.S.C. §9601(5), any hazardous substances as defined by 42 U.S.C. §9601(14), any pollutant or contaminant as defined by 42 U.S.C. §9601(33) or any toxic substances, oil or hazardous materials or other chemicals or substances regulated by any Environmental Laws ("Hazardous Substances") which it has generated, transported or disposed of or that has been found at any site at which a federal, state or local agency or other third party has conducted or has ordered that the Borrower, any Guarantor or any of their respective Subsidiaries conduct a remedial investigation, removal or other response action pursuant to any Environmental Law; or (ii) that it is or shall be a named party to any claim, action, cause of action, complaint, or legal or administrative proceeding (in each case, contingent or otherwise) arising out of any third party's incurrence of costs, expenses, losses or damages of any kind whatsoever in connection with the release of Hazardous Substances or violation of Environmental Laws, which in any case (A) involves Real Estate other than the Subject Properties and has had or could reasonably be expected to have a Material Adverse Effect or (B) involves a Subject Property.

(c) (i) No portion of the Real Estate has been used for the handling, processing, storage or disposal of Hazardous Substances except in accordance with applicable Environmental Laws; (ii) no underground tank or other underground storage receptacle for Hazardous Substances is located on any portion of the Real Estate except those which are being operated and maintained in compliance with Environmental Laws; (iii) in the course of any activities conducted by the Borrower, any Guarantor, their respective Subsidiaries or, to the best knowledge and belief of the Borrower, the operators of their properties, no Hazardous Substances have been generated or are being used on the Real Estate except in the ordinary course of business and in accordance with applicable Environmental Laws; (iv) there has been no past or present releasing, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, disposing or dumping (other than the storing of materials in reasonable quantities to the extent necessary for the operation of such property in the ordinary course of business, and in any event in compliance with all Environmental Laws) (a "Release") or threatened Release of Hazardous Substances on, upon, into or from the Subject Properties, which Release would reasonably be expected to have a material adverse effect on the value of such Subject Property or adjacent properties, or from any other Real Estate; (v) except as set forth on Schedule 6.20(c) hereto, there have been no Releases on, upon, from or into any real property in the vicinity of any of the Real Estate which, through soil or groundwater contamination, may have come to be located on, and which could be reasonably anticipated to have a material adverse effect on the value of, the Real Estate; and (vi) any Hazardous Substances that have been generated on any of the Real Estate have been transported off-site in accordance with all applicable Environmental Laws, except with respect to all of the foregoing in this §6.20(c) as to (A) any Real Estate (other than the Subject Properties) where the foregoing has not had or could not reasonably be expected to have a Material Adverse Effect and (B) any Subject Property.

(d) There has been no claim by any party that any use, operation, or condition of the Real Estate has caused any nuisance or any other liability or adverse condition on any other property which as to any Real Estate other than a Subject Property has had or could reasonably be

expected to have a Material Adverse Effect, nor is there any knowledge of any basis for such a claim.

§6.21 Subsidiaries; Organizational Structure. Schedule 6.21 hereto sets forth, as of the date hereof, all of the Subsidiaries of the Parent and its Subsidiaries, the form and jurisdiction of organization of each of the Subsidiaries, and the Parent's direct and indirect ownership interests therein. Schedule 6.21 hereto sets forth, as of the date hereof, all of the Unconsolidated Affiliates of the Borrower and its Subsidiaries, the form and jurisdiction of organization of each of the Unconsolidated Affiliates, and the Borrower's or its Subsidiary's ownership interest therein. Parent has no direct Investment in any Unconsolidated Affiliate. The Trust is the sole general partner of Borrower and, as of the date hereof, Parent owns, directly or indirectly, not less than one hundred percent (100%) of the economic, voting and beneficial interest in Borrower and the Trust.

§6.22 [Intentionally Omitted].

§6.23 Property. All of the Subject Properties are in good condition and working order commensurate with their use and age and free from material defects, subject to ordinary wear and tear. All of the other Real Estate of the Borrower, Guarantors and their respective Subsidiaries is in good condition and working order commensurate with their age and use, subject to ordinary wear and tear, except where such defects have not had and could not reasonably be expected to have a Material Adverse Effect. The Subject Properties, and the use and operation thereof, are in material compliance with all applicable federal and state law and governmental regulations and any local ordinances, orders or regulations, including without limitation, laws, regulations and ordinances relating to zoning, building codes, subdivision, fire protection, health, safety, handicapped access, historic preservation and protection, wetlands, tidelands, and Environmental Laws. The Subject Properties have adequate access and utility service for the uses for which they are intended. There are no unpaid or outstanding real estate or other taxes or assessments (including, without limitation, any PACE Loan assessments) on or against any of the Subject Properties which are payable by the Borrower, any Guarantor or any Unencumbered Property Subsidiary (except only real estate or other taxes or assessments (including, without limitation, any PACE Loan assessments), that are not yet delinquent or are being protested as permitted by this Agreement). There are no unpaid or outstanding real estate or other taxes or assessments (including, without limitation, any PACE Loan assessments) on or against any other property of the Borrower, the Guarantors or any of their respective Subsidiaries which are payable by any of such Persons in any material amount (except only real estate or other taxes or assessments (including, without limitation, any PACE Loan assessments), that are not yet delinquent or are being protested as permitted by this Agreement) except where such failure to pay has not had and could not reasonably be expected to have a Material Adverse Effect. As of the date of this Agreement, neither the Borrower, any Guarantor, nor any Unencumbered Property Subsidiary is a party to or has received any notice of any pending eminent domain proceedings against any of the Subject Properties, and to the knowledge of Borrower, Guarantors and the Unencumbered Property Subsidiaries, there are no threatened or contemplated eminent domain proceedings against any of the Subject Properties. As of the date of this Agreement, neither the Borrower, any Guarantor nor any Subsidiary of either of them is a party to or has received any notice of any pending eminent domain proceedings against any Real Estate (other than any Subject Property) of the Borrower, the Guarantors or their respective Subsidiaries or any part thereof, and, to the knowledge of the

Borrower, no such proceedings are presently threatened or contemplated by any taking authority which may individually or in the aggregate have any Material Adverse Effect. None of the Subject Properties is now materially damaged as a result of any fire, explosion, accident, flood or other casualty. None of the other property of the Borrower, the Guarantors or their respective Subsidiaries is now damaged as a result of any fire, explosion, accident, flood or other casualty in any manner which individually or in the aggregate has had or could reasonably be expected to have any Material Adverse Effect. Each of the Subject Properties for which a Subsidiary Guarantor or Unencumbered Property Subsidiary maintains insurance complies with the material requirements relating to insurance set forth in the Lease applicable to such Subject Property, and to the knowledge of the Borrower, the Subsidiary Guarantors and the Unencumbered Property Subsidiaries, in the case where a tenant under a Lease is required to maintain insurance with regard to a Subject Property, such tenant maintains insurance that complies with the material requirements relating to insurance set forth in the Lease applicable to such Subject Property. Except as listed on Schedule 6.23 hereto, there are no Management Agreements for any of the Subject Properties. To the best knowledge of the Borrower, the Subsidiary Guarantors and the Unencumbered Property Subsidiaries, there are no material claims or any bases for material claims in respect of any Subject Property or its operation by any party to any Management Agreement.

§6.24 Brokers. Neither the Borrower nor any Guarantor has engaged or otherwise dealt with any broker, finder or similar entity in connection with this Agreement or the Loans contemplated hereunder.

§6.25 Other Debt. As of the date of this Agreement, neither the Borrower nor any Guarantor is in default, nor is any of their respective Subsidiaries (other than the Borrower, a Subsidiary Guarantor or an Unencumbered Property Subsidiary) in default beyond any applicable cure and/or grace period, of the payment of any Indebtedness or the performance of any related agreement, mortgage, deed of trust, security agreement, financing agreement, indenture or lease to which any of them is a party. Neither the Borrower nor any Guarantor is a party to or bound by any agreement, instrument or indenture that may require the subordination in right or time or payment of any of the Obligations to any other indebtedness or obligation of the Borrower or any Guarantor. Schedule 6.25 hereto sets forth all mortgages, deeds of trust, financing agreements or other material agreements binding upon the Borrower and each Guarantor or their respective properties and entered into by the Borrower and/or such Guarantor as of the date of this Agreement with respect to any Indebtedness of the Borrower or any Guarantor in an amount greater than $2,000,000.00, and the Borrower shall, upon request of the Agent, provide the Agent with true, correct and complete copies thereof.

§6.26 Solvency. As of the Closing Date and after giving effect to the transactions contemplated by this Agreement and the other Loan Documents, including all Loans made or to be made hereunder, neither the Borrower nor any Guarantor is insolvent on a balance sheet basis such that the sum of such Person's assets exceeds the sum of such Person's liabilities, the Borrower and each Guarantor is able to pay its debts as they become due, and the Borrower and each Guarantor has sufficient capital to carry on its business.

§6.27 No Bankruptcy Filing. Neither the Borrower, any Guarantor nor any Unencumbered Property Subsidiary is contemplating either the filing of a petition by it under any state or federal bankruptcy or insolvency laws or the liquidation of its assets or property, and the

Borrower has no knowledge of any Person contemplating the filing of any such petition against it, any Guarantor or any Unencumbered Property Subsidiary.

§6.28 No Fraudulent Intent. Neither the execution and delivery of this Agreement or any of the other Loan Documents nor the performance of any actions required hereunder or thereunder is being undertaken by the Borrower, any Guarantor or any Unencumbered Property Subsidiary with or as a result of any actual intent by any of such Persons to hinder, delay or defraud any entity to which any of such Persons is now or will hereafter become indebted.

§6.29 Transaction in Best Interests of Borrower; Consideration. The transaction evidenced by this Agreement and the other Loan Documents is in the best interests of the Borrower and each Guarantor. The direct and indirect benefits to inure to the Borrower and the Guarantors pursuant to this Agreement and the other Loan Documents constitute substantially more than "reasonably equivalent value" (as such term is used in §548 of the Bankruptcy Code) and "valuable consideration," "fair value," and "fair consideration" (as such terms are used in any applicable state fraudulent conveyance law), in exchange for the benefits to be provided by the Borrower and the Guarantors pursuant to this Agreement and the other Loan Documents, and but for the willingness of each Guarantor to guaranty the Loan, the Borrower would be unable to obtain the financing contemplated hereunder which financing will enable the Borrower, each Guarantor and their respective Subsidiaries to have available financing to conduct and expand their business.

§6.30 Contribution Agreement. The Borrower and the Guarantors have executed and delivered the Contribution Agreement, and the Contribution Agreement constitutes the valid and legally binding obligations of such parties enforceable against them in accordance with the terms and provisions thereof, except as enforceability is limited by bankruptcy, insolvency, reorganization, moratorium or other laws relating to or affecting generally the enforcement of creditors' rights and except to the extent that availability of the remedy of specific performance or injunctive relief is subject to the discretion of the court before which any proceeding therefor may be brought.

§6.31 OFAC. None of the Borrower, any Guarantor nor any Unencumbered Property Subsidiary, nor any of such Persons' respective Subsidiaries, or any of such Persons' respective directors (other than any independent or outside directors), officers, or, to the knowledge of Borrower or Parent, any independent or outside directors, employees, agents, advisors or Affiliates of Borrower or any Guarantor (a) is (or will be) a Person: (i) that is, or is owned or controlled by Persons that are: (x) the subject or target of any Sanctions Laws and Regulations or (y) located, organized or resident in a country or territory that is, or whose government is, the subject of Sanctions Laws and Regulations, including, without limitation Crimea, Cuba, Iran, North Korea, Sudan and Syria or (ii) with whom any Lender is restricted from doing business under OFAC (including, those Persons named on OFAC's Specially Designated and Blocked Persons list) or under any statute, executive order (including the September 24, 2001 Executive Order Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism), or other governmental action and (b) is not and shall not engage in any dealings or transactions or otherwise be associated with Person (any such Person, a "Designated Person"). In addition, the Borrower hereby agrees to provide to the Lenders any additional information that a Lender deems reasonably necessary from time to time in order to ensure compliance with all applicable Laws (including, without limitation, any Sanctions Laws and

Regulations) concerning money laundering and similar activities. Neither Borrower, any Guarantor, nor any Unencumbered Property Subsidiary, nor any Subsidiary, director (other than any independent or outside directors) or officer of Borrower, any Guarantor or any Unencumbered Property Subsidiary or, to the knowledge of Borrower or Parent, any outside or independent director, Affiliate, agent or employee of Borrower or any Guarantor, has engaged in any activity or conduct which would violate any applicable anti-bribery, anti-corruption or anti-money laundering laws or regulations in any applicable jurisdiction, including without limitation, any Sanctions Laws and Regulations.

§6.32 Subject Properties. Schedule 1.2 hereto is a correct and complete list of all Subject Properties as of the Closing Date. Each of the Subject Properties included by the Borrower in calculation of the compliance of the covenants set forth in §9 satisfies all of the requirements contained in this Agreement for the same to be included therein.

§6.33 Beneficial Ownership. The Borrower is in compliance in all material respects with any applicable requirements of the Beneficial Ownership Regulation. The information included in the most recent Beneficial Ownership Certification, if any, delivered by the Borrower is true and correct in all respects.

§7. AFFIRMATIVE COVENANTS.

The Borrower covenants and agrees that, so long as any Loan, Note or Letter of Credit is outstanding or any Lender has any obligation to make any Loans or issue Letters of Credit hereunder:

§7.1 Punctual Payment. The Borrower will duly and punctually pay or cause to be paid the principal and interest on the Loans and all interest and fees provided for in this Agreement, all in accordance with the terms of this Agreement and the Notes, as well as all other sums owing pursuant to the Loan Documents.

§7.2 Maintenance of Office. The Borrower and each Guarantor will maintain its respective chief executive office at 1521 Westbranch Drive, Suite 100, McLean, Virginia 22102, or at such other place in the United States of America as the Borrower or any Guarantor shall designate upon fifteen (15) days prior written notice to the Agent and the Lenders, where notices, presentations and demands to or upon the Borrower or such Guarantor in respect of the Loan Documents may be given or made.

§7.3 Records and Accounts. The Borrower and each Guarantor will (a) keep, and cause each of their respective Subsidiaries to keep true and accurate records and books of account in which full, true and correct entries will be made in accordance with GAAP and (b) maintain adequate accounts and reserves for all taxes (including income taxes), depreciation and amortization of its properties and the properties of their respective Subsidiaries, contingencies and other reserves. Neither the Borrower, any Guarantor nor any of their respective Subsidiaries shall, without the prior written consent of the Required Lenders, (x) make any material change to the accounting policies/principles used by such Person in preparing the financial statements and other information described in §6.4 or §7.4, or (y) change its fiscal year. Agent and the Lenders acknowledge that Parent's and Borrower's fiscal year is a calendar year.

§7.4 Financial Statements, Certificates and Information. Borrower will deliver or cause to be delivered to the Agent with sufficient copies for each of the Lenders:

(a) as soon as available and in any event within ninety (90) days after the end of each calendar year, an audited consolidated balance sheet of the Parent and its Subsidiaries as of the end of such year and the related audited consolidated statements of income, shareholders' equity and cash flows for such year, setting forth in each case in comparative form the figures for the previous fiscal year, all certified by PricewaterhouseCoopers LLP or other independent public accountants of nationally recognized standing, with such certification to be free of exceptions and qualifications not acceptable to the Required Lenders;

(b) as soon as available and in any event within forty-five (45) days after the end of each of the first three (3) calendar quarters of each year, a consolidated balance sheet of the Parent and its Subsidiaries as of the end of such quarter and the related statement of income and statement of cash flows for such quarter and for the portion of the year ended at the end of such quarter, setting forth in each case in comparative form the figures for the corresponding quarter and the corresponding portion of the previous year, all certified (subject to normal year-end adjustments) as to fairness of presentation, GAAP and consistency by the chief financial officer, controller or treasurer of Parent;

(c) simultaneously with the delivery of the financial statements referred to in subsections (a) and (b) above, a statement (a "Compliance Certificate") certified by the chief financial officer or controller of Parent in the form of Exhibit F hereto (or in such other form as the Agent may approve from time to time). Calculations of income, expense and value associated with Real Estate or other Investments acquired or disposed of during any quarter will be adjusted, where applicable. Parent shall submit with the Compliance Certificate a Unencumbered Asset Certificate in the form of Exhibit E hereto (a "Unencumbered Asset Certificate") pursuant to which Parent shall calculate the amount of the Unencumbered Asset Availability as of the end of the immediately preceding fiscal quarter, list the Subject Properties and certify that each Subject Property included therein and in the calculation of the Unencumbered Asset Availability satisfies all of the requirements contained in this Agreement for the same to be included therein. The Compliance Certificate shall be accompanied by copies of the statements of Consolidated Net Operating Income for such fiscal quarter for each of the Subject Properties, prepared on a basis consistent with the statements furnished to the Agent prior to the date hereof and otherwise in form and substance reasonably satisfactory to the Agent, together with a certification by the chief financial officer, controller or treasurer of Parent that the information contained in such statement fairly presents in all material respects the Consolidated Net Operating Income for such periods. Such Unencumbered Asset Certificate shall specify whether there are any defaults under leases at a Subject Property;

(d) simultaneously with the delivery of the financial statements referred to in subsections (a) and (b) above, (i) a Rent Roll for each of the Subject Properties, and a combined Rent Roll for all of the Subject Properties and a summary thereof in form satisfactory to Agent as of the end of each calendar quarter (including the fourth calendar quarter in each year) and (ii) an operating statement for each of the Subject Properties for each such quarter and year to date, a consolidated operating statement for the Subject Properties for each such quarter and year to date, and a balance sheet for the Unencumbered Property Subsidiary which owns or leases any Subject

Property as at the end of the most recently ended calendar quarter (such statements, balance sheets and reports to be in form reasonably satisfactory to Agent), together with a certification by the chief financial officer, controller or treasurer of Parent that the information contained therein is true, correct and complete in all material respects;

(e) upon the request of the Agent, copies of all financial statements, reports or proxy statements sent to the shareholders of Parent;

(f) upon the request of the Agent, copies of all registration statements (other than the exhibits thereto and any registration statements on Form S-8 or its equivalent) and annual, quarterly, monthly or special (8-K) reports which Parent or Borrower shall file with the SEC; provided that, in the case of annual and quarterly reports on Forms 10-K and 10-Q, respectively, such reports shall be deemed to be delivered hereunder if posted on the Parent's website;

(g) Without limiting the terms of §2.11 and §2.12, a completed and executed Beneficial Ownership Certification upon request by the Agent or any Lender if Agent or such Lender determines that it is required by law to obtain such certification;

(h) any notice received by the Borrower, any Guarantor or any Unencumbered Property Subsidiary of (A) any pending, threatened or contemplated eminent domain proceedings against (i) any of the Subject Properties or (ii) any other Real Estate which may, in the case of this clause (ii), individually or in the aggregate have any Material Adverse Effect, and (B) any past due or delinquent assessment or other sum due on account of any PACE Loan on a Subject Property or any pending or threatened proceeding purporting to foreclose on a lien for any PACE Loan assessments or exercise any other remedy with respect to any PACE Loan against any of the Subject Properties; and

(i) from time to time such other financial data and information in the possession of the Borrower, each Guarantor or their respective Subsidiaries (including, without limitation, auditors' management letters, status of litigation or investigations against the Borrower and any settlement discussions relating thereto, information as to legal and regulatory changes affecting the Borrower, any Guarantor or any Unencumbered Property Subsidiary, information with respect to any PACE Loans on a Subject Property (including, without limitation, information regarding the improvements financed with the proceeds of such PACE Loans, copies of any reporting or other financial information provided to any lender, servicer or any Governmental Authority on account of such PACE Loans, and evidence of payment of assessments due and payable under such PACE Loans)) as the Agent or any Lender may reasonably request.

The Borrower shall reasonably cooperate with the Agent in connection with the publication of certain materials and/or information provided by or on behalf of Borrower. Documents required to be delivered pursuant to the Loan Documents shall be delivered by or on behalf of the Borrower to the Agent and the Lenders (collectively, "Information Materials") pursuant to this Section. Any material to be delivered pursuant to this §7.4 may be delivered electronically directly to Agent and the Lenders provided that such material is in a format reasonably acceptable to Agent, and such material shall be deemed to have been delivered to Agent and the Lenders upon Agent's receipt thereof. Upon the request of Agent, Borrower and Parent shall deliver paper copies thereof to Agent and the Lenders. Borrower and Guarantors authorize Agent and Joint-Lead Arranger to

disseminate any such materials, including without limitation the Information Materials through the use of Intralinks, SyndTrak or any other electronic information dissemination system (an "Electronic System"). Any such Electronic System is provided "as is" and "as available." The Agent and the Joint-Lead Arrangers do not warrant the adequacy of any Electronic System and expressly disclaim liability for errors or omissions in any notice, demand, communication, information or other material provided by or on behalf of Borrower that is distributed over or by any such Electronic System ("Communications"). No warranty of any kind, express, implied or statutory, including, without limitation, any warranty of merchantability, fitness for a particular purpose, non-infringement of third-party rights or freedom from viruses or other code defects, is made by Agent or any Joint-Lead Arranger in connection with the Communications or the Electronic System. In no event shall the Agent, any Joint-Lead Arranger or any of their directors, officers, employees, agents or attorneys have any liability to the Borrower or the Guarantors, any Lender or any other Person for damages of any kind, including, without limitation, direct or indirect, special, incidental or consequential damages, losses or expenses (whether in tort, contract or otherwise) arising out of the Borrower's, any Guarantors', the Agent's or any Joint-Lead Arranger's transmission of Communications through the Electronic System, and the Borrower and the Guarantors release Agent, the Joint-Lead Arrangers and the Lenders from any liability in connection therewith, except as to any of the Agent, the Joint-Lead Arranger or any Lender for any actual damages (but specifically excluding any special, incidental, consequential or punitive damages) to the extent arising from the Agent's, the Joint-Lead Arranger's or any such Lender's own gross negligence or willful misconduct as determined by a court of competent jurisdiction after the exhaustion of all applicable appeal periods. Borrower acknowledges that certain of the Lenders (each, a "Public Lender") may have personnel who do not wish to receive material non-public information with respect to the Borrower, its Subsidiaries or its Affiliates, or the respective securities of any of the foregoing, and who may be engaged in investment and other market related activities with respect to such Persons' securities. All of the Information Materials delivered by Borrower hereunder shall be deemed to be private information and shall not be shared with such Public Lenders, except for any Information Materials that are (a) filed with a Governmental Authority and are available to the public, or (b) clearly and conspicuously identified by the Borrower as "PUBLIC", which, at a minimum, shall mean that the word "PUBLIC" shall appear prominently on the first page thereof. By marking Information Materials "PUBLIC," the Borrower shall be deemed to have authorized the Agent, the Lenders and the Joint-Lead Arrangers to treat such Information Materials as not containing any material non-public information with respect to the Borrower, its Subsidiaries, its Affiliates or their respective securities for purposes of United States Federal and state securities laws (provided, however, that to the extent such Information Materials constitute confidential information, they shall be treated as provided in §18.7). Borrower agrees that (i) all Information Materials marked "PUBLIC" by Borrower are permitted to be made available through a portion of any electronic dissemination system designated "Public Investor" or a similar designation, and (ii) the Agent and the Joint-Lead Arrangers shall be entitled to treat any Information Materials that are not marked "PUBLIC" as being suitable only for posting on a portion of any electronic dissemination system not designated "Public Investor" or a similar designation.

§7.5 Notices.

(a) Defaults. The Borrower will promptly upon becoming aware of same notify the Agent in writing of the occurrence of any Default or Event of Default, which notice shall

describe such occurrence with reasonable specificity and shall state that such notice is a "notice of default". If any Person shall give any notice or take any other action in respect of a claimed default (whether or not constituting an Event of Default) under this Agreement or under any note, evidence of indebtedness, indenture or other obligation to which or with respect to which the Borrower, any Guarantor or any of their respective Subsidiaries is a party or obligor, whether as principal or surety, and such default would permit the holder of such note or obligation or other evidence of indebtedness to accelerate the maturity thereof, which acceleration would either cause a Default or have a Material Adverse Effect, the Borrower shall forthwith give written notice thereof to the Agent, describing the notice or action and the nature of the claimed default. Without limiting the foregoing, the Borrower shall promptly upon becoming aware of same (but in any event within five (5) Business Days thereafter) notify the Agent in writing of any default under any PACE Loan on a Subject Property, including, without limitation, any failure by Borrower, any Subsidiary or any Tenant of a Subject Property to timely pay any assessment or other sum due or payable with respect to such PACE Loan.

(b) Environmental Events. The Borrower will give notice to the Agent within five (5) Business Days of becoming aware of (i) any potential or known Release, or threat of Release, of any Hazardous Substances in violation of any applicable Environmental Law; (ii) any violation of any Environmental Law that the Borrower, any Guarantor or any of their respective Subsidiaries reports in writing (or for which any written report supplemental to any oral report is made) to any federal, state or local environmental agency; or (iii) any inquiry, proceeding, investigation, or other action, including a notice from any agency of potential environmental liability, of any federal, state or local environmental agency or board, that in any case involves (A) any Subject Property or (B) any other Real Estate and could reasonably be expected to have a Material Adverse Effect.

(c) Notice of Litigation and Judgments. The Borrower will give notice to the Agent in writing within five (5) Business Days of becoming aware of any litigation or proceedings threatened in writing or any pending litigation and proceedings affecting the Borrower, any Guarantor or any of their respective Subsidiaries or to which the Borrower, any Guarantor or any of their respective Subsidiaries is or is to become a party involving an uninsured claim against any of the Borrower, any Guarantor or any of their respective Subsidiaries that could either cause a Default or could reasonably be expected to have a Material Adverse Effect and stating the nature and status of such litigation or proceedings. The Borrower and each Guarantor will give notice to the Agent, in writing, in form and detail reasonably satisfactory to the Agent and each of the Lenders, within ten (10) days of any judgment not covered by insurance, whether final or otherwise, against any of the Borrower, any Guarantor or any of their respective Subsidiaries in an amount in excess of $5,000,000.00.

(d) Notice of Disqualification. Borrower will give notice to the Agent in writing within five (5) Business Days after becoming aware of any failure of any Eligible Real Estate to satisfy the conditions in this Agreement to inclusion within the calculation of the Unencumbered Asset Value.

(e) ERISA. The Borrower will give notice to the Agent within five (5) Business Days after the Borrower or any ERISA Affiliate (i) gives or is required to give notice to the PBGC of any "reportable event" (as defined in §4043 of ERISA) with respect to any

Guaranteed Pension Plan, Multiemployer Plan or Employee Benefit Plan, or knows that the plan administrator of any such plan has given or is required to give notice of any such reportable event; (ii) gives a copy of any notice of complete or partial withdrawal liability under Title IV of ERISA; or (iii) receives any notice from the PBGC under Title IV or ERISA of an intent to terminate or appoint a trustee to administer any such plan.

(f) Notices of Default Under Leases. Borrower will give notice to the Agent in writing within five (5) Business Days after Borrower, any Guarantor or any Unencumbered Property Subsidiary (i) receives notice from a tenant under a lease of a Subject Property of a default by the landlord under such lease which default would provide the tenant with an ability to terminate the lease or the right to an abatement of rent thereunder or (ii) delivers a notice to any tenant under a lease of a Subject Property of a payment or other material default by such tenant under its lease.

(g) Notification of Lenders. Within five (5) Business Days after receiving any notice under this §7.5, the Agent will forward a copy thereof to each of the Lenders, together with copies of any certificates or other written information that accompanied such notice.

§7.6 Existence; Maintenance of Properties.

(a) The Borrower will preserve and keep in full force and effect its existence as a Delaware limited partnership. Each Guarantor and each Unencumbered Property Subsidiary will preserve and keep in full force and effect its legal existence in the jurisdiction of its incorporation or formation and in the event any such Person is a limited liability company, it shall not consummate, nor shall any of its members or managers, take any action in furtherance of or consummate, an LLC Division. The Borrower will cause each of its Subsidiaries which is not a Guarantor or an Unencumbered Property Subsidiary to preserve and keep in full force and effect their legal existence in the jurisdiction of its incorporation or formation except where such failure has not had and could not reasonably be expected to have a Material Adverse Effect. The Borrower will preserve and keep in full force all of its rights and franchises and those of its Subsidiaries, the preservation of which is necessary to the conduct of their business (except with respect to Subsidiaries of Borrower that are not Guarantors or Unencumbered Property Subsidiaries, where such failure has not had and could not reasonably be expected to have a Material Adverse Effect). Parent shall at all times comply with all requirements and applicable laws and regulations necessary to maintain REIT Status and shall continue to receive REIT Status. The common stock of Parent shall at all times be listed for trading and be traded on NASDAQ, the New York Stock Exchange or another nationally recognized exchange unless otherwise consented to by the Required Lenders. The Borrower shall continue to own directly or indirectly one hundred percent (100%) of the Subsidiary Guarantors and the Unencumbered Property Subsidiaries.

(b) The Borrower (i) will cause all of its properties and those of its Subsidiaries used or useful in the conduct of its business or the business of its Subsidiaries to be maintained and kept in good condition, repair and working order (ordinary wear and tear and damage by casualty excepted) and supplied with all necessary equipment, and (ii) will cause to be made all necessary repairs, renewals, replacements, betterments and improvements thereof in all cases in which the failure so to do would have a material adverse effect on the condition of any Subject Property or would cause a Material Adverse Effect.

§7.7 Insurance. The Borrower, Parent and their respective Subsidiaries (as applicable) will procure and maintain or cause to be procured and maintained insurance covering the Borrower, Parent and their respective Subsidiaries (as applicable) and the Real Estate in such amounts and against such risks and casualties as are customary for properties of similar character and location, due regard being given to the type of improvements thereon, their construction, location, use and occupancy; it being understood and agreed that the foregoing shall not modify any obligation of a tenant under a Lease with regard to the placement and maintenance of insurance.

§7.8 Taxes; Liens. The Borrower and the Guarantors will, and will cause their respective Subsidiaries to, duly pay and discharge, or cause to be paid and discharged, before the same shall become delinquent, all taxes, assessments (including, without limitation, any PACE Loan assessments) and other governmental charges imposed upon them or upon the Subject Properties or the other Real Estate (where, as to any Real Estate other than the Subject Properties, the failure to pay or discharge any such taxes, assessments (including, without limitation, any PACE Loan assessments) or other charges could be reasonably expected to result in a Material Adverse Effect), sales and activities, or any part thereof, or upon the income or profits therefrom as well as all claims for labor, materials or supplies that if unpaid might by law become a lien or charge upon any of its property or other Liens affecting any property of Borrower, the Guarantors or their respective Subsidiaries, provided that any such tax, assessment (including, without limitation, any PACE Loan assessments), charge or levy or claim need not be paid if the validity or amount thereof shall currently be contested in good faith by appropriate proceedings by Borrower, the Guarantors, their respective Subsidiaries or a tenant which shall suspend the collection thereof with respect to such property, and neither such property nor any portion thereof or interest therein would be in any danger of sale, forfeiture or loss by reason of such proceeding; and provided, further, that forthwith upon the commencement of proceedings to foreclose any lien that may have attached as security therefor, the Borrower, any such Guarantor, any such Subsidiary or a tenant either (i) will provide a bond issued by a surety reasonably acceptable to the Agent or other collateral satisfactory to Agent and sufficient to stay all such proceedings or (ii) if no such bond or other collateral is provided, will pay each such tax, assessment (including, without limitation, any PACE Loan assessments), charge or levy.

§7.9 Inspection of Properties and Books. The Borrower and the Guarantors will, and will cause their respective Subsidiaries to, permit the Agent and the Lenders, at the Borrower's expense and upon reasonable prior notice, to visit and inspect any of the properties of the Borrower, each Guarantor or any of their respective Subsidiaries (subject to the rights of tenants and with the understanding that any visit to or inspection of any Real Estate that is not a Subject Property shall be undertaken for purposes of evaluating such Real Estate as it pertains to the Parent's or the Borrower's direct or indirect equity interest therein), to examine the books of account of the Borrower, each Guarantor and their respective Subsidiaries (and to make copies thereof and extracts therefrom) and to discuss the affairs, finances and accounts of the Borrower, any Guarantor and their respective Subsidiaries with, and to be advised as to the same by, their respective officers, all at such reasonable times and intervals as the Agent or any Lender may reasonably request, provided that so long as no Default or Event of Default shall have occurred and be continuing, the Borrower shall not be required to pay for such visits and inspections more often than once in any twelve (12) month period. In the event that the Agent or a Lender shall visit and inspect a property of a Subsidiary of Borrower which is not a Guarantor or an

Unencumbered Property Subsidiary, such visit and inspection shall be made with a representative of Borrower (and Borrower agrees to use reasonable efforts to make such representative available). The Lenders shall use good faith efforts to coordinate such visits and inspections so as to minimize the interference with and disruption to the normal business operations of the Borrower, the Guarantors, their respective Subsidiaries and any tenants.

§7.10 Compliance with Laws, Contracts, Licenses, and Permits. The Borrower and the Guarantors will, and will cause each of their respective Subsidiaries to, comply in all respects with (i) all Applicable Laws now or hereafter in effect wherever its business is conducted, including all Environmental Laws, (ii) the provisions of its corporate charter, partnership agreement, limited liability company agreement or declaration of trust, as the case may be, and other charter documents and bylaws, (iii) all agreements and instruments to which it is a party or by which it or any of its properties may be bound, (iv) all applicable decrees, orders, and judgments, and (v) all licenses and permits required by Applicable Laws for the conduct of its business or the ownership, use or operation of its properties, except where a failure to so comply with any of clauses (i) through (v) could not reasonably be expected to have a Material Adverse Effect. Borrower shall develop and implement such programs, policies and procedures as are necessary to comply with the Patriot Act and shall promptly advise Agent in writing in the event that Borrower shall determine that any investors in Borrower are in violation of such act.

§7.11 Further Assurances. The Borrower and each Guarantor will cooperate with the Agent and the Lenders and execute such further instruments and documents as the Lenders or the Agent shall reasonably request to carry out to their satisfaction the transactions contemplated by this Agreement and the other Loan Documents.

§7.12 Limiting Agreements.

(a) Neither the Borrower, the Guarantors nor any of their respective Subsidiaries shall enter into, any agreement, instrument or transaction which has or may have the effect of prohibiting or limiting the Borrower's, the Guarantors' or any of their respective Subsidiaries' ability to pledge to Agent any Subject Property as security for the Obligations. The Borrower shall take, and shall cause the Guarantors and their respective Subsidiaries to take, such actions as are necessary to preserve the right and ability of the Borrower, the Guarantors and their respective Subsidiaries to pledge the Subject Properties as security for the Obligations without any such pledge after the date hereof causing or permitting the acceleration (after the giving of notice or the passage of time, or otherwise) of any other Indebtedness of the Borrower, the Guarantors or any of their respective Subsidiaries.

(b) The Borrower shall, upon demand, provide to the Agent such evidence as the Agent may reasonably require to evidence compliance with this §7.12, which evidence shall include, without limitation, copies of any agreements or instruments which would in any way restrict or limit the Borrower's, any Guarantor's or any Subsidiary's ability to pledge Subject Properties as security for Indebtedness, or which provide for the occurrence of a default (after the giving of notice or the passage of time, or otherwise) if Subject Properties are pledged in the future as security for Indebtedness of the Borrower or any Guarantor.

§7.13 Business Operations. The Borrower, the Guarantors and their respective Subsidiaries shall operate their respective businesses in substantially the same manner and in substantially the same fields and lines of business as such business is now conducted and such other lines of business which are reasonably related or incidental thereto, and in compliance with the terms and conditions of this Agreement and the Loan Documents. Borrower will not, and will not permit any Subsidiary to, directly or indirectly, engage in any line of business other than the ownership, operation, development and sale of office, industrial, manufacturing, retail, distribution, medical/healthcare, data center or flex properties (or Mortgage Receivables, Second Lien Mortgage Receivables or Mezzanine Loans secured by such properties or an interest therein) and businesses reasonably related or incidental thereof.

§7.14 Distributions of Income to the Borrower. The Borrower shall cause all of its Subsidiaries (subject to the terms of any loan documents under which such Subsidiary is the borrower) to promptly distribute to the Borrower (but not less frequently than once each calendar quarter, unless otherwise approved by the Agent), whether in the form of dividends, distributions or otherwise, all profits, proceeds or other income relating to or arising from its Subsidiaries' use, operation, financing, refinancing, sale or other disposition of their respective assets and properties after (a) the payment of reasonable and customary fees and expenses (including brokerage commissions) incurred in connection with such refinancing, sale or other disposition, (b) all money, contractually committed to replace assets with assets performing the same or similar functions, (c) the payment by each Subsidiary of its debt service, operating expenses, capital improvements and leasing commissions for such quarter and (d) the establishment of reasonable reserves for the payment of operating expenses not paid on at least a quarterly basis, for the payment of leasing commissions and for capital improvements and tenant improvements to be made to such Subsidiary's assets and properties approved by such Subsidiary in the course of its business consistent with its past practices, and any other reserves reasonably prudent in the business judgment of such Subsidiary so long as such reserves are reasonable and expected to be utilized within six (6) months of the date such reserve is established or funded.

§7.15 Plan Assets. The Borrower will do, or cause to be done, all things necessary to ensure that none of the Subject Properties will be deemed to be Plan Assets at any time.

§7.16 Unencumbered Properties.

(a) The Eligible Real Estate included in the calculation of the Unencumbered Asset Value shall at all times satisfy all of the following conditions:

(i) the Eligible Real Estate shall be owned one hundred percent (100%) in fee simple or leased under a ground lease acceptable to Agent in its reasonable discretion by a Wholly-Owned Subsidiary of Borrower, in each case free and clear of all Liens other than the Liens permitted in §8.2(i) and (iv), and such Eligible Real Estate shall not have applicable to it any restriction on the sale, pledge, transfer, mortgage or assignment of such property (including any restrictions contained in any applicable organizational documents and excluding any right of first offer/refusal or purchase option as set forth in the leases provided to the Agent);

(ii) none of the Eligible Real Estate shall have any material title, survey, environmental, structural or other defects that would give rise to a materially adverse effect as to the value, use of or ability to sell or refinance such property;

(iii) the only asset of such Subsidiary shall be Eligible Real Estate included in the calculation of the Unencumbered Asset Value and related fixtures and personal property;

(iv) each Eligible Real Estate is and shall be at least eighty percent (80%) leased (based on Net Rentable Area) to one or more tenants which are an Eligible Tenant;

(v) no more than ten percent (10%) of the total Unencumbered Asset Value shall be attributable to Real Estate which is vacant (for example, such tenant is no longer conducting business from such property); provided that a failure to satisfy the requirements of this clause (v) shall not result in any Real Estate not being included as a Subject Property, but any such Unencumbered Asset Value in excess of such limitation being excluded for purposes of calculating Unencumbered Asset Value and the Unencumbered Net Operating Income corresponding thereto shall be similarly excluded);

(vi) the Borrower shall have delivered to the Agent (A) a written request to include such Eligible Real Estate in the calculation of the Unencumbered Asset Value, (B) a physical description of such Eligible Real Estate, (C) a current Rent Roll and current operating statements for such Eligible Real Estate, (D) a certification as to the matters covered under §7.16(a)(i)-(v), and (E) such other information as the Agent may reasonably require with respect to such Eligible Real Estate, including any information reasonably required by the Agent to determine compliance with this §7.16 (collectively, the "Eligible Real Estate Qualification Documents"); and

(vii) such Eligible Real Estate has not been removed from the calculation of the Unencumbered Asset Value pursuant to §7.16(b), §7.16(c) or §7.16(d).

(b) In the event that all or any material portion of any Eligible Real Estate included in the calculation of the Unencumbered Asset Value shall be damaged in any material respect or taken by condemnation, then such property shall no longer be included in the calculation of the Unencumbered Asset Value unless and until (i) any damage to such real estate is repaired or restored, such real estate becomes fully operational and the Agent shall receive evidence satisfactory to the Agent of the value of such real estate following such repair or restoration (both at such time and prospectively) or (ii) Agent shall receive evidence satisfactory to the Agent that the value of such real estate (both at such time and prospectively) shall not be materially adversely affected by such damage or condemnation. In the event that such damage or condemnation only partially affects such Eligible Real Estate included in the calculation of the Unencumbered Asset Value, then the Required Lenders may in good faith reduce the Unencumbered Asset Value attributable thereto based on such damage until such time as the Required Lenders receive evidence satisfactory to the Required Lenders that the value of such real estate (both at such time and prospectively) shall no longer be materially adversely affected by such damage or condemnation.

(c) Upon any asset ceasing to qualify to be included in the calculation of the Unencumbered Asset Value, such asset shall no longer be included in the calculation of the Unencumbered Asset Value unless otherwise approved in writing by the Required Lenders. Within five (5) Business Days after becoming aware of any such disqualification, the Borrower shall deliver to the Agent a certificate reflecting such disqualification, together with the identity of the disqualified asset, a statement as to whether any Default or Event of Default arises as a result of such disqualification, and a calculation of the Unencumbered Asset Value attributable to such asset. Simultaneously with the delivery of the items required pursuant above, the Borrower shall deliver to the Agent an updated Unencumbered Asset Certificate demonstrating, after giving effect to such removal or disqualification, compliance with the conditions and covenants contained in this §7.16 and §§9.2 and 9.4.

(d) In addition, the Borrower may voluntarily remove any Real Estate from the calculation of the Unencumbered Asset Value by delivering to the Agent, no later than five (5) Business Days prior to date on which such removal is to be effected, notice of such removal, together with a statement that no Default or Event of Default then exists or would, upon the occurrence of such event or with passage of time, result from such removal, the identity of the Subject Property being removed. Simultaneously with the delivery of the items required above, the Borrower shall deliver to the Agent a pro forma Compliance Certificate and Unencumbered Asset Certificate demonstrating, after giving effect to such removal or disqualification, compliance with the covenants contained in this §7.16 and §§9.2 and 9.4.

(e) The Agent shall promptly notify the Lenders of the addition or removal of any Real Estate from the calculation of the Unencumbered Asset Value.

§7.17 Sanctions Laws and Regulations.

(a) The Borrower shall not, directly or, to the knowledge of Borrower or Parent, indirectly, use the proceeds of the Loans or Letters of Credit, or lend, contribute or otherwise make available such proceeds to any Subsidiary, Unconsolidated Affiliate or other Person (i) to fund any activities or business of or with any Designated Person, or in any country or territory, that at the time of such funding is itself the subject of territorial sanctions under applicable Sanctions Laws and Regulations, or (ii) in any manner that would result in a violation of applicable Sanctions Laws and Regulations or applicable anti-bribery, anti-corruption or anti-money laundering laws or regulations in any applicable jurisdiction by any party to this Agreement.

(b) None of the funds or assets of the Borrower or any Guarantor that are used to pay any amount due pursuant to this Agreement shall constitute funds obtained from transactions with or relating to Designated Persons or countries which are themselves the subject of territorial sanctions under applicable Sanctions Laws and Regulations.

§7.18 Beneficial Ownership. Promptly following any change in beneficial ownership of the Borrower that would render any statement in an existing Beneficial Ownership Certification untrue or inaccurate, the Borrower shall furnish to the Agent (for further delivery by the Agent to the Lenders in accordance with its customary practice) an updated Beneficial Ownership Certification for the Borrower.

§8. NEGATIVE COVENANTS.

The Borrower covenants and agrees that, so long as any Loan, Note or Letter of Credit is outstanding or any of the Lenders has any obligation to make any Loans or issue any Letter of Credit hereunder:

§8.1 Restrictions on Indebtedness. The Borrower will not, and will not permit its respective Subsidiaries or any of the Guarantors to, create, incur, assume, guarantee or be or remain liable, contingently or otherwise, with respect to any Indebtedness other than:

(a) Indebtedness to the Lenders arising under any of the Loan Documents;

(b) current liabilities of the Borrower, the Guarantors or their respective Subsidiaries incurred in the ordinary course of business but not incurred through (i) the borrowing of money, or (ii) the obtaining of credit except for credit on an open account basis customarily extended and in fact extended in connection with normal purchases of goods and services;

(c) Indebtedness in respect of taxes, assessments (excluding assessments with respect to PACE Loans unless such PACE Loans are permitted under this Agreement), governmental charges or levies, assessments and other obligations in respect of PACE Loans permitted under this Agreement and claims for labor, materials and supplies, in each case, to the extent that payment therefor shall not at the time be required to be made in accordance with the provisions of §7.8;

(d) Indebtedness in respect of judgments only to the extent, for the period and for an amount not resulting in a Default;

(e) endorsements for collection, deposit or negotiation and warranties of products or services, in each case incurred in the ordinary course of business;

(f) subject to the provisions of §9, Recourse Indebtedness which is Secured Debt, provided that the aggregate amount of such Recourse Indebtedness which is Secured Debt outstanding at any one time (not including the Loans or Letter of Credit Liabilities to the extent the same shall at any time constitute Recourse Indebtedness which is Secured Debt) shall not exceed seven and one-half percent (7.5%) of Consolidated Total Asset Value (provided that the aggregate amount of such Recourse Indebtedness which is Secured Debt outstanding at any one time may exceed such limit by an additional two and one-half percent (2.5%) of Consolidated Total Asset Value (for a total of ten percent (10.0%) of Consolidated Total Asset Value) so long as any such excess consists solely of Equity Pledge Secured Debt permitted by §8.1(i) below);

(g) Non-Recourse Indebtedness of Subsidiaries of Parent (other than any Subsidiaries of Borrower that directly or indirectly own or lease a Subject Property);

(h) Non-Recourse Indebtedness of Borrower or a Guarantor constituting purchase money indebtedness or incurred in connection with equipment financing, not to exceed $4,000,000.00 in the aggregate outstanding at any time;

(i) Equity Pledge Secured Debt of Parent or a Subsidiary of Parent, provided that the aggregate amount of Consolidated Total Equity Pledge Secured Debt (not including the Loans or Letter of Credit Liabilities to the extent the same shall at any time constitute Equity Pledge Secured Debt) outstanding at any one time shall not exceed ten percent (10.0%) of Consolidated Total Asset Value;

(j) subject to the provisions of §9, Unsecured Debt which is pari passu with the Indebtedness described in clause (a) above, provided, that, unless the Borrower and/or Parent has obtained an Investment Grade Rating, the aggregate amount of such Unsecured Debt outstanding at any one time shall not exceed twelve and one-half percent (12.5%) of Consolidated Total Asset Value; provided, further, that if after obtaining an Investment Grade Rating, Borrower and/or Parent shall lose such Investment Grade Rating, the foregoing limitation shall be reinstated one hundred twenty (120) days after Borrower and/or Parent receive notification of the loss of such Investment Grade Rating; and

(k) Trust Preferred Equity.

Notwithstanding anything in this Agreement to the contrary, (i) none of the Indebtedness described in §8.1(f), (g), (i) or (j) above shall have any of the Subject Properties or any interest therein or any direct or indirect ownership interest in any Unencumbered Property Subsidiary as collateral for such Indebtedness and (ii) none of the Subsidiaries of Borrower which directly or indirectly own or lease a Subject Property (including, without limitation, any Unencumbered Property Subsidiary) shall create, incur, assume, guarantee or be or remain liable, contingently or otherwise, with respect to any Indebtedness (including, without limitation, pursuant to any conditional or limited guaranty or indemnity agreement creating liability with respect to usual and customary exclusions from the non-recourse limitations governing the Non-Recourse Indebtedness of any Person, or otherwise) other than Indebtedness described in §§8.1(a)-(e) above or Indebtedness in connection with a guaranty of Unsecured Debt permitted by this Agreement.

§8.2 Restrictions on Liens, Etc. The Borrower will not, and will not permit its Subsidiaries (including, without limitation, the Unencumbered Property Subsidiaries) or any of the Guarantors to (a) create or incur or suffer to be created or incurred or to exist any lien, security title, encumbrance, mortgage, pledge, negative pledge, charge, restriction or other security interest of any kind upon any of their respective property or assets of any character whether now owned or hereafter acquired, or upon the income or profits therefrom; (b) transfer any of their property or assets or the income or profits therefrom for the purpose of subjecting the same to the payment of Indebtedness or performance of any other obligation in priority to payment of its general creditors; (c) acquire, or agree or have an option to acquire, any property or assets upon conditional sale or other title retention or purchase money security agreement, device or arrangement; (d) suffer to exist for a period of more than thirty (30) days after the same shall have been incurred any Indebtedness or claim or demand against any of them that if unpaid could by law or upon bankruptcy or insolvency, or otherwise, be given any priority whatsoever over any of their general creditors; (e) assign, pledge or otherwise transfer as part of a financing transaction any accounts, contract rights, general intangibles, chattel paper or instruments, with or without recourse; or (f) incur or maintain any obligation to any holder of Indebtedness of any of such Persons which prohibits the creation or maintenance of any lien securing the Obligations (collectively, "Liens");

provided that notwithstanding anything to the contrary contained herein, the Borrower and any such Subsidiary or Guarantor may create or incur or suffer to be created or incurred or to exist:

(i) Liens on properties to secure (x) taxes, assessments (excluding assessments with respect to PACE Loans unless such PACE Loans are permitted under this Agreement) and other governmental charges (excluding any Lien imposed pursuant to any of the provisions of ERISA or pursuant to any Environmental Laws), (y) assessments and other obligations in respect of PACE Loans permitted under this Agreement, or (z) claims for labor, material or supplies, in each case, in respect of obligations not then delinquent or which are being contested as provided in this Agreement;

(ii) Liens on assets other than (A) Subject Properties or (B) any direct or indirect interest of Borrower or any Subsidiary of Borrower in any Unencumbered Property Subsidiary in respect of judgments permitted by §8.1(d);

(iii) deposits or pledges made in connection with, or to secure payment of, workers' compensation, unemployment insurance, old age pensions or other social security obligations;

(iv) Liens and encumbrances reflected in the owner's title policies issued to the Subsidiary Guarantors or Unencumbered Property Subsidiaries upon acquisition of the Subject Properties and other encumbrances on properties consisting of easements, rights of way, zoning restrictions, leases and other occupancy agreements, restrictions on the use of real property and defects and irregularities in the title thereto, landlord's or lessor's liens under leases to which the Borrower, a Guarantor, an Unencumbered Property Subsidiary or a Subsidiary of any such Person is a party, and other minor non-monetary liens or encumbrances none of which interferes materially with the use of the property affected in the ordinary conduct of the business of the Borrower, the Guarantors or their Subsidiaries, which defects do not individually or in the aggregate have a materially adverse effect on the business of the Borrower, any Guarantor or any Unencumbered Property Subsidiary individually or on any Subject Property (it being understood, for the avoidance of doubt, that Liens or encumbrances on Subject Properties in respect of any PACE Loan shall be only be permitted under this clause (iv) if such PACE Loan is permitted under this Agreement);

(v) Liens on properties or interests therein (but excluding (A) Subject Properties or (B) any direct or indirect interest of the Borrower, any Guarantor or any of their respective Subsidiaries in any Unencumbered Property Subsidiary) to secure Indebtedness permitted by §8.1(f), §8.1(i) or Non-Recourse Indebtedness of Subsidiaries of Parent permitted by §8.1(g);

(vi) Liens on properties or interests therein to secure Indebtedness permitted by §8.1(h); and

(vii) Liens in favor of the Agent and the Lenders under the Loan Documents to secure the Obligations.

Notwithstanding anything in this Agreement to the contrary, no Subsidiary of Borrower which directly or indirectly owns or leases an Unencumbered Pool Asset (including, without

limitation, an Unencumbered Property Subsidiary) shall create or incur or suffer to be created or incurred or to exist any Lien other than Liens contemplated in §§8.2(i), (iv) and (vii).

§8.3 Restrictions on Investments. Neither the Borrower nor the Parent will, nor will either of them permit any of its Subsidiaries to, make or permit to exist or to remain outstanding any Investment except Investments in:

(a) marketable direct or guaranteed obligations of the United States of America that mature within one (1) year from the date of purchase by the Borrower or its Subsidiary;

(b) marketable direct obligations of any of the following: Federal Home Loan Mortgage Corporation, Student Loan Marketing Association, Federal Home Loan Banks, Federal National Mortgage Association, Government National Mortgage Association, Bank for Cooperatives, Federal Intermediate Credit Banks, Federal Financing Banks, Export-Import Bank of the United States, Federal Land Banks, or any other agency or instrumentality of the United States of America;

(c) demand deposits, certificates of deposit, bankers acceptances and time deposits of United States banks having total assets in excess of $100,000,000.00; provided, however, that the aggregate amount at any time so invested with any single bank having total assets of less than $1,000,000,000.00 will not exceed $200,000.00;

(d) securities commonly known as "commercial paper" issued by a corporation organized and existing under the laws of the United States of America or any State which at the time of purchase are rated by Moody's Investors Service, Inc. or by Standard & Poor's Corporation at not less than "P 1" if then rated by Moody's Investors Service, Inc., and not less than "A 1", if then rated by Standard & Poor's Corporation;

(e) mortgage-backed securities guaranteed by the Government National Mortgage Association, the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation and other mortgage-backed bonds which at the time of purchase are rated by Moody's Investors Service, Inc. or by Standard & Poor's Corporation at not less than "Aa" if then rated by Moody's Investors Service, Inc. and not less than "AA" if then rated by Standard & Poor's Corporation;

(f) repurchase agreements having a term not greater than ninety (90) days and fully secured by securities described in the foregoing subsection (a), (b) or (e) with banks described in the foregoing subsection (c) or with financial institutions or other corporations having total assets in excess of $500,000,000.00;

(g) shares of so-called "money market funds" registered with the SEC under the Investment Company Act of 1940 which maintain a level per-share value, invest principally in investments described in the foregoing subsections (a) through (f) and have total assets in excess of $50,000,000.00;

(h) the acquisition of fee interests by the Borrower or its Subsidiaries in (i) Real Estate which is utilized for income-producing office, industrial, manufacturing, distribution, retail, medical/healthcare, data center and flex properties located in the continental United States or the

District of Columbia and businesses and investments incidental thereto, and (ii) subject to the restrictions set forth in this §8.3, the acquisition of Land Assets to be developed for the foregoing purposes;

(i) Subsidiaries that are directly or indirectly one hundred percent (100%) owned by the Borrower or Parent;

(j) Land Assets, provided that the aggregate Investment therein shall not exceed seven and one-half percent (7.5%) of Consolidated Total Asset Value;

(k) Mortgage Receivables secured by properties of the type described in §8.3(h)(i), provided that the aggregate Investment therein shall not exceed five percent (5%) of Consolidated Total Asset Value;

(l) in non-wholly owned Subsidiaries, Consolidated Affiliates and Unconsolidated Affiliates, provided that the aggregate Investment therein shall not exceed twenty percent (20%) of Consolidated Total Asset Value;

(m) Construction in Progress for properties of the type described in §8.3(h)(i), provided that the aggregate construction and development budget for Construction in Progress (including land) shall not exceed ten percent (10%) of Consolidated Total Asset Value; and

(n) Second Lien Mortgage Receivables and Mezzanine Loans, provided that the aggregate Investment therein shall not exceed five percent (5%) of Consolidated Total Asset Value.

Notwithstanding the foregoing, in no event shall the aggregate value of the holdings of the Borrower, any Guarantor and their Subsidiaries in the Investments described in §8.3(j)-(n) exceed thirty-five percent (35%) of Consolidated Total Asset Value at any time. For the purposes of this §8.3, a property shall be considered Construction in Progress until the issuance of a permanent certificate of occupancy for such property or phase thereof.

For the purposes of this §8.3, the Investment of the Borrower, any Guarantor or their Subsidiaries in any Unconsolidated Affiliates will equal (without duplication) the sum of (i) such Person's pro rata share of Construction in Progress of their Unconsolidated Affiliates, plus (ii) such Person's pro rata share of their Unconsolidated Affiliate's Investment in Land Assets; plus (iii) such Person's pro rata share of any other Investments valued at the lower of GAAP book value or market value.

§8.4 Merger, Consolidation. Neither the Borrower nor Parent will, nor will Borrower or Parent permit any of their respective Subsidiaries to, become a party to any dissolution, liquidation, disposition of all or substantially all of its assets or business (including, without limitation, by way of an LLC Division), merger, reorganization, consolidation or other business combination or agree to effect any asset acquisition, stock acquisition or other acquisition individually or in a series of transactions which may have a similar effect as any of the foregoing, in each case without the prior written consent of the Required Lenders except for (i) the merger or consolidation of one or more of the Subsidiaries of Borrower with and into the Borrower (it being understood and agreed that in any such event the Borrower will be the surviving Person) and (ii) the merger or consolidation

of two or more Subsidiaries of the Borrower. Nothing in this §8.4 shall prohibit the issuance by Borrower of partnership interests in itself in connection with the acquisition of Real Estate in the ordinary course of business, or the dissolution of a Subsidiary which has disposed of its assets in accordance with this Agreement. A Subsidiary of Borrower may sell all of its assets (and may effectuate such sale by merger or consolidation with another Person, with such other Person being the surviving entity) subject to compliance with the terms of this Agreement (including without limitation §5.3 and §8.8), and after any such permitted sale, may dissolve.

§8.5 Sale and Leaseback. The Borrower will not, and will not permit its Subsidiaries, to enter into any arrangement, directly or indirectly, whereby the Borrower or any such Subsidiary shall sell or transfer any Real Estate owned by it in order that then or thereafter the Borrower or any such Subsidiary shall lease back such Real Estate (such arrangement a "Sale/Leaseback") without the prior written consent of Agent, such consent not to be unreasonably withheld; provided that no consent of Agent or the Lenders shall be needed for any Sale/Leaseback so long as the Sale/Leaseback Amount of such Sale/Leaseback and all prior Sale/Leasebacks consummated (i) during the period commencing on the Closing Date and expiring on the Term Loan B Maturity Date and (ii) during the term of the Original Credit Agreement does not exceed $30,000,000.00 in the aggregate. For purposes of this §8.5, the "Sale/Leaseback Amount" of any Sale/Leaseback shall mean an amount equal to the Consolidated Net Operating Income of the Real Estate that is the subject of such Sale/Leaseback for the prior two (2) full fiscal quarters annualized divided by the applicable Capitalization Rate.

§8.6 Compliance with Environmental Laws. Neither the Borrower nor Parent will, nor will either of them permit any of its respective Subsidiaries or any other Person to, do any of the following: (a) use any of the Real Estate or any portion thereof as a facility for the handling, processing, storage or disposal of Hazardous Substances, except for small quantities of Hazardous Substances used in the ordinary course of business and in material compliance with all applicable Environmental Laws, (b) cause or permit to be located on any of the Real Estate any underground tank or other underground storage receptacle for Hazardous Substances except in compliance with Environmental Laws, (c) generate any Hazardous Substances on any of the Real Estate except in compliance with Environmental Laws, (d) conduct any activity at any Real Estate or use any Real Estate in any manner that could reasonably be contemplated to cause a Release of Hazardous Substances on, upon or into the Real Estate or any surrounding properties or any threatened Release of Hazardous Substances which could reasonably be expected to give rise to liability under CERCLA or any other Environmental Law, or (e) directly or indirectly transport or arrange for the transport of any Hazardous Substances (except in compliance with all Environmental Laws), except, with respect to any Real Estate other than a Subject Property, where any such use, generation, conduct or other activity has not had and could not reasonably be expected to have a Material Adverse Effect.

The Borrower shall, and shall cause the Subsidiary Guarantors and the Unencumbered Property Subsidiaries to:

(i) in the event of any change in Environmental Laws governing the assessment, release or removal of Hazardous Substances, take all reasonable action (including, without limitation, the conducting of engineering tests at the sole expense of the Borrower) to

confirm that no Hazardous Substances are or ever were Released or disposed of on the Subject Properties in violation of applicable Environmental Laws; and

(ii) if any Release or disposal of Hazardous Substances which any Person may be legally obligated to contain, correct or otherwise remediate or which may otherwise expose it to liability shall occur or shall have occurred on the Subject Properties (including without limitation any such Release or disposal occurring prior to the acquisition or leasing of such Subject Property by the Borrower or any Unencumbered Property Subsidiary), the Borrower shall, after obtaining knowledge thereof, cause the prompt containment and removal of such Hazardous Substances and remediation of the Subject Property in full compliance with all applicable Environmental Laws; provided, that each of the Borrower, the Subsidiary Guarantors and the Unencumbered Property Subsidiaries shall be deemed to be in compliance with Environmental Laws for the purpose of this clause (ii) so long as it or a responsible third party with sufficient financial resources is taking reasonable action to remediate or manage any event of noncompliance to the reasonable satisfaction of the Agent and no action shall have been commenced by any enforcement agency. The Agent may engage its own environmental consultant to review the environmental assessments and the compliance with the covenants contained herein.

At any time after an Event of Default shall have occurred hereunder the Agent may at its election (and will at the request of the Required Lenders) obtain such environmental assessments of any or all of the Subject Properties prepared by an environmental consultant reasonably acceptable to the Agent as may be necessary or advisable for the purpose of evaluating or confirming (i) whether any Hazardous Substances are present in the soil or water at or adjacent to any such Subject Property and (ii) whether the use and operation of any such Subject Property complies with all Environmental Laws to the extent required by the Loan Documents. Additionally, at any time that the Agent or the Required Lenders shall have reasonable grounds to believe that a Release or threatened Release of Hazardous Substances which any Person may be legally obligated to contain, correct or otherwise remediate or which otherwise may expose such Person to liability may have occurred, relating to any Subject Property, or that any of the Subject Property is not in compliance with Environmental Laws to the extent required by the Loan Documents, Borrower shall promptly upon the request of Agent obtain and deliver to Agent such environmental assessments of such Subject Property prepared by an environmental consultant reasonably acceptable to the Agent as may be necessary or advisable for the purpose of evaluating or confirming (i) whether any Hazardous Substances are present in the soil or water at or adjacent to such Subject Property and (ii) whether the use and operation of such Subject Property comply with all Environmental Laws to the extent required by the Loan Documents. Environmental assessments may include detailed visual inspections of such Subject Property including, without limitation, any and all storage areas, storage tanks, drains, dry wells and leaching areas, and the taking of soil samples, as well as such other investigations or analyses as are reasonably necessary or appropriate for a complete determination of the compliance of such Subject Property and the use and operation thereof with all applicable Environmental Laws. All environmental assessments contemplated by this §8.6 shall be at the sole cost and expense of the Borrower.

§8.7 Distributions.

(a) The Borrower shall not pay any Distribution to the partners of the Borrower, and Parent shall not pay any Distribution to its shareholders, if such Distribution is in excess of

the amount which, when added to the amount of all other Distributions paid in the same calendar quarter and the preceding three (3) calendar quarters, would exceed, (i) through and including the quarter ending June 30, 2021, ninety-eight percent (98%) of such Person's Funds from Operations for the preceding four (4) calendar quarters, and (ii) from and after the calendar quarter commencing on July 1, 2021, ninety-six percent (96%) of such Person's Funds from Operations for the preceding four (4) calendar quarters, provided, however, that for purposes of determining compliance under this clause (ii), the aggregate amount of such Distributions and such Person's Funds from Operations shall be calculated by using only the calendar quarters elapsed from and after July 1, 2021 and, until four (4) consecutive calendar quarters thereafter have elapsed, annualizing such amount; provided, further, that the limitations contained in this §8.7(a) shall not (X) preclude the Borrower from making Distributions to Parent (or Parent from making any Distribution to its shareholders) in an amount equal to the minimum distributions required under the Code to maintain the REIT Status of Parent, as evidenced by a certification of the principal financial or accounting officer of the Parent containing calculations in detail reasonably satisfactory in form and substance to the Agent, and (Y) apply to any Preferred Distributions made by Borrower to its partners or by Parent to its shareholders so long as such payments have been deducted in the calculation of Funds from Operations.

(b) In the event that a Default under §12.1(a) or (b) or an Event of Default shall have occurred and be continuing, (i) the Borrower shall make no Distributions other than Distributions to Parent in an amount equal to the minimum distributions required under the Code to maintain the REIT Status of Parent and (ii) Parent shall make no Distributions other than Distributions in an amount equal to the minimum distributions under the Code to maintain the REIT Status of Parent, in each case as evidenced by a certification of the principal financial or accounting officer of the Parent containing calculations in detail reasonably satisfactory in form and substance to the Agent.

(c) Notwithstanding the foregoing, at any time when an Event of Default under §12.1(a), (b), (g), (h) or (i) shall have occurred and be continuing or the maturity of the Obligations has been accelerated, neither Borrower nor Parent shall make any Distributions whatsoever, directly or indirectly.

§8.8 Asset Sales. The Borrower will not, and will not permit its Subsidiaries or the Guarantors to, sell, transfer or otherwise dispose of any material asset other than pursuant to a bona fide arm's length transaction or in accordance with §8.11. In addition, neither the Borrower, the Guarantors nor any of their respective Subsidiaries shall sell, transfer, or otherwise dispose of any asset in a single or a series of related transactions with an aggregate value greater than twenty percent (20%) of the Consolidated Total Asset Value without the prior written approval of the Lenders. Furthermore, prior to the sale, transfer, or other disposal by the Borrower, any Guarantor or any of their respective Subsidiaries of any asset in a single or a series of related transactions with an aggregate value greater than ten percent (10%) of the Consolidated Total Asset Value, the Borrower will provide the Agent with a written notice of such pending sale, transfer or other disposal and a Compliance Certificate demonstrating pro-forma compliance with each of the covenants calculated therein giving effect to such pending sale, transfer or other disposal.

§8.9 Restriction on Prepayment of Indebtedness. During the existence of an Event of Default, the Borrower and Parent will not, and will not permit their respective Subsidiaries to,

(a) prepay, redeem, defease, purchase or otherwise retire the principal amount, in whole or in part, of any Indebtedness other than the Obligations; provided, that the foregoing shall not prohibit (x) the prepayment of Indebtedness which is financed solely from the proceeds of a new loan which would otherwise be permitted by the terms of §8.1; and (y) the prepayment, redemption, defeasance or other retirement of the principal of Indebtedness secured by Real Estate which is satisfied solely from the proceeds of a sale of the Real Estate securing such Indebtedness; and (b) modify any document evidencing any Indebtedness (other than the Obligations) to accelerate the maturity date of such Indebtedness.

§8.10 Derivatives Contracts. Neither the Borrower nor any of its Subsidiaries shall contract, create, incur, assume or suffer to exist any Derivatives Contracts except for interest rate swap, collar, cap or similar agreements providing interest rate protection and currency swaps and currency options made in the ordinary course of business and permitted pursuant to §8.1.

§8.11 Transactions with Affiliates. Neither Parent nor the Borrower shall, and neither of them shall permit any other Guarantor or any Subsidiary of the Borrower or any other Guarantor to, permit to exist or enter into, any transaction (including the purchase, sale, lease or exchange of any property or the rendering of any service) with any Affiliate (but not including any Subsidiary of Parent, the Borrower or any other Guarantor), except (i) transactions in connection with the Management Agreements, (ii) transactions set forth on Schedule 6.15 hereto and (iii) transactions in the ordinary course of business pursuant to the reasonable requirements of the business of such Person and upon fair and reasonable terms which are no less favorable to such Person than would be obtained in a comparable arm's length transaction with a Person that is not an Affiliate.

§8.12 Equity Pledges. Notwithstanding anything in this Agreement to the contrary, (i) Parent will not create or incur or suffer to be created or incurred any Lien on any legal, equitable or beneficial interest of Parent in Borrower, including, without limitation, any Distributions or rights to Distributions on account thereof, and (ii) Borrower shall not create or incur, nor suffer to be created or incurred, nor permit to exist any Lien on any legal, equitable or beneficial interest of the Borrower in any Subsidiary of Borrower which directly or indirectly owns or leases a Subject Property (including, without limitation, an Unencumbered Property Subsidiary), including, without limitation, any Distributions or rights to Distributions on account thereof.

§8.13 Maximum Tenant Concentration. Borrower shall not permit any single tenant (or Affiliate thereof) to be a tenant at any property or properties of Borrower, Guarantors or their respective Subsidiaries (whether such property is owned, leased or is subject to a Mortgage Receivable, a Second Lien Mortgage Receivable or a Mezzanine Loan held by such Person), which assets contribute more than fifteen percent (15%) of the sum of (a) Consolidated Net Operating Income and (b) cash flow from all Mortgage Receivables, a Second Lien Mortgage Receivables and/or Mezzanine Loans held by Borrower, Guarantors and/or their respective Subsidiaries (for the purposes hereof, tenants shall not be considered Affiliates of each other solely by virtue of having common ownership by an equity fund provided that their financial results are not consolidated with a common parent entity).

§8.14 Minimum Lease Term. Borrower shall not permit the average remaining lease term for (a) the Real Estate of Borrower, the Guarantors and their respective Subsidiaries or (b) the Subject Properties to have an aggregate average remaining lease term of less than five (5) years.

§8.15 Parent Restrictions. Without the prior written consent of the Agent, Borrower shall not transfer any Subsidiary or Unconsolidated Affiliate of Borrower to Parent, and neither Borrower nor any Subsidiary or Unconsolidated Affiliate of Borrower shall transfer any of its assets to Parent (other than Distributions by Borrower to Parent permitted pursuant to §8.7).

§8.16 PACE Loans. Borrower shall not, and shall not permit any Subsidiary of Borrower which directly or indirectly owns or leases a Subject Property (including, without limitation, an Unencumbered Property Subsidiary) to, (i) incur any Indebtedness with respect to a PACE Loan, or (ii) encumber or permit to be encumbered any Subject Property with a Lien to secure any Indebtedness with respect to a PACE Loan or any assessments relating thereto, in each case, without the prior written consent of the Agent (which consent, so long as no Default or Event of Default exists or would result from the incurrence or consummation of such PACE Loan by Borrower or such Subsidiary, shall not be unreasonably withheld, conditioned or delayed). In the event the Borrower desires to seek approval for any such PACE Loan, Borrower shall deliver to Agent, no later than ten (10) Business Days prior to the date which Borrower or such Subsidiary intends to incur such PACE Loan, (a) a notice identifying the applicable Subject Property, (b) a narrative description of the efficiency or energy saving improvements to be undertaken or refinanced with the proceeds of such PACE Loan (including, without limitation, the status and/or proposed schedule of completion of such improvements) and a copy of the energy audit with respect to such improvements, (c) a term sheet summarizing the material terms of such PACE Loan, (d) copies of the PACE Loan Documents with respect to such PACE Loan, (e) a pro forma Compliance Certificate and Unencumbered Asset Certificate demonstrating, after giving effect to the incurrence of such PACE Loan, compliance with the covenants described therein, and (f) such other information as the Agent may reasonably request with respect to such PACE Loan and/or such Subject Property, each of which shall be in form and substance reasonably acceptable to the Agent. Upon receiving the prior written consent of Agent for such PACE Loan, Borrower or such Subsidiary shall be permitted to incur such PACE Loan; provided, that, with respect to any such approved PACE Loan encumbering a Subject Property, Borrower (or the applicable Subsidiary of Borrower which is the obligor under such PACE Loan) shall at all times (x) pay or cause to be paid (prior to the delinquency thereof) any and all sums which become due or payable with respect to such PACE Loan (subject to the right of Borrower or such Subsidiary to contest assessments in accordance with §7.8), (y) perform or cause to be performed all material obligations of Borrower or such Subsidiary with respect to such PACE Loan pursuant to and in accordance with the applicable PACE Loan Documents (including, without limitation, with respect to the completion of the applicable efficiency or energy saving improvements required thereunder), and (z) without limiting the foregoing, take or cause to be taken all such action as may be necessary to protect the applicable Subject Property from any danger of sale, forfeiture or foreclosure by reason of such PACE Loan. Borrower shall not enter into or acquiesce in any amendment, modification, termination or surrender of any PACE Loan Document with respect to any PACE Loan on a Subject Property.

§9. FINANCIAL COVENANTS.

The Borrower covenants and agrees that, so long as any Loan, Note or Letter of Credit is outstanding or any Lender has any obligation to make any Loans or issue any Letter of Credit hereunder:

§9.1 [Intentionally Omitted.]

§9.2 Unencumbered Leverage Ratio. The Borrower will not at any time permit the ratio of Consolidated Total Unsecured Debt to Unencumbered Asset Value (expressed as a percentage) to exceed (a) at any time during a Surge Period, sixty-five percent (65%), and (b) at any time other than the period(s) covered by the foregoing clause (a), sixty percent (60%).

§9.3 [Intentionally Omitted.]

§9.4 Unencumbered Debt Service Coverage Ratio. The Borrower will not at any time permit the Unencumbered Debt Service Coverage Ratio to be less than 1.75 to 1.00.

§9.5 Total Leverage Ratio. The Borrower will not permit the ratio of Consolidated Total Indebtedness to Consolidated Total Asset Value (expressed as a percentage) to exceed (a) at any time during a Surge Period, sixty-five percent (65%), and (b) at any time other than the period(s) covered by the foregoing clause (a), sixty percent (60%).

§9.6 Consolidated EBITDA to Consolidated Fixed Charges. The Borrower will not permit the ratio of Consolidated EBITDA for the Calculation Period to Consolidated Fixed Charges of the Borrower, the Guarantors and their respective Subsidiaries for such period to be less than 1.50 to 1.00; provided, however, that, until four (4) full fiscal quarters shall have elapsed from and after July 1, 2020, for purposes of determining compliance with this §9.6, Consolidated EBITDA and Consolidated Fixed Charges shall be annualized using only the full fiscal quarters having elapsed from and after July 1, 2020.

§9.7 Minimum Consolidated Tangible Net Worth. The Borrower will not at any time permit its Consolidated Tangible Net Worth to be less than the sum of $495,014,235.00, plus seventy-five percent (75%) of the sum of (a) Net Offering Proceeds (but excluding any Net Offering Proceeds from an issuance of common equity or preferred equity of the Borrower, Parent or the Trust which is used within one hundred twenty (120) days following the consummation of the applicable Equity Offering to partially or fully redeem or retire an existing issue of preferred equity of the Borrower, Trust or the Parent, respectively) plus (b) the value of units in the Borrower or shares in Parent issued upon the contribution of assets to Borrower or its Subsidiaries plus (c) the amount of any Trust Preferred Equity issued, in each case of the foregoing clauses (a) through (c), arising after the Closing Date.

§9.8 Intentionally Omitted.

§9.9 Variable Rate Debt. The Borrower will not at any time permit the Variable Rate Debt of Borrower, the Guarantors and their respective Subsidiaries that is not subject to an enforceable interest rate cap, swap or collar agreement to exceed twenty-five percent (25%) of Consolidated Total Asset Value.

§9.10 Maximum Secured Debt Ratio. The Borrower will not permit the ratio of Consolidated Total Secured Debt to Consolidated Total Asset Value (expressed as a percentage) to exceed at any time (a) through and including June 30, 2021, forty-five percent (45%), and (b) commencing on July 1, 2021 and continuing thereafter, forty percent (40.0%). Notwithstanding the foregoing, from and after the date that Borrower and/or Parent first obtains an Investment

Grade Rating, the Borrower will not at any time permit the ratio of Consolidated Total Secured Debt to Consolidated Total Asset Value (expressed as a percentage) to exceed forty percent (40%).

§9.11 PACE Loan Debt. The Borrower will not at any time permit the outstanding principal balance of all PACE Loans on Subject Properties to exceed five percent (5.0%) of the Unencumbered Asset Value.

§10. CLOSING CONDITIONS.

The obligation of the Lenders to make the Loans or issue Letters of Credit shall be subject to the satisfaction of the following conditions precedent:

§10.1 Loan Documents. Each of the Loan Documents shall have been duly executed and delivered by the respective parties thereto and shall be in full force and effect. The Agent shall have received a fully executed counterpart of each such document, except that each Lender shall have received the fully executed original of its Note.

§10.2 Certified Copies of Organizational Documents. The Agent shall have received from the Borrower and each Guarantor a copy, certified as of a recent date by the appropriate officer of each State in which such Person is organized and, with respect to the applicable Guarantor, in which the Subject Properties are located and a duly authorized officer, partner or member of such Person, as applicable, to be true and complete, of the partnership agreement, corporate charter or operating agreement and/or other organizational agreements of the Borrower and such Guarantor, as applicable, and its qualification to do business, as applicable, as in effect on such date of certification.

§10.3 Resolutions. All action on the part of the Borrower and each applicable Guarantor, as applicable, necessary for the valid execution, delivery and performance by such Person of this Agreement and the other Loan Documents to which such Person is or is to become a party shall have been duly and effectively taken, and evidence thereof reasonably satisfactory to the Agent shall have been provided to the Agent.

§10.4 Incumbency Certificate; Authorized Signers. The Agent shall have received from Borrower and each Guarantor an incumbency certificate, dated as of the Closing Date, signed by a duly authorized officer of such Person and giving the name and bearing a specimen signature of each individual who shall be authorized to sign, in the name and on behalf of such Person, each of the Loan Documents to which such Person is or is to become a party. The Agent shall have also received from Borrower a certificate, dated as of the Closing Date, signed by a duly authorized representative of Borrower and giving the name and specimen signature of each Authorized Officer who shall be authorized to make Loan Requests, Letter of Credit Requests and Conversion/Continuation Requests and to give notices and to take other action on behalf of the Borrower under the Loan Documents.

§10.5 Opinion of Counsel. The Agent shall have received an opinion addressed to the Lenders and the Agent and dated as of the Closing Date from counsel to the Borrower and each Guarantor in form and substance reasonably satisfactory to the Agent.

§10.6 Payment of Fees. The Borrower shall have paid to the Agent the fees payable pursuant to §4.2.

§10.7 No Material Adverse Change. From September 30, 2020 to the Closing Date, nothing shall have occurred which the Lenders or the Agent shall determine has, or could reasonably be expected to have, a material adverse effect on the business, properties, assets, condition (financial or otherwise) or results of operations of the Borrower, the Guarantors or the Unencumbered Property Subsidiaries, taken as a whole, nor shall there have occurred a material adverse change in the facts and information regarding the Borrower, any of the Guarantors or any of the Unencumbered Property Subsidiaries provided to the Agent and the Lenders.

§10.8 Performance; No Default. Borrower and the applicable Guarantors shall have performed and complied with all terms and conditions herein required to be performed or complied with by it on or prior to the Closing Date, and on the Closing Date there shall exist no Default or Event of Default.

§10.9 Representations and Warranties. The representations and warranties made by the Borrower and the Guarantors in the Loan Documents or otherwise made by or on behalf of the Borrower, the Guarantors and their respective Subsidiaries (including, without limitation, the Unencumbered property Subsidiaries) in connection therewith or after the date thereof shall have been true and correct in all material respects when made and shall also be true and correct in all material respects on the Closing Date.

§10.10 Proceedings and Documents. All proceedings in connection with the transactions contemplated by this Agreement and the other Loan Documents shall be reasonably satisfactory to the Agent and the Agent's counsel in form and substance, and the Agent shall have received all information and such counterpart originals or certified copies of such documents and such other certificates, opinions, assurances, consents, approvals or documents as the Agent and the Agent's counsel may reasonably require.

§10.11 Eligible Real Estate Qualification Documents. The Eligible Real Estate Qualification Documents for each Subject Property included in the calculation of the Unencumbered Asset Value as of the Closing Date shall have been delivered to the Agent at the Borrower's expense and shall be in form and substance reasonably satisfactory to the Agent.

§10.12 Compliance Certificate. The Agent shall have received a Compliance Certificate dated as of the date of the Closing Date demonstrating compliance with each of the covenants calculated therein as of the most recent calendar quarter for which Borrower has provided financial statements under §6.4.

§10.13 Consents. The Agent shall have received evidence reasonably satisfactory to the Agent that all necessary stockholder, partner, member or other consents required in connection with the consummation of the transactions contemplated by this Agreement and the other Loan Documents have been obtained.

§10.14 Contribution Agreement. The Agent shall have received an executed counterpart of the Contribution Agreement.

§10.15 Unencumbered Asset Certificate. The Agent shall have received an Unencumbered Asset Certificate dated as of the date of the Closing Date setting forth a calculation of the Unencumbered Asset Availability as of the Closing Date (after giving effect to the Loans made (or to be made) and Letter(s) of Credit issued (or to be issued) on such date) and demonstrating compliance with each of the covenants set forth therein as of the most recent calendar quarter for which Borrower has provided financial statements under §6.4.

§10.16 KYC. The Borrower and each Guarantor shall have provided to the Agent and the Lenders the documentation and other information reasonably requested by the Agent or any Lender to comply with its "know your customer" requirements and to confirm compliance with all applicable Sanctions Laws and Regulations, the United States Foreign Corrupt Practices Act and other Applicable Law, and if the Borrower qualifies as a "legal entity customer" within the meaning of the Beneficial Ownership Regulation, the Borrower shall have provided to the Agent (for further delivery by the Agent to the Lenders in accordance with its customary practice) a Beneficial Ownership Certification for the Borrower; in each case delivered at least five (5) Business Days prior to the Closing Date.

§10.17 Other. The Agent shall have reviewed such other documents, instruments, certificates, opinions, assurances, consents and approvals as the Agent or the Agent's Special Counsel may reasonably have requested.

§11. CONDITIONS TO ALL BORROWINGS.

The obligations of the Lenders to make any Loan or issue any Letter of Credit, whether on or after the Closing Date, shall also be subject to the satisfaction of the following conditions precedent:

§11.1 Prior Conditions Satisfied. All conditions set forth in §10 shall continue to be satisfied as of the date upon which any Loan is to be made or any Letter of Credit is to be issued.

§11.2 Representations True; No Default. Each of the representations and warranties made by or on behalf of the Borrower, the Guarantors or any of their respective Subsidiaries (including, without limitation, the Unencumbered Property Subsidiaries) contained in this Agreement, the other Loan Documents or in any document or instrument delivered pursuant to or in connection with this Agreement shall be true in all material respects both as of the date as of which they were made and shall also be true in all material respects as of the time of the making of such Loan or the issuance of such Letter of Credit, with the same effect as if made at and as of that time (it being understood and agreed that any representation or warranty which by its terms is made as of a specified date shall be required to be true and correct only as of such specified date) and except to the extent of any changes resulting from transactions permitted by this Agreement, and no Default or Event of Default shall have occurred and be continuing.

§11.3 Borrowing Documents. The Agent shall have received a fully completed Loan Request for such Loan and the other documents and information as required by §2.7, or a fully completed Letter of Credit Request required by §2.10 in the form of Exhibit H hereto fully completed, as applicable.

§12. EVENTS OF DEFAULT; ACCELERATION; ETC.

§12.1 Events of Default and Acceleration. If any of the following events ("Events of Default" or, if the giving of notice or the lapse of time or both is required, then, prior to such notice or lapse of time, "Defaults") shall occur:

(a) the Borrower shall fail to pay any principal of the Loans when the same shall become due and payable, whether at the stated date of maturity or any accelerated date of maturity or at any other date fixed for payment;

(b) the Borrower shall fail to pay any interest on the Loans, any reimbursement obligations with respect to the Letters of Credit or any fees or other sums due hereunder or under any of the other Loan Documents when the same shall become due and payable, whether at the stated date of maturity or any accelerated date of maturity or at any other date fixed for payment;

(c) any of the Borrower, the Guarantors, or any of their respective Subsidiaries shall fail to perform any other term, covenant or agreement contained in §§9.2-9.11 applicable to such Person;

(d) any of the Borrower, the Guarantors, or any of their respective Subsidiaries shall fail to perform any other term, covenant or agreement contained herein or in any of the other Loan Documents which they are required to perform (other than those specified in the other subclauses of this §12 or in the other Loan Documents);

(e) any representation or warranty made by or on behalf of the Borrower, the Guarantors, or any of their respective Subsidiaries in this Agreement or any other Loan Document, or any report, certificate, financial statement, request for a Loan, Letter of Credit Request, or in any other document or instrument delivered pursuant to or in connection with this Agreement, any advance of a Loan, the issuance of any Letter of Credit or any of the other Loan Documents shall prove to have been false in any material respect upon the date when made or deemed to have been made or repeated;

(f) the Borrower, any Guarantor or any of their respective Subsidiaries shall fail to pay when due (including without limitation at maturity), or within any applicable period of grace, any obligation for borrowed money or credit received or other Indebtedness, or fail to observe or perform any term, covenant or agreement contained in any agreement by which it is bound, evidencing or securing any such borrowed money or credit received or other Indebtedness for such period of time as would permit (assuming the giving of appropriate notice if required) the holder or holders thereof or of any obligations issued thereunder to accelerate the maturity thereof or require the prepayment, redemption or purchase thereof; provided, however, that the events described in this §12.1(f) shall not constitute an Event of Default unless such failure to perform, together with other failures to perform as described in this §12.1(f), involve singly or in the aggregate obligations for Recourse Indebtedness totaling in excess of $20,000,000.00 or Non-Recourse Indebtedness totaling in excess of $50,000,000.00;

(g) any of the Borrower, the Guarantors, or any of their respective Subsidiaries, (i) shall make an assignment for the benefit of creditors, or admit in writing its general inability to pay or generally fail to pay its debts as they mature or become due, or shall petition or apply for

the appointment of a trustee or other custodian, liquidator or receiver for it or any substantial part of its assets, (ii) shall commence any case or other proceeding relating to it under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation or similar law of any jurisdiction, now or hereafter in effect, or (iii) shall take any action to authorize or in furtherance of any of the foregoing; provided that the events described in this §12.1(g) as to any Subsidiary of the Borrower that is not a Subsidiary Guarantor or an Unencumbered Property Subsidiary shall not constitute an Event of Default unless the value of the assets of any such Subsidiary or Subsidiaries that is not a Subsidiary Guarantor or an Unencumbered Property Subsidiary (calculated, to the extent applicable, consistent with the calculation of Consolidated Total Asset Value) subject to an event or events described in §12.1(g), §12.1(h) or §12.1(i) individually exceeds $30,000,000.00 or in the aggregate exceeds $50,000,000.00;

(h) a petition or application shall be filed for the appointment of a trustee or other custodian, liquidator or receiver of any of the Borrower, the Guarantors, or any of their respective Subsidiaries or any substantial part of the assets of any thereof, or a case or other proceeding shall be commenced against any such Person under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation or similar law of any jurisdiction, now or hereafter in effect, and any such Person shall indicate its approval thereof, consent thereto or acquiescence therein or such petition, application, case or proceeding shall not have been dismissed within sixty (60) days following the filing or commencement thereof; provided that the events described in this §12.1(h) as to any Subsidiary of the Borrower that is not a Subsidiary Guarantor or an Unencumbered Property Subsidiary shall not constitute an Event of Default unless the value of the assets of any such Subsidiary or Subsidiaries that is not a Subsidiary Guarantor or an Unencumbered Property Subsidiary (calculated, to the extent applicable, consistent with the calculation of Consolidated Total Asset Value) subject to an event or events described in §12.1(g), §12.1(h) or §12.1(i) individually exceeds $30,000,000.00 or in the aggregate exceeds $50,000,000.00;

(i) a decree or order is entered appointing a trustee, custodian, liquidator or receiver for any of the Borrower, the Guarantors, or any of their respective Subsidiaries or adjudicating any such Person, bankrupt or insolvent, or approving a petition in any such case or other proceeding, or a decree or order for relief is entered in respect of any such Person in an involuntary case under federal bankruptcy laws as now or hereafter constituted; provided that the events described in this §12.1(i) as to any Subsidiary of the Borrower that is not a Subsidiary Guarantor or an Unencumbered Property Subsidiary shall not constitute an Event of Default unless the value of the assets of any such Subsidiary or Subsidiaries that is not a Subsidiary Guarantor or an Unencumbered Property Subsidiary (calculated, to the extent applicable, consistent with the calculation of Consolidated Total Asset Value) subject to an event or events described in §12.1(g), §12.1(h) or §12.1(i) individually exceeds $30,000,000.00 or in the aggregate exceeds $50,000,000.00;

(j) there shall remain in force, undischarged, unsatisfied and unstayed, for more than sixty (60) days, whether or not consecutive, one or more uninsured or unbonded final judgments against Parent, the Borrower or any of their respective Subsidiaries that, either individually or in the aggregate, exceed $15,000,000.00;

(k) any of the Loan Documents or the Contribution Agreement shall be canceled, terminated, revoked or rescinded otherwise than in accordance with the terms thereof or the express prior written agreement, consent or approval of the Lenders, or any action at law, suit in equity or other legal proceeding to cancel, revoke or rescind any of the Loan Documents or the Contribution Agreement shall be commenced by or on behalf of any of the Borrower or the Guarantors, or any court or any other governmental or regulatory authority or agency of competent jurisdiction shall make a determination, or issue a judgment, order, decree or ruling, to the effect that any one or more of the Loan Documents or the Contribution Agreement is illegal, invalid or unenforceable in accordance with the terms thereof;

(l) any dissolution, termination, partial or complete liquidation, merger or consolidation of any of Parent, the Borrower or any of their respective Subsidiaries shall occur or any sale, transfer or other disposition of the assets of any of Parent, the Borrower or any of their respective Subsidiaries shall occur other than as permitted under the terms of this Agreement or the other Loan Documents;

(m) with respect to any Guaranteed Pension Plan, an ERISA Reportable Event shall have occurred and the Required Lenders shall have determined in their reasonable discretion that such event reasonably could be expected to result in liability of any of the Borrower, the Guarantors or any of their respective Subsidiaries to the PBGC or such Guaranteed Pension Plan in an aggregate amount exceeding $10,000,000.00 and such event in the circumstances occurring reasonably could constitute grounds for the termination of such Guaranteed Pension Plan by the PBGC or for the appointment by the appropriate United States District Court of a trustee to administer such Guaranteed Pension Plan; or a trustee shall have been appointed by the United States District Court to administer such Plan; or the PBGC shall have instituted proceedings to terminate such Guaranteed Pension Plan;

(n) the Borrower, any Guarantor or any of their respective Subsidiaries or any Person so connected with any of them shall be indicted for a federal crime, a punishment for which could include the forfeiture of (i) any assets of Borrower, any Guarantor or any of their respective Subsidiaries which in the good faith judgment of the Required Lenders could reasonably be expected to have a Material Adverse Effect, or (ii) any Eligible Real Estate included in the calculation of the Unencumbered Asset Value;

(o) any Guarantor denies that it has any liability or obligation under the Guaranty or any other Loan Document, or shall notify the Agent or any of the Lenders of such Guarantor's intention to attempt to cancel or terminate the Guaranty or any other Loan Document, or shall fail to observe or comply with any term, covenant, condition or agreement under the Guaranty or any other Loan Document;

(p) any Change of Control shall occur; or

(q) an Event of Default under any of the other Loan Documents shall occur;

then, and in any such event, the Agent may, and upon the request of the Required Lenders shall, by notice in writing to the Borrower declare all amounts owing with respect to this Agreement, the Notes, the Letters of Credit and the other Loan Documents to be, and they shall thereupon forthwith

become, immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived by the Borrower; provided that in the event of any Event of Default specified in §12.1(g), §12.1(h) or §12.1(i), all such amounts shall become immediately due and payable automatically and without any requirement of presentment, demand, protest or other notice of any kind from any of the Lenders or the Agent. Upon demand by Agent or the Required Revolving Credit Lenders in their absolute and sole discretion after the occurrence and during the continuance of an Event of Default, and regardless of whether the conditions precedent in this Agreement for a Loan have been satisfied, the Lenders will cause a Revolving Credit Loan to be made in the undrawn amount of all Letters of Credit. The proceeds of any such Revolving Credit Loan will be pledged to and held by Agent as security for any amounts that become payable under the Letters of Credit and all other Obligations. In the alternative, if demanded by Agent in its absolute and sole discretion after the occurrence and during the continuance of an Event of Default, Borrower will deposit with and pledge to Agent cash in an amount equal to the amount of all undrawn Letters of Credit. Such amounts will be pledged to and held by Agent for the benefit of the Lenders as security for any amounts that become payable under the Letters of Credit and all other Obligations. Upon any draws under Letters of Credit, at Agent's sole discretion, Agent may apply any such amounts to the repayment of amounts drawn thereunder and upon the expiration of the Letters of Credit any remaining amounts will be applied to the payment of all other Obligations or if there are no outstanding Obligations and the Revolving Credit Lenders have no further obligation to make Revolving Credit Loans or issue Letters of Credit or if such excess no longer exists, such proceeds deposited by Borrower will be released to Borrower.

§12.2 Certain Cure Periods; Limitation of Cure Periods.

(a) Notwithstanding anything contained in §12.1 to the contrary, (i) no Event of Default shall exist hereunder upon the occurrence of any failure described in §12.1(b) in the event that the Borrower cures such Default within five (5) Business Days following receipt of written notice of such Default, provided, however, that Borrower shall not be entitled to receive more than five (5) notices in the aggregate pursuant to this clause (i) in any period of 365 days ending on the date of any such occurrence of Default, and provided further that no such cure period shall apply to any payments due upon the maturity of the Notes, and (ii) no Event of Default shall exist hereunder upon the occurrence of any failure described in §12.1(d) in the event that the Borrower cures such Default within thirty (30) days following receipt of written notice of such default, provided that the provisions of this clause (ii) shall not pertain to defaults consisting of a failure to provide insurance as required by §7.7, to any default consisting of a failure to comply with §7.4(c),§7.4(d), §7.16, §8.1, §8.2, §8.3, §8.4, §8.7, §8.8 or §8.12 or to any Default excluded from any provision of cure of defaults contained in any other of the Loan Documents.

(b) In the event that there shall occur any Default or Event of Default that affects only certain Subject Property or the Unencumbered Property Subsidiary which owns or leases such Subject Property, then the Borrower may cure such Default or Event of Default (so long as no other Default or Event of Default would arise as a result) by removing such Subject Property from the calculation of the Unencumbered Asset Value and by reducing the outstanding Loans and Letters of Credit so that no Default exists under this Agreement, in which event such removal and reduction shall be completed within ten (10) Business Days after receipt of notice of such Default or Event of Default from the Agent or the Required Lenders.

(c) Notwithstanding anything herein or otherwise to the contrary (except clause (b) of this §12.2), any Event of Default occurring hereunder shall continue to exist (and shall be deemed to be continuing) until such time as such Event of Default is waived in writing in accordance with the terms of this Agreement notwithstanding (i) any attempted cure or other action taken by the Borrower or any other Person subsequent to the occurrence of such Event of Default or (ii) any action taken or omitted to be taken by Agent or any Lender prior to or subsequent to the occurrence of such Event of Default (other than the granting of a waiver in writing in accordance with the terms of this Agreement).

§12.3 Termination of Commitments. If any one or more Events of Default specified in §12.1(g), §12.1(h) or §12.1(i) shall occur, then immediately and without any action on the part of the Agent or any Lender any unused portion of the credit hereunder shall terminate and the Lenders shall be relieved of all obligations to make Loans or issue Letters of Credit to the Borrower. If any other Event of Default shall have occurred and be continuing, the Agent may, and upon the election of the Required Revolving Credit Lenders shall, by notice to the Borrower terminate the obligation to make Revolving Credit Loans and issue Letters of Credit to the Borrower. No termination under this §12.3 shall relieve the Borrower of its obligations to the Lenders arising under this Agreement or the other Loan Documents.

§12.4 Remedies. In case any one or more Events of Default shall have occurred and be continuing, and whether or not the Lenders shall have accelerated the maturity of the Loans pursuant to §12.1, the Agent on behalf of the Lenders may, and with the consent of the Required Lenders shall, proceed to protect and enforce their rights and remedies under this Agreement, the Notes and/or any of the other Loan Documents by suit in equity, action at law or other appropriate proceeding, including to the full extent permitted by Applicable Law the specific performance of any covenant or agreement contained in this Agreement and the other Loan Documents, the obtaining of the ex parte appointment of a receiver, and, if any amount shall have become due, by declaration or otherwise, the enforcement of the payment thereof. No remedy herein conferred upon the Agent or the holder of any Note is intended to be exclusive of any other remedy and each and every remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute or any other provision of law. Notwithstanding the provisions of this Agreement providing that the Loans may be evidenced by multiple Notes in favor of the Lenders, the Lenders acknowledge and agree that only the Agent may exercise any remedies arising by reason of a Default or Event of Default. If Borrower or any Guarantor fails to perform any agreement or covenant contained in this Agreement or any of the other Loan Documents beyond any applicable period for notice and cure, Agent may itself perform, or cause to be performed, any agreement or covenant of such Person contained in this Agreement or any of the other Loan Documents which such Person shall fail to perform, and the out-of-pocket costs of such performance, together with any reasonable expenses, including reasonable attorneys' fees actually incurred (including attorneys' fees incurred in any appeal) by Agent in connection therewith, shall be payable by Borrower upon demand and shall constitute a part of the Obligations and shall if not paid within five (5) Business Days after demand bear interest at the Default Rate. In the event that all or any portion of the Obligations is collected by or through an attorney-at-law, the Borrower shall pay all costs of collection including, but not limited to, reasonable attorney's fees.

§12.5 Distribution of Proceeds. In the event that, following the occurrence and during the continuance of any Event of Default, any monies are received in connection with the enforcement of any of the Loan Documents, or otherwise with respect to the realization upon any of the assets of Borrower or the Guarantors, such monies shall be distributed for application as follows:

(a) First, to the payment of, or (as the case may be) the reimbursement of the Agent for or in respect of, all reasonable out-of-pocket costs, expenses, disbursements and losses which shall have been paid, incurred or sustained by the Agent in connection with the collection of such monies by the Agent, for the exercise, protection or enforcement by the Agent of all or any of the rights, remedies, powers and privileges of the Agent or the Lenders under this Agreement or any of the other Loan Documents or in support of any provision of adequate indemnity to the Agent against any taxes or liens which by law shall have, or may have, priority over the rights of the Agent or the Lenders to such monies;

(b) Second, to all other Obligations (including any interest, expenses or other obligations incurred after the commencement of a bankruptcy) in such order or preference as the Required Lenders shall determine; provided, that (i) distributions in respect of such other Obligations shall include, on a pari passu basis, any Agent's fee payable pursuant to §4.2; (ii) in the event that any Lender is a Defaulting Lender, payments to such Lender shall be governed by §2.13, and (iii) except as otherwise provided in clause (ii), Obligations owing to the Lenders with respect to each type of Obligation such as interest, principal, fees and expenses shall be made among the Lenders pro rata (and, for the avoidance of doubt, as between Revolving Credit Loans, Term Loans A and Term Loans B shall be made pro rata); and provided, further that the Required Lenders may in their discretion make proper allowance to take into account any Obligations not then due and payable; and

(c) Third, the excess, if any, shall be returned to the Borrower or to such other Persons as are entitled thereto.

§12.6 Collateral Account.

(a) As collateral security for the prompt payment in full when due of all Letter of Credit Liabilities and the other Obligations, the Borrower hereby pledges and grants to the Agent, for the ratable benefit of the Agent and the Lenders as provided herein, a security interest in all of its right, title and interest in and to the Collateral Account and the balances from time to time in the Collateral Account (including the investments and reinvestments therein provided for below). The balances from time to time in the Collateral Account shall not constitute payment of any Letter of Credit Liabilities until applied by the Agent as provided herein. Anything in this Agreement to the contrary notwithstanding, funds held in the Collateral Account shall be subject to withdrawal only as provided in this section. The obligation of the Borrower to establish the Collateral Account shall not arise unless and until there is an obligation to deposit funds therein pursuant to the terms of this Agreement.

(b) Amounts on deposit in the Collateral Account shall be invested and reinvested by the Agent in such Cash Equivalents as the Agent shall determine in its sole discretion. All such investments and reinvestments shall be held in the name of and be under the

sole dominion and control of the Agent for the ratable benefit of the Lenders. The Agent shall exercise reasonable care in the custody and preservation of any funds held in the Collateral Account and shall be deemed to have exercised such care if such funds are accorded treatment substantially equivalent to that which the Agent accords other funds deposited with the Agent, it being understood that the Agent shall not have any responsibility for taking any necessary steps to preserve rights against any parties with respect to any funds held in the Collateral Account.

(c) If a drawing pursuant to any Letter of Credit occurs on or prior to the expiration date of such Letter of Credit, the Borrower and the Lenders authorize the Agent to use the monies deposited in the Collateral Account to make payment to the beneficiary with respect to such drawing or the payee with respect to such presentment.

(d) If an Event of Default exists, the Required Revolving Credit Lenders may, in their discretion, at any time and from time to time, instruct the Agent to liquidate any such investments and reinvestments and apply proceeds thereof to the Obligations in accordance with §12.5.

(e) So long as no Default or Event of Default exists, and to the extent amounts on deposit in the Collateral Account exceed the aggregate amount of the Letter of Credit Liabilities then due and owing and the pro rata share of any Letter of Credit Liabilities of any Defaulting Lender after giving effect to §2.13(c), the Agent shall, from time to time, at the request of the Borrower, deliver to the Borrower within ten (10) Business Days after the Agent's receipt of such request from the Borrower, against receipt but without any recourse, warranty or representation whatsoever, such of the balances in the Collateral Account as exceed the aggregate amount of the Letter of Credit Liabilities at such time.

(f) The Borrower shall pay to the Agent from time to time such fees as the Agent normally charges for similar services in connection with the Agent's administration of the Collateral Account and investments and reinvestments of funds therein. The Borrower authorizes Agent to file such financing statements as Agent may reasonably require in order to perfect Agent's security interest in the Collateral Account, and Borrower shall promptly upon demand execute and deliver to Agent such other documents as Agent may reasonably request to evidence its security interest in the Collateral Account.

§13. SETOFF.

Regardless of the adequacy of any collateral, during the continuance of any Event of Default, any deposits (general or specific, time or demand, provisional or final, regardless of currency, maturity, or the branch where such deposits are held) or other sums credited by or due from any Lender to the Borrower or the Guarantors and any securities or other property of the Borrower or the Guarantors in the possession of such Lender may, without notice to Borrower or any Guarantor (any such notice being expressly waived by Borrower, Parent and each of the other Guarantors) but with the prior written approval of Agent, be applied to or set off against the payment of Obligations and any and all other liabilities, direct, or indirect, absolute or contingent, due or to become due, now existing or hereafter arising, of the Borrower or the Guarantors to such Lender. Each of the Lenders agrees with each other Lender that if such Lender shall receive from the Borrower or the Guarantors, whether by voluntary payment, exercise of the right of setoff, or

otherwise, and shall retain and apply to the payment of the Note or Notes held by such Lender any amount in excess of its ratable portion of the payments received by all of the Lenders with respect to the Notes held by all of the Lenders, such Lender will make such disposition and arrangements with the other Lenders with respect to such excess, either by way of distribution, pro tanto assignment of claims, subrogation or otherwise as shall result in each Lender receiving in respect of the Notes held by it its proportionate payment as contemplated by this Agreement; provided that if all or any part of such excess payment is thereafter recovered from such Lender, such disposition and arrangements shall be rescinded and the amount restored to the extent of such recovery, but without interest. In the event that any Defaulting Lender shall exercise any such right of setoff, (a) all amounts so set off shall be paid over immediately to the Agent for further application in accordance with the provisions of this Agreement and, pending such payment, shall be segregated by such Defaulting Lender from its other funds and deemed held in trust for the benefit of the Agent and the Lenders, and (b) the Defaulting Lender shall provide promptly to the Agent a statement describing in reasonable detail the Obligations owing to such Defaulting Lender as to which it exercised such right of setoff. Lender agrees to notify the Borrower promptly after any such set off and application; provided that the failure to give such notice shall not give the Borrower any cause of action or right to damages or affect the validity of such set off and application.

§14. THE AGENT.

§14.1 Authorization. The Agent is authorized to take such action on behalf of each of the Lenders and to exercise all such powers as are hereunder and under any of the other Loan Documents and any related documents delegated to the Agent, together with such powers as are reasonably incident thereto, provided that no duties or responsibilities not expressly assumed herein or therein shall be implied to have been assumed by the Agent. The obligations of the Agent hereunder are primarily administrative in nature, and nothing contained in this Agreement or any of the other Loan Documents shall be construed to constitute the Agent as a trustee for any Lender or to create an agency or fiduciary relationship. Agent shall act as the contractual representative of the Lenders hereunder, and notwithstanding the use of the term "Agent", it is understood and agreed that Agent shall not have any fiduciary duties or responsibilities to any Lender by reason of this Agreement or any other Loan Document and is acting as an independent contractor, the duties and responsibilities of which are limited to those expressly set forth in this Agreement and the other Loan Documents. The Borrower and any other Person shall be entitled to conclusively rely on a statement from the Agent that it has the authority to act for and bind the Lenders pursuant to this Agreement and the other Loan Documents.

§14.2 Employees and Agents. The Agent may exercise its powers and execute its duties by or through employees or agents and shall be entitled to take, and to rely on, advice of counsel concerning all matters pertaining to its rights and duties under this Agreement and the other Loan Documents. The Agent may utilize the services of such Persons as the Agent may reasonably determine, and all reasonable and documented fees and expenses of any such Persons shall be paid by the Borrower.

§14.3 No Liability. Neither the Agent nor any of its shareholders, directors, officers or employees nor any other Person assisting them in their duties nor any agent, or employee thereof, shall be liable for (a) any waiver, consent or approval given or any action taken, or omitted to be

taken, in good faith by it or them hereunder or under any of the other Loan Documents, or in connection herewith or therewith, or be responsible for the consequences of any oversight or error of judgment whatsoever, except that the Agent or such other Person, as the case may be, shall be liable for losses due to its bad faith, willful misconduct or gross negligence as finally determined by a court of competent jurisdiction after the expiration of all applicable appeal periods or (b) any action taken or not taken by Agent with the consent or at the request of the Required Lenders, the Required Revolving Credit Lenders, the Required Term Loan A Lenders or the Required Term Loan B Lenders, as applicable. The Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Event of Default, except with respect to defaults in the payment of principal, interest and fees required to be paid to the Agent for the account of the Lenders, unless the Agent has received notice from a Lender or the Borrower referring to the Loan Documents and describing with reasonable specificity such Default or Event of Default and stating that such notice is a "notice of default".

§14.4 No Representations. The Agent shall not be responsible for the execution or validity or enforceability of this Agreement, the Notes, any of the other Loan Documents or any instrument at any time constituting, or intended to constitute, collateral security for the Notes, or for the value of any such collateral security or for the validity, enforceability or collectability of any such amounts owing with respect to the Notes, or for any recitals or statements, warranties or representations made herein, or any agreement, instrument or certificate delivered in connection therewith or in any of the other Loan Documents or in any certificate or instrument hereafter furnished to it by or on behalf of the Borrower, the Guarantors or any of their respective Subsidiaries, or be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions, covenants or agreements herein or in any of the other Loan Documents. The Agent shall not be bound to ascertain whether any notice, consent, waiver or request delivered to it by the Borrower, the Guarantors or any holder of any of the Notes shall have been duly authorized or is true, accurate and complete. The Agent has not made nor does it now make any representations or warranties, express or implied, nor does it assume any liability to the Lenders, with respect to the creditworthiness or financial condition of the Borrower, the Guarantors, or any of their respective Subsidiaries, or the value of any assets of the Borrower or the Guarantors or any of their respective Subsidiaries. Each Lender acknowledges that it has, independently and without reliance upon the Agent or any other Lender, and based upon such information and documents as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Agent or any other Lender, based upon such information and documents as it deems appropriate at the time, continue to make its own credit analysis and decisions in taking or not taking action under this Agreement and the other Loan Documents. Agent's Special Counsel has only represented Agent and KeyBank in connection with the Loan Documents and the only attorney client relationship or duty of care is between Agent's Special Counsel and Agent or KeyBank. Each Lender has been independently represented by separate counsel on all matters regarding the Loan Documents.

§14.5 Payments.

(a) A payment by the Borrower or any Guarantor to the Agent hereunder or under any of the other Loan Documents for the account of any Lender shall constitute a payment to such Lender. The Agent agrees to distribute to each Lender not later than one Business Day

after the Agent's receipt of good funds, determined in accordance with the Agent's customary practices, such Lender's pro rata share of payments received by the Agent for the account of the Lenders except as otherwise expressly provided herein or in any of the other Loan Documents. Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as such Lender is no longer a Defaulting Lender, each payment by the Borrower hereunder shall be applied in accordance with §2.13(d).

(b) If in the opinion of the Agent the distribution of any amount received by it in such capacity hereunder, under the Notes or under any of the other Loan Documents might involve it in liability, it may refrain from making such distribution until its right to make such distribution shall have been adjudicated by a court of competent jurisdiction. If a court of competent jurisdiction shall adjudge that any amount received and distributed by the Agent is to be repaid, each Person to whom any such distribution shall have been made shall either repay to the Agent its proportionate share of the amount so adjudged to be repaid or shall pay over the same in such manner and to such Persons as shall be determined by such court.

§14.6 Holders of Notes. Subject to the terms of §18, the Agent may deem and treat the payee of any Note as the absolute owner or purchaser thereof for all purposes hereof until it shall have been furnished in writing with a different name by such payee or by a subsequent holder, assignee or transferee.

§14.7 Indemnity. The Lenders ratably agree hereby to indemnify and hold harmless the Agent from and against any and all claims, actions and suits (whether groundless or otherwise), losses, damages, costs, expenses (including any expenses for which the Agent has not been reimbursed by the Borrower as required by §15), and liabilities of every nature and character arising out of or related to this Agreement, the Notes, or any of the other Loan Documents or the transactions contemplated or evidenced hereby or thereby, or the Agent's actions taken hereunder or thereunder, except to the extent that any of the same shall be directly caused by the Agent's willful misconduct or gross negligence as finally determined by a court of competent jurisdiction after the expiration of all applicable appeal periods. The agreements in this §14.7 shall survive the payment of all amounts payable under the Loan Documents.

§14.8 Agent as Lender. In its individual capacity, KeyBank shall have the same obligations and the same rights, powers and privileges in respect to its Commitment and the Loans made by it, and as the holder of any of the Notes as it would have were it not also the Agent.

§14.9 Resignation. The Agent may resign at any time by giving thirty (30) calendar days' prior written notice thereof to the Lenders and the Borrower. Any such resignation may at Agent's option also constitute Agent's resignation as Issuing Lender. Upon any such resignation, the Required Lenders, subject to the terms of §18.1, shall have the right to appoint as a successor Agent and, if applicable, Issuing Lender, any Lender or any bank whose senior debt obligations are rated not less than "A" or its equivalent by Moody's or not less than "A" or its equivalent by S&P and which has a net worth of not less than $500,000,000.00. Unless a Default or Event of Default shall have occurred and be continuing, such successor Agent and, if applicable, Issuing Lender, shall be reasonably acceptable to the Borrower. If no successor Agent shall have been appointed and shall have accepted such appointment within thirty (30) days after the retiring Agent's giving of notice of resignation, then the retiring Agent may, on behalf of the Lenders,

appoint a successor Agent, which shall be any Lender or any bank whose senior debt obligations are rated not less than "A2" or its equivalent by Moody's or not less than "A" or its equivalent by S&P and which has a net worth of not less than $500,000,000.00. Upon the acceptance of any appointment as Agent and, if applicable, Issuing Lender, hereunder by a successor Agent and, if applicable, Issuing Lender, such successor Agent and, if applicable, Issuing Lender, shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Agent and, if applicable, Issuing Lender, and the retiring Agent and, if applicable, Issuing Lender, shall be discharged from its duties and obligations hereunder as Agent and, if applicable, Issuing Lender. After any retiring Agent's resignation, the provisions of this Agreement and the other Loan Documents shall continue in effect for its benefit in respect of any actions taken or omitted to be taken by it while it was acting as Agent and Issuing Lender. If the resigning Agent shall also resign as the Issuing Lender, such successor Agent shall issue letters of credit in substitution for the Letters of Credit, if any, outstanding at the time of such succession or shall make other arrangements satisfactory to the current Issuing Lender, in either case, to assume effectively the obligations of the current Agent with respect to such Letters of Credit. Upon any change in the Agent under this Agreement, the resigning Agent shall execute such assignments of and amendments to the Loan Documents as may be necessary to substitute the successor Agent for the resigning Agent.

§14.10 Duties in the Case of Enforcement. In case one or more Events of Default have occurred and shall be continuing, and whether or not acceleration of the Obligations shall have occurred, the Agent may and, if (a) so requested by the Required Lenders and (b) the Lenders have provided to the Agent such additional indemnities and assurances in accordance with their respective Commitment Percentages against expenses and liabilities as the Agent may reasonably request, shall proceed to exercise all or any legal and equitable and other rights or remedies as it may have; provided, however, that unless and until the Agent shall have received such directions, the Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Event of Default as it shall deem to be in the best interests of the Lenders. Without limiting the generality of the foregoing, if Agent reasonably determines payment is in the best interest of all the Lenders, Agent may without the approval of the Lenders pay taxes and insurance premiums and spend money for maintenance, repairs or other expenses which may be necessary to be incurred, and Agent shall promptly thereafter notify the Lenders of such action. Each Lender shall, within thirty (30) days of request therefor, pay to the Agent its Commitment Percentage of the reasonable costs incurred by the Agent in taking any such actions hereunder to the extent that such costs shall not be promptly reimbursed to the Agent by the Borrower or the Guarantors within such period. The Required Lenders may direct the Agent in writing as to the method and the extent of any such exercise, the Lenders hereby agreeing to indemnify and hold the Agent harmless in accordance with their respective Commitment Percentages from all liabilities incurred in respect of all actions taken or omitted in accordance with such directions, provided that the Agent need not comply with any such direction to the extent that the Agent reasonably believes the Agent's compliance with such direction to be unlawful in any applicable jurisdiction or commercially unreasonable in any applicable jurisdiction.

§14.11 Bankruptcy. In the event a bankruptcy or other insolvency proceeding is commenced by or against Borrower or any Guarantor with respect to the Obligations, the Agent shall have the sole and exclusive right to file and pursue a joint proof claim on behalf of all Lenders. Any votes with respect to such claims or otherwise with respect to such proceedings shall be

subject to the vote of the Required Lenders or all of the Lenders as required by this Agreement. Each Lender irrevocably waives its right to file or pursue a separate proof of claim in any such proceedings unless Agent fails to file such claim within thirty (30) days after receipt of written notice from the Lenders requesting that Agent file such proof of claim.

§14.12 Reliance by Agent. The Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by an Authorized Officer. The Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Loan or issuance of a Letter of Credit, that by its terms must be fulfilled to the satisfaction of a Lender, the Agent (or Issuing Lender, as applicable) may presume that such condition is satisfactory to such Lender unless the Agent (or Issuing Lender, as applicable) shall have received notice to the contrary from such Lender prior to the making of such Loan or issuance of such Letter of Credit. The Agent may consult with legal counsel (who may be counsel for the Borrower and/or the Guarantors), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

§14.13 Approvals. If consent is required for some action under this Agreement, or except as otherwise provided herein an approval of the Lenders, the Required Lenders, the Required Revolving Credit Lenders, the Required Term Loan A Lenders or the Required Term Loan B Lenders is required or permitted under this Agreement, each Lender agrees to give the Agent, within ten (10) days of receipt of the request for action together with all reasonably requested information related thereto (or such lesser period of time required by the terms of the Loan Documents), notice in writing of approval or disapproval (collectively "Directions") in respect of any action requested or proposed in writing pursuant to the terms hereof. To the extent that any Lender does not approve any recommendation of Agent, such Lender shall in such notice to Agent describe the actions that would be acceptable to such Lender. If consent is required for the requested action, any Lender's failure to respond to a request for Directions within the required time period shall be deemed to constitute a Direction to take such requested action. In the event that any recommendation is not approved by the requisite number of Lenders and a subsequent approval on the same subject matter is requested by Agent, then for the purposes of this paragraph each Lender shall be required to respond to a request for Directions within five (5) Business Days of receipt of such request. Agent and each Lender shall be entitled to assume that any officer of the other Lenders delivering any notice, consent, certificate or other writing is authorized to give such notice, consent, certificate or other writing unless Agent and such other Lenders have otherwise been notified in writing.

§14.14 Borrower Not Beneficiary. Except for the provisions of §14.9 relating to the appointment of a successor Agent, the provisions of this §14 are solely for the benefit of the Agent and the Lenders, may not be enforced by the Borrower or any Guarantor, and except for the provisions of §14.9, may be modified or waived without the approval or consent of the Borrower and Guarantors.

§15. EXPENSES.

The Borrower agrees to pay (a) the reasonable costs of producing and reproducing this Agreement, the other Loan Documents and the other agreements and instruments mentioned herein, (b) [intentionally omitted], (c) the reasonable and documented fees, expenses and disbursements of the outside counsel to the Agent incurred in connection with the preparation, administration, or interpretation of the Loan Documents and other instruments mentioned herein, and amendments, modifications, approvals, consents or waivers hereto or hereunder, (d) the reasonable out-of-pocket fees, costs, expenses and disbursements of Agent incurred in connection with the syndication and/or participation of the Loans, (e) all other reasonable and documented out-of-pocket fees, expenses and disbursements of the Agent incurred by the Agent in connection with the preparation or interpretation of the Loan Documents and other instruments mentioned herein, the addition or substitution of additional Subject Properties, the making of each advance hereunder, the issuance of Letters of Credit, and the syndication of the Commitments pursuant to §18 (without duplication of those items addressed in subparagraph (d), above), (f) all out-of-pocket expenses (including attorneys' fees and costs, and the fees and costs of appraisers, engineers, investment bankers or other experts retained by any Lender or the Agent) incurred by any Lender or the Agent in connection with (i) the enforcement of or preservation of rights under any of the Loan Documents against the Borrower or the Guarantors or the administration thereof after the occurrence of a Default or Event of Default and (ii) any litigation, proceeding or dispute whether arising hereunder or otherwise, in any way related to the Agent's or any of the Lenders' relationship with the Borrower or the Guarantors, (g) all reasonable and documented out-of-pocket fees, expenses and disbursements of the Agent incurred in connection with UCC searches and/or title searches, (h) all reasonable out-of-pocket fees, expenses and disbursements (including reasonable attorneys' fees and costs) which may be incurred by KeyBank in connection with the execution and delivery of this Agreement and the other Loan Documents (without duplication of any of the items listed above), and (i) all expenses relating to the use of Intralinks, SyndTrak or any other similar system for the dissemination and sharing of documents and information in connection with the Loans. The covenants of this §15 shall survive the repayment of the Loans and the termination of the obligations of the Lenders hereunder for two (2) years following repayment of the Loans and termination of the obligations of the Lenders to lend or issue Letters of Credit hereunder.

§16. INDEMNIFICATION.

The Borrower and Parent, jointly and severally, agree to indemnify and hold harmless the Agent, the Lenders and the Joint-Lead Arrangers and each director, officer, employee, agent and Person who controls the Agent or any Lender or the Joint-Lead Arrangers against any and all claims, actions and suits, whether groundless or otherwise, and from and against any and all liabilities, losses, damages and expenses of every nature and character arising out of or relating to this Agreement or any of the other Loan Documents or the transactions contemplated hereby and thereby (but not including separate financings provided by any Lender to a Subsidiary of Borrower that is not a Subsidiary Guarantor or an Unencumbered Property Subsidiary) including, without limitation, (a) any and all claims for brokerage, leasing, finders or similar fees which may be made relating to the Subject Properties or the Loans, (b) any condition of the Subject Properties or any other Real Estate, (c) any actual or proposed use by the Borrower of the proceeds of any of the Loans or Letters of Credit, (d) any actual or alleged infringement of any patent, copyright,

trademark, service mark or similar right of the Borrower, the Guarantors, or any of their respective Subsidiaries, (e) the Borrower and the Guarantors entering into or performing this Agreement or any of the other Loan Documents, (f) any actual or alleged violation of any law, ordinance, code, order, rule, regulation, approval, consent, permit or license relating to the Subject Properties or any other Real Estate, (g) with respect to the Borrower, the Guarantors and their respective Subsidiaries and their respective properties and assets, the violation of any Environmental Law, the Release or threatened Release of any Hazardous Substances or any action, suit, proceeding or investigation brought or threatened with respect to any Hazardous Substances (including, but not limited to, claims with respect to wrongful death, personal injury, nuisance or damage to property), and (h) any use of Intralinks, SyndTrak or any other system for the dissemination and sharing of documents and information, in each case including, without limitation, the reasonable fees and disbursements of counsel incurred in connection with any such investigation, litigation or other proceeding; provided, however, that the Borrower shall not be obligated under this §16 to indemnify any Person for liabilities arising from such Person's own gross negligence or willful misconduct as determined by a court of competent jurisdiction after the exhaustion of all applicable appeal periods. In litigation, or the preparation therefor, the Lenders and the Agent shall be entitled to select a single law firm as their own counsel and, in addition to the foregoing indemnity, the Borrower agrees to pay promptly the reasonable fees and expenses of such counsel. No person indemnified hereunder shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby. If, and to the extent that the obligations of the Borrower under this §16 are unenforceable for any reason, the Borrower hereby agrees to make the maximum contribution to the payment in satisfaction of such obligations which is permissible under Applicable Law. The provisions of this §16 shall survive the repayment of the Loans, the return of the Letters of Credit and the termination of the obligations of the Lenders hereunder.

§17. SURVIVAL OF COVENANTS, ETC.

All covenants, agreements, representations and warranties made herein, in the Notes, in any of the other Loan Documents or in any documents or other papers delivered by or on behalf of the Borrower or the Guarantors or any of their respective Subsidiaries pursuant hereto or thereto shall be deemed to have been relied upon by the Lenders and the Agent, notwithstanding any investigation heretofore or hereafter made by any of them, and shall survive the making by the Lenders of any of the Loans and issuance of any Letters of Credit, as herein contemplated, and shall continue in full force and effect so long as any amount due under this Agreement or the Notes or any of the other Loan Documents remains outstanding or any Letters of Credit remain outstanding or any Lender has any obligation to make any Loans or issue any Letters of Credit. The indemnification obligations of the Borrower provided herein and in the other Loan Documents shall survive the full repayment of amounts due and the termination of the obligations of the Lenders hereunder and thereunder to the extent provided herein and therein. All statements contained in any certificate delivered to any Lender or the Agent at any time by or on behalf of the Borrower or the Guarantors or any of their respective Subsidiaries pursuant hereto or in connection with the transactions contemplated hereby shall constitute representations and warranties by such Person hereunder.

§18. ASSIGNMENT AND PARTICIPATION.

§18.1 Conditions to Assignment by Lenders. Except as provided herein, each Lender may assign to one or more banks or other entities (but not to any natural person) all or a portion of its interests, rights and obligations under this Agreement (including all or a portion of its Commitment Percentage and Commitment and the same portion of the Loans at the time owing to it and the Notes held by it); provided that (a) the Agent and, so long as no Default or Event of Default exists hereunder, the Borrower shall have each given its prior written consent to such assignment, which consent shall not be unreasonably withheld or delayed (provided that (i) such consent shall not be required for any assignment to another Lender, to a lender which is and remains under common control with the assigning Lender or to a Wholly Owned Subsidiary of such Lender, provided that such assignee shall remain a Wholly Owned Subsidiary of such Lender and (ii) the Borrower will be deemed to have consented unless it provides notice to the Agent and the assigning Lender of its disapproval within fifteen (15) Business Days of receipt of such request and), (b) each such assignment shall be of a constant, and not a varying, percentage of all the assigning Lender's rights and obligations under this Agreement with respect to the Revolving Credit Commitment in the event an interest in the Revolving Credit Loans is assigned, or of a constant, and not a varying, percentage of all the assigning Lender's rights and obligations under this Agreement with respect to the Term Loan A Commitment in the event an interest in the Term Loans A is assigned, or of a constant, and not a varying, percentage of all the assigning Lender's rights and obligations under this Agreement with respect to the Term Loan B Commitment in the event an interest in the Term Loans B is assigned, (c) the parties to such assignment shall execute and deliver to the Agent, for recording in the Register (as hereinafter defined) an Assignment and Acceptance Agreement in the form of Exhibit G annexed hereto, together with any Notes subject to such assignment, (d) in no event shall any assignment be to (i) any Person controlling, controlled by or under common control with, the Borrower or any Guarantor or (ii) a Defaulting Lender or an Affiliate of a Defaulting Lender, (e) such assignee shall have a net worth or unfunded commitment as of the date of such assignment of not less than $100,000,000.00 (unless otherwise approved by Agent and, so long as no Default or Event of Default exists hereunder, Borrower), (f) such assignee shall acquire an interest in the Loans of not less than $5,000,000.00 and integral multiples of $1,000,000.00 in excess thereof (or if less, the remaining Loans of the assignor), unless waived by the Agent, and so long as no Default or Event of Default exists hereunder, the Borrower, (g) if such assignment is less than the assigning Lender's entire Commitment, the assigning Lender shall retain an interest in the Loans of not less than $5,000,000.00, and (h) such assignee shall be subject to the terms of any intercreditor agreement among the Lenders and the Agent. Upon execution, delivery, acceptance and recording of such Assignment and Acceptance Agreement, (i) the assignee thereunder shall be a party hereto and all other Loan Documents executed by the Lenders and, to the extent provided in such Assignment and Acceptance Agreement, have the rights and obligations of a Lender hereunder, (ii) the assigning Lender shall, upon payment to the Agent of the registration fee referred to in §18.2, be released from its obligations under this Agreement arising after the effective date of such assignment with respect to the assigned portion of its interests, rights and obligations under this Agreement, and (iii) the Agent may unilaterally amend Schedule 1 hereto to reflect such assignment. In connection with each assignment, the assignee shall represent and warrant to the Agent, the assignor and each other Lender as to whether such assignee is controlling, controlled by, under common control with or is not otherwise free from influence or control by, the Borrower or any Guarantor and whether such assignee is a Defaulting Lender or an Affiliate of a Defaulting Lender. In connection with any

assignment of rights and obligations of any Defaulting Lender, no such assignment shall be effective unless and until, in addition to the other conditions thereto set forth herein, the parties to the assignment shall make such additional payments to the Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment, purchases by the assignee of participations or actions, including funding, with the consent of the Borrower and the Agent, the applicable pro rata share of Loans previously requested but not funded by the Defaulting Lender to each of which the applicable assignee and assignor hereby irrevocably consent), to (x) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to the Agent or any Lender hereunder (and interest accrued thereon) and (y) acquire (and fund as appropriate) its full pro rata share of all Loans and participations in Letters of Credit in accordance with its Commitment Percentage. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder shall become effective under Applicable Law without compliance with the provisions of this paragraph, then the assignee of such interest shall be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs. Furthermore, in connection with the syndication of the Loan by Agent and Arranger, the Borrower agree to assist Agent and Arranger actively in achieving a timely syndication that is reasonably satisfactory to the Borrower, Agent and Arranger, such assistance to include, among other things, (i) direct contact during the syndication between the Borrower's senior officers, representatives and advisors, on the one hand, and prospective Lenders, on the other hand at such times and places as Agent or Arranger may reasonably request, (ii) providing to Agent and Arranger all financial and other information with respect to the Borrower and the transactions contemplated hereunder that Agent or Arranger may reasonably request, including but not limited to financial projections relating to the foregoing, and (iii) assistance in the preparation of a confidential information memorandum and other marketing materials to be used in connection with the syndication.

§18.2 Register. The Agent, acting for this purpose as a non-fiduciary agent for Borrower, shall maintain on behalf of the Borrower a copy of each assignment delivered to it and a register or similar list (the "Register") for the recordation of the names and addresses of the Lenders and the Commitment Percentages of and principal amount of the Loans owing to the Lenders from time to time. The entries in the Register shall be conclusive, in the absence of manifest error, and the Borrower, the Guarantors, the Agent and the Lenders may treat each Person whose name is recorded in the Register as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Borrower and the Lenders at any reasonable time and from time to time upon reasonable prior notice. Upon each such recordation, the assigning Lender agrees to pay to the Agent a registration fee in the sum of $5,000.00.

§18.3 New Notes. Upon its receipt of an Assignment and Acceptance Agreement executed by the parties to such assignment, together with each Note subject to such assignment, the Agent shall record the information contained therein in the Register. Within five (5) Business Days after receipt of notice of such assignment from Agent, the Borrower, at its own expense, shall execute and deliver to the Agent, in exchange for each surrendered Note, a new Note to the order of such assignee in an amount equal to the amount assigned to such assignee pursuant to such Assignment and Acceptance Agreement and, if the assigning Lender has retained some portion of its obligations hereunder, a new Note to the order of the assigning Lender in an amount equal to the amount retained by it hereunder. Such new Notes shall provide that they are replacements for the surrendered Notes, shall be in an aggregate principal amount equal to the aggregate principal

amount of the surrendered Notes, shall be dated the effective date of such Assignment and Acceptance Agreement and shall otherwise be in substantially the form of the assigned Notes. The surrendered Notes shall be canceled and returned to the Borrower.

§18.4 Participations. Each Lender may sell participations to one or more Lenders or other entities in all or a portion of such Lender's rights and obligations under this Agreement and the other Loan Documents; provided that (a) any such sale or participation shall not affect the rights and duties of the selling Lender hereunder, (b) such participation shall not entitle such participant to any rights or privileges under this Agreement or any Loan Documents, including without limitation, rights granted to the Lenders under §4.8, §4.9 and §4.10, (c) such participation shall not entitle the participant to the right to approve waivers, amendments or modifications, (d) such participant shall have no direct rights against the Borrower, (e) such sale is effected in accordance with all Applicable Laws, and (f) such participant shall not be (i) a Person controlling, controlled by or under common control with, or which is not otherwise free from influence or control by any of the Borrower or any Guarantor or (ii) a Defaulting Lender or an Affiliate of a Defaulting Lender; provided, however, such Lender may agree with the participant that it will not, without the consent of the participant, agree to (i) increase, or extend the term or extend the time or waive any requirement for the reduction or termination of, such Lender's Commitment, (ii) extend the date fixed for the payment of principal of or interest on the Loans or portions thereof owing to such Lender (other than pursuant to an extension of the Revolving Credit Maturity Date pursuant to §2.12), (iii) reduce the amount of any such payment of principal, (iv) reduce the rate at which interest is payable thereon or (v) release any Guarantor (except as otherwise permitted under this Agreement). Any Lender which sells a participation shall promptly notify the Agent of such sale and the identity of the purchaser of such interest. In addition, each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each participant's interest in the Loans or other obligations under the Loan Documents (the "Participant Register"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any participant or any information relating to a participant's interest in any Commitments, Loans, or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such Commitment, Loan, or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Agent (in its capacity as Agent) shall have no responsibility for maintaining a Participant Register.

§18.5 Pledge by Lender. Any Lender may at any time pledge all or any portion of its interest and rights under this Agreement (including all or any portion of its Note) to any of the twelve Federal Reserve Banks organized under §4 of the Federal Reserve Act, 12 U.S.C. §341, any other central bank having jurisdiction over such Lender or to such other Person as the Agent may approve to secure obligations of such Lenders. No such pledge or the enforcement thereof shall release the pledgor Lender from its obligations hereunder or under any of the other Loan Documents.

§18.6 No Assignment by Borrower. The Borrower shall not assign or transfer any of its rights or obligations under this Agreement without the prior written consent of each of the Lenders.

§18.7 Disclosure. Borrower agrees to promptly cooperate with any Lender in connection with any proposed assignment or participation of all or any portion of its Commitment. The Borrower agrees that in addition to disclosures made in accordance with standard banking practices any Lender may disclose information obtained by such Lender pursuant to this Agreement to assignees or participants and potential assignees or participants hereunder provided such Persons are advised of the provisions of this §18.7. Each Lender agrees for itself that it shall use reasonable efforts in accordance with its customary procedures to hold confidential all non-public information obtained from Parent, Borrower or any other Guarantor that has been identified verbally or in writing as confidential by any of them, and shall use reasonable efforts in accordance with its customary procedures to not disclose such information to any other Person, it being understood and agreed that, notwithstanding the foregoing, a Lender may make (a) disclosures to its participants (provided such Persons are advised of the provisions of this §18.7), (b) disclosures to its directors, officers, employees, Affiliates, accountants, appraisers, legal counsel and other professional advisors of such Lender (provided that such Persons who are not employees of such Lender are advised of the provision of this §18.7), (c) disclosures customarily provided or reasonably required by any potential or actual bona fide assignee, transferee or participant or their respective directors, officers, employees, Affiliates, accountants, appraisers, legal counsel and other professional advisors in connection with a potential or actual assignment or transfer by such Lender of any Loans or any participations therein (provided such Persons are advised of the provisions of this §18.7), (d) disclosures to bank regulatory authorities or self-regulatory bodies with jurisdiction over such Lender, or (e) disclosures required or requested by any other Governmental Authority or representative thereof or pursuant to legal process; provided that, unless specifically prohibited by Applicable Law or court order, each Lender shall notify Borrower of any request by any Governmental Authority or representative thereof prior to disclosure (other than any such request in connection with any examination of such Lender by such government authority) for disclosure of any such non-public information prior to disclosure of such information. In addition, each Lender may make disclosure of such information to any contractual counterparty in swap agreements or such contractual counterparty's professional advisors (provided such contractual counterparty or professional advisors are advised of the provisions of this §18.7). In addition, the Agent and the Lenders may disclose the existence of this Agreement and information about this Agreement to market data collectors and similar service providers to the lending industry; provided that such information is limited to deal terms and other information customarily found in publications produced by such Persons. Non-public information shall not include any information which is or subsequently becomes publicly available other than as a result of a disclosure of such information by a Lender, or prior to the delivery to such Lender is within the possession of such Lender if such information is not known by such Lender to be subject to another confidentiality agreement with or other obligations of secrecy to Parent, the Borrower or the other Guarantors, or is disclosed with the prior approval of Borrower. Nothing herein shall prohibit the disclosure of non-public information to the extent necessary to enforce the Loan Documents.

§18.8 Amendments to Loan Documents. Upon any such assignment or participation, the Borrower and the Guarantors shall, upon the request of the Agent, enter into such documents as

may be reasonably required by the Agent to modify the Loan Documents to reflect such assignment or participation.

§18.9 Mandatory Assignment. In the event the Borrower requests that certain amendments, modifications or waivers be made to this Agreement or any of the other Loan Documents which request is approved by Agent but is not approved by one or more of the Lenders (any such non-consenting Lender shall hereafter be referred to as the "Non-Consenting Lender"), then, within sixty (60) Business Days after the Borrower's receipt of notice of such disapproval by such Non-Consenting Lender, the Borrower shall have the right as to such Non-Consenting Lender, to be exercised by delivery of written notice delivered to the Agent and the Non-Consenting Lender within sixty (60) Business Days of receipt of such notice, to elect to cause the Non-Consenting Lender to transfer its Commitment. The Agent shall promptly notify the remaining Lenders that each of such Lenders shall have the right, but not the obligation, to acquire a portion of the Commitment, pro rata based upon their relevant Commitment Percentages, of the Non-Consenting Lender (or if any of such Lenders does not elect to purchase its pro rata share, then to such remaining Lenders in such proportion as approved by the Agent). In the event that the Lenders do not elect to acquire all of the Non-Consenting Lender's Commitment, then the Agent shall endeavor to find a new Lender or Lenders to acquire such remaining Commitment. Upon any such purchase of the Commitment of the Non-Consenting Lender, the Non-Consenting Lender's interests in the Obligations and its rights and obligations hereunder and under the Loan Documents shall terminate at the date of purchase, and the Non-Consenting Lender shall promptly execute and deliver any and all documents reasonably requested by Agent to surrender and transfer such interest, including, without limitation, an Assignment and Acceptance Agreement in the form attached hereto as Exhibit G and such Non-Consenting Lender's original Note. The purchase price for the Non-Consenting Lender's Commitment shall equal any and all amounts outstanding and owed by the Borrower to the Non-Consenting Lender, including principal and all accrued and unpaid interest or fees, plus any applicable amounts payable pursuant to §4.8 which would be owed to such Non-Consenting Lender if the Loans were to be repaid in full on the date of such purchase of the Non-Consenting Lender's Commitment (provided that the Borrower may pay to such Non-Consenting Lender any interest, fees or other amounts (other than principal) owing to such Non-Consenting Lender).

§18.10 Titled Agents. The Titled Agents shall not have any additional rights or obligations under the Loan Documents, except for those rights, if any, as a Lender.

§19. NOTICES.

(a) Each notice, demand, election or request provided for or permitted to be given pursuant to this Agreement (hereinafter in this §19 referred to as "Notice"), but specifically excluding to the maximum extent permitted by law any notices of the institution or commencement of foreclosure proceedings, must be in writing and shall be deemed to have been properly given or served by personal delivery or by sending same by overnight courier or by depositing same in the United States Mail, postpaid and registered or certified, return receipt requested, or as expressly permitted herein, by telecopy, and addressed as follows:

If to the Agent or KeyBank:

KeyBank National Association
127 Public Square, 8th Floor
Cleveland, Ohio 44114
Mail Code: OH-01-27-0844
Attn: Mr. Jason Weaver
Telecopy No.: (216) 689- 5819

With a copy to:

KeyBank National Association
4910 Tiedeman Road, 3rd Floor
Brooklyn, Ohio 44144
Mail Code: OH-01-51-0311
Attn: Rosemarie Borrelli
Telecopy No.: (216) 357- 6383

and

Dentons US LLP
Suite 5300
303 Peachtree Street, N.E.
Atlanta, Georgia 30308
Attn: Suneet Sidhu, Esq.
Telecopy No.: (404) 527-4198

If to the Borrower:

Gladstone Commercial Limited Partnership
1521 Westbranch Drive
Suite 100
McLean, Virginia 22102
Attn: Michael Sodo
Telecopy No.: (703) 287-5901

With a copy to:

Blank Rome LLP
1825 Eye Street, NW
Washington, D.C. 20006
Attn: Elaine Scivetti

to any other Lender which is a party hereto, at the address for such Lender set forth on its signature page hereto, and to any Lender which may hereafter become a party to this Agreement, at such address as may be designated by such Lender. Each Notice shall be effective upon being personally delivered or upon being sent by overnight courier or upon being deposited in the United

States Mail as aforesaid, or if transmitted by telecopy is permitted, upon being sent and confirmation of receipt. The time period in which a response to such Notice must be given or any action taken with respect thereto (if any), however, shall commence to run from the date of receipt if personally delivered or sent by overnight courier, or if so deposited in the United States Mail, the earlier of three (3) Business Days following such deposit or the date of receipt as disclosed on the return receipt. Rejection or other refusal to accept or the inability to deliver because of changed address for which no notice was given shall be deemed to be receipt of the Notice sent. By giving at least fifteen (15) days prior Notice thereof, the Borrower, a Lender or Agent shall have the right from time to time and at any time during the term of this Agreement to change their respective addresses and each shall have the right to specify as its address any other address within the United States of America.

(b) Loan Documents and notices under the Loan Documents may, with Agent's approval, be transmitted and/or signed by facsimile and by signatures delivered in "PDF" format by electronic mail. The effectiveness of any such documents and signatures shall, subject to Applicable Law, have the same force and effect as an original copy with manual signatures and shall be binding on the Borrower, the Guarantors, Agent and Lenders. Agent may also require that any such documents and signature delivered by facsimile or "PDF" format by electronic mail be confirmed by a manually-signed original thereof; provided, however, that the failure to request or deliver any such manually-signed original shall not affect the effectiveness of any facsimile or "PDF" document or signature.

(c) Notices and other communications to the Agent, the Lenders and the Issuing Lender hereunder may be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites) pursuant to procedures approved by the Agent, provided that the foregoing shall not apply to notices to any Lender or Issuing Lender pursuant to §2 if such Lender or Issuing Lender, as applicable, has notified the Agent that it is incapable of receiving notices under such Section by electronic communication. The Agent or the Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications. Unless the Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient, at its e-mail address as described in the foregoing clause (i), of notification that such notice or communication is available and identifying the website address therefor; provided that, for both clauses (i) and (ii) above, if such notice, e-mail or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient.

§20. RELATIONSHIP.

Neither the Agent nor any Lender has any fiduciary relationship with or fiduciary duty to the Borrower, the Guarantors or their respective Subsidiaries arising out of or in connection with this Agreement or the other Loan Documents or the transactions contemplated hereunder and

thereunder, and the relationship between each Lender and Agent, and the Borrower is solely that of a lender and borrower, and nothing contained herein or in any of the other Loan Documents shall in any manner be construed as making the parties hereto partners, joint venturers or any other relationship other than lender and borrower.

§21. GOVERNING LAW; CONSENT TO JURISDICTION AND SERVICE.

THIS AGREEMENT AND EACH OF THE OTHER LOAN DOCUMENTS, EXCEPT AS OTHERWISE SPECIFICALLY PROVIDED HEREIN OR THEREIN, SHALL, PURSUANT TO NEW YORK GENERAL OBLIGATIONS LAW SECTION 5-1401, BE GOVERNED BY THE LAWS OF THE STATE OF NEW YORK. THE BORROWER AGREES THAT ANY SUIT FOR THE ENFORCEMENT OF THIS AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS MAY BE BROUGHT IN ANY COURT OF COMPETENT JURISDICTION IN THE STATE OF NEW YORK (INCLUDING ANY FEDERAL COURT SITTING THEREIN). THE BORROWER FURTHER ACCEPTS, GENERALLY AND UNCONDITIONALLY, THE NON-EXCLUSIVE JURISDICTION OF SUCH COURTS AND ANY RELATED APPELLATE COURT AND IRREVOCABLY (i) AGREES TO BE BOUND BY ANY JUDGMENT RENDERED THEREBY WITH RESPECT TO THIS AGREEMENT AND ANY OF THE OTHER LOAN DOCUMENTS AND (ii) WAIVES ANY OBJECTION IT MAY NOW OR HEREAFTER HAVE AS TO THE VENUE OF ANY SUCH PROCEEDING BROUGHT IN SUCH A COURT OR THAT SUCH A COURT IS AN INCONVENIENT FORUM. THE BORROWER FURTHER AGREES THAT SERVICE OF PROCESS IN ANY SUCH SUIT MAY BE MADE UPON THE BORROWER BY MAIL AT THE ADDRESS SPECIFIED IN SECTION 19 HEREOF. IN ADDITION TO THE COURTS OF THE STATE OF NEW YORK OR ANY FEDERAL COURT SITTING THEREIN, THE AGENT OR ANY LENDER MAY BRING ACTION(S) FOR ENFORCEMENT ON A NONEXCLUSIVE BASIS WHERE ANY ASSETS OF BORROWER OR ANY GUARANTOR EXIST AND THE BORROWER CONSENTS TO THE NONEXCLUSIVE JURISDICTION OF SUCH COURTS AND THE SERVICE OF PROCESS IN ANY SUCH SUIT BEING MADE UPON THE BORROWER BY MAIL AT THE ADDRESS SPECIFIED IN SECTION 19 HEREOF.

§22. HEADINGS.

The captions in this Agreement are for convenience of reference only and shall not define or limit the provisions hereof.

§23. COUNTERPARTS.

This Agreement and any amendment hereof may be executed in several counterparts and by each party on a separate counterpart, each of which when so executed and delivered shall be an original, and all of which together shall constitute one instrument. In proving this Agreement it shall not be necessary to produce or account for more than one such counterpart signed by the party against whom enforcement is sought.

§24. ENTIRE AGREEMENT, ETC.

This Agreement and the Loan Documents is intended by the parties as the final, complete and exclusive statement of the transactions evidenced by this Agreement and the Loan Documents. All prior or contemporaneous promises, agreements and understandings, whether oral or written, are deemed to be superseded by this Agreement and the Loan Documents, and no party is relying on any promise, agreement or understanding not set forth in this Agreement and the Loan Documents. Neither this Agreement nor any term hereof may be changed, waived, discharged or terminated, except as provided in §27.

§25. WAIVER OF JURY TRIAL AND CERTAIN DAMAGE CLAIMS.

EACH OF THE BORROWER, PARENT, THE AGENT AND THE LENDERS HEREBY WAIVES ITS RIGHT TO A JURY TRIAL WITH RESPECT TO ANY ACTION OR CLAIM ARISING OUT OF ANY DISPUTE IN CONNECTION WITH THIS AGREEMENT, ANY NOTE OR ANY OF THE OTHER LOAN DOCUMENTS, ANY RIGHTS OR OBLIGATIONS HEREUNDER OR THEREUNDER OR THE PERFORMANCE OF SUCH RIGHTS AND OBLIGATIONS. THE BORROWER HEREBY WAIVES ANY RIGHT IT MAY HAVE TO CLAIM OR RECOVER IN ANY SUCH LITIGATION ANY SPECIAL, INDIRECT OR CONSEQUENTIAL DAMAGES AND TO THE EXTENT PERMITTED BY APPLICABLE LAW, PUNITIVE OR ANY DAMAGES OTHER THAN, OR IN ADDITION TO, ACTUAL DAMAGES. EACH OF THE BORROWER AND PARENT (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY LENDER OR THE AGENT HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH LENDER OR THE AGENT WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVERS AND (B) ACKNOWLEDGES THAT THE AGENT AND THE LENDERS HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS TO WHICH THEY ARE PARTIES BY, AMONG OTHER THINGS, THE WAIVERS AND CERTIFICATIONS CONTAINED IN THIS §25. EACH OF THE BORROWER AND PARENT ACKNOWLEDGES THAT IT HAS HAD AN OPPORTUNITY TO REVIEW THIS §25 WITH LEGAL COUNSEL AND THAT EACH OF THE BORROWER AND PARENT AGREES TO THE FOREGOING AS ITS FREE, KNOWING AND VOLUNTARY ACT.

§26. DEALINGS WITH THE BORROWER.

The Agent, the Lenders and their affiliates may accept deposits from, extend credit to, invest in, act as trustee under indentures of, serve as financial advisor of, and generally engage in any kind of banking, trust or other business with the Borrower, the Guarantors and their respective Subsidiaries or any of their Affiliates regardless of the capacity of the Agent or the Lender hereunder. The Lenders acknowledge that, pursuant to such activities, KeyBank or its Affiliates may receive information regarding such Persons (including information that may be subject to confidentiality obligations in favor of such Person) and acknowledge that the Agent shall be under no obligation to provide such information to them. Borrower acknowledges, on behalf of itself and its Affiliates, that the Agent and each of the Lenders and their respective Affiliates may be providing debt financing, equity capital or other services (including financial advisory services) in

which Borrower and its Affiliates may have conflicting interests regarding the transactions described herein and otherwise. Neither the Agent nor any Lender will use confidential information described in §18.7 obtained from Borrower by virtue of the transactions contemplated hereby or its other relationships with Borrower and its Affiliates in connection with the performance by the Agent or such Lender or their respective Affiliates of services for other companies, and neither the Agent nor any Lender nor their Affiliates will furnish any such information to other companies. Borrower, on behalf of itself and its Affiliates, also acknowledges that neither the Agent nor any Lender has any obligation to use in connection with the transactions contemplated hereby, or to furnish to Borrower, confidential information obtained from other companies. Borrower, on behalf of itself and its Affiliates, further acknowledges that one or more of the Agent and Lenders and their respective Affiliates may be a full service securities firm and may from time to time effect transactions, for its own or its Affiliates' account or the account of customers, and hold positions in loans, securities or options on loans or securities of Borrower and its Affiliates.

§27. CONSENTS, AMENDMENTS, WAIVERS, ETC.

Except as otherwise expressly provided in this Agreement (including, without limitation, in §4.17), any consent or approval required or permitted by this Agreement may be given, and any term of this Agreement or of any other instrument related hereto or mentioned herein may be amended, and the performance or observance by the Borrower or the Guarantors of any terms of this Agreement or such other instrument or the continuance of any Default or Event of Default may be waived (either generally or in a particular instance and either retroactively or prospectively) with, but only with, the written consent of the Required Lenders; provided, however, that the Agreement Regarding Fees may be amended or otherwise modified, or rights or privileges thereunder waived, in a writing executed by the parties thereto only. Notwithstanding the foregoing, none of the following may occur without the written consent of: (a) in the case of a reduction in the rate of interest on the Notes (other than a reduction or waiver of default interest), the consent of each Lender holding a Note affected by such interest rate reduction; (b)(i) in the case of an increase in the Revolving Credit Commitment, Term Loan A Commitment, Term Loan B Commitment or the amount of the Commitments of any Lender, the consent of such Lender whose Commitment is increased, or (ii) in the case of any increase in the Total Commitment, each Lender (except, in each case, as provided in §2.11 and §18.1); (c) in the case of a forgiveness, reduction or waiver of the principal of any unpaid Loan or any interest thereon or fee payable under the Loan Documents, the consent of each Lender that would have otherwise received such principal, interest or fee; (d) in the case of a change in the amount of any fee payable to a Lender hereunder, the consent of each Lender to which such fee would otherwise be owed; (e) in the case of the postponement of any date fixed for any payment of principal of or interest on the Loan, the consent of each Lender that would otherwise have received such principal or interest at such earlier fixed date; (f) in the case of an extension of the Revolving Credit Maturity Date (except as provided in §2.12), the Term Loan A Maturity Date or the Term Loan B Maturity Date, each Lender whose Commitment is thereby extended; (g) in the case of a change in the manner of distribution of any payments to the Lenders or the Agent, the consent of each Lender directly affected thereby; (h) the release of the Borrower or any Guarantor except as otherwise provided in this Agreement, the consent of each Lender; (i) in the case of an amendment of the definition of Required Lenders, each Lender, in the case of an amendment of the definition of Required Revolving Credit Lenders, each Revolving Credit Lender, in the case of an amendment to the definition of Required Term

Loan A Lenders, each Term Loan A Lender, and, in the case of an amendment to the definition of Required Term Loan B Lenders, each Term Loan B Lender; (j) in the case of any modification to require a Lender to fund a pro rata share of a request for any advance of the Loan to Borrower other than based on such Lender's Commitment Percentage, the consent of each such Lender thereby required to fund a pro rata share other than based on its Commitment Percentage; (k) in the case of an amendment to this §27, each Lender directly affected thereby; (l) in the case of an amendment of any provision of this Agreement or the Loan Documents which requires the approval of all of the Lenders or the Required Lenders, to require a lesser number of Lenders to approve such action, each Lender, in the case of an amendment of any provision of any Loan Document that requires the approval of the Required Revolving Credit Lenders to require a lesser number of Lenders to approve such action, each Revolving Credit Lender, in the case of an amendment to any provision of the Loan Documents that requires the approval of the Required Term Loan A Lenders to require a lesser number of Lenders to approve such action, each Term Loan A Lender or, in the case of an amendment to any provision of the Loan Documents that requires the approval of the Required Term Loan B Lenders to require a lesser number of Lenders to approve such action, each Term Loan B Lender; or (m)(i) in the case of an amendment or waiver of the conditions contained in §11 as to all Revolving Credit Lenders making any Revolving Credit Loan or issuing any Letter of Credit, the consent of the Required Revolving Credit Lenders, or (ii) in the case of an amendment or waiver of the conditions contained in §11 as to all Term Loan B Lenders making any Term Loan B during the Term Loan B Commitment Period, the consent of the Required Term Loan B Lenders. There shall be no amendment, modification or waiver of any provision in the Loan Documents which result in a modification of the conditions to funding or in increased borrowing availability with respect to the Revolving Credit Commitment without the written consent of the Required Revolving Credit Lenders, the Term Loan A Commitment without the consent of the Required Term Loan A Lenders, the Term Loan B Commitment without the consent of the Required Term Loan B Lenders, nor any amendment, modification or waiver that disproportionately affects the Revolving Credit Lenders, the Term Loan A Lenders or Term Loan B Lenders without the approval of the Required Revolving Credit Lenders, Required Term Loan A Lenders or Required Term Loan B Lenders, respectively. Notwithstanding anything to the contrary herein, no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder (and any amendment, waiver or consent which by its terms requires the consent of all Lenders or each affected Lender may be effected with the consent of the applicable Lenders other than Defaulting Lenders), except that (x) the Commitment of any Defaulting Lender may not be increased or, except as provided in §2.12, extended without the consent of such Lender and (y) any waiver, amendment or modification requiring the consent of all Lenders or each affected Lender that by its terms affects any Defaulting Lender disproportionately adversely relative to other affected Lenders shall require the consent of such Defaulting Lender. The provisions of §14 may not be amended without the written consent of the Agent. There shall be no amendment, modification or waiver of any provision in the Loan Documents with respect to Letters of Credit without the consent of the Issuing Lender. The Borrower agrees to enter into such modifications or amendments of this Agreement or the other Loan Documents as reasonably may be requested by KeyBank in connection with the syndication of the Loan, provided that no such amendment or modification materially affects or increases any of the obligations of the Borrower hereunder. No waiver shall extend to or affect any obligation not expressly waived or impair any right consequent thereon. No course of dealing or delay or omission on the part of the Agent or any Lender in exercising any right shall operate as a waiver

thereof or otherwise be prejudicial thereto. No notice to or demand upon any of the Borrower or the Guarantors shall entitle the Borrower or any Guarantor to other or further notice or demand in similar or other circumstances.

Further notwithstanding anything to the contrary in this §27, if the Agent and the Borrower have jointly identified an ambiguity, omission, mistake, typographical error or other defect in any provision of this Agreement or the other Loan Documents or an inconsistency between provisions of this Agreement and/or the other Loan Documents, the Agent and the Borrower shall be permitted to amend, modify or supplement such provision or provisions to cure such ambiguity, omission, mistake, defect or inconsistency so long as to do so would not adversely affect the interest of the Lenders. Any such amendment, modification or supplement shall become effective without any further action or consent of any of other party to this Agreement. Notwithstanding anything to the contrary in this Agreement, including this §27, this Agreement may be amended by Borrower and Agent to provide for any Commitment Increase in the manner contemplated by §2.11 and the extension of the Revolving Credit Maturity Date as provided in §2.12.

§28. SEVERABILITY.

The provisions of this Agreement are severable, and if any one clause or provision hereof shall be held invalid or unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction, or any other clause or provision of this Agreement in any jurisdiction.

§29. TIME OF THE ESSENCE.

Time is of the essence with respect to each and every covenant, agreement and obligation of the Borrower and the Guarantors under this Agreement and the other Loan Documents.

§30. NO UNWRITTEN AGREEMENTS.

THE LOAN DOCUMENTS REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES. ANY ADDITIONAL TERMS OF THE AGREEMENT BETWEEN THE PARTIES ARE SET FORTH BELOW.

§31. REPLACEMENT NOTES.

Upon receipt of evidence reasonably satisfactory to Borrower of the loss, theft, destruction or mutilation of any Note, and in the case of any such loss, theft or destruction, upon delivery of an indemnity agreement reasonably satisfactory to Borrower or, in the case of any such mutilation, upon surrender and cancellation of the applicable Note, Borrower will execute and deliver, in lieu thereof, a replacement Note, identical in form and substance to the applicable Note and dated as of the date of the applicable Note and upon such execution and delivery all references in the Loan Documents to such Note shall be deemed to refer to such replacement Note.

§32. NO THIRD PARTIES BENEFITED.

This Agreement and the other Loan Documents are made and entered into for the sole protection and legal benefit of the Borrower, the Lenders, the Agent, the Joint-Lead Arrangers and their permitted successors and assigns, and no other Person shall be a direct or indirect legal beneficiary of, or have any direct or indirect cause of action or claim in connection with, this Agreement or any of the other Loan Documents. All conditions to the performance of the obligations of the Agent and the Lenders under this Agreement, including the obligation to make Loans and issue Letters of Credit, are imposed solely and exclusively for the benefit of the Agent and the Lenders and no other Person shall have standing to require satisfaction of such conditions in accordance with their terms or be entitled to assume that the Agent and the Lenders will refuse to make Loans or issue Letters of Credit in the absence of strict compliance with any or all thereof and no other Person shall, under any circumstances, be deemed to be a beneficiary of such conditions, any and all of which may be freely waived in whole or in part by the Agent and the Lenders at any time if in their sole discretion they deem it desirable to do so. In particular, the Agent and the Lenders make no representations and assume no obligations as to third parties concerning the quality of the construction by the Borrower or any of its Subsidiaries of any development or the absence therefrom of defects.

§33. PATRIOT ACT.

Each Lender and the Agent (for itself and not on behalf of any Lender) hereby notifies Borrower and Guarantors that, pursuant to the requirements of the Patriot Act, it is required to obtain, verify and record information that identifies Borrower and the Guarantors, which information includes names and addresses and other information that will allow such Lender or the Agent, as applicable, to identify Borrower and the Guarantors in accordance with the Patriot Act.

§34. ACKNOWLEDGEMENT AND CONSENT TO BAIL-IN OF AFFECTED FINANCIAL INSTITUTIONS. Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Affected Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the write-down and conversion powers of the applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by the applicable Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an Affected Financial Institution; and

(b) the effects of any Bail-In Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other

instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of the applicable Resolution Authority.

§35. AMENDMENT AND RESTATEMENT OF LOAN DOCUMENTS.

Any payment that is due and payable to any Lender under the Original Credit Agreement as of the date of this Agreement shall be due and payable in the amount determined pursuant to the Original Credit Agreement for periods prior to the Closing Date on the next payment date for such interest or fee set forth in this Agreement.

§36. WAIVER OF CLAIMS.

Borrower and Parent acknowledge, represent and agree that Borrower and Guarantors as of the date hereof have no defenses, setoffs, claims, counterclaims or causes of action of any kind or nature whatsoever with respect to the "Loan Documents" (as defined in the Original Credit Agreement and this Agreement), the administration or funding of the "Loans" (as defined in the Original Credit Agreement and this Agreement), or with respect to any acts or omissions of Agent or any past or present directors, officers, agents or employees of Agent or any of the Lenders, whether under the Original Credit Agreement or this Agreement or the Loan Documents, and each of Borrower and Parent does hereby expressly waive, release and relinquish any and all such defenses, setoffs, claims, counterclaims and causes of action, if any.

§37. ACKNOWLEDGEMENT REGARDING ANY SUPPORTED QFCs.

To the extent that the Loan Documents provide support, through a guarantee or otherwise, for a Derivatives Contract or any other agreement or instrument that is a QFC (such support, "QFC Credit Support" and each such QFC a "Supported QFC"), the parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the "U.S. Special Resolution Regimes") in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Loan Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York and/or of the United States or any other state of the United States):

In the event a Covered Entity that is party to a Supported QFC (each, a "Covered Party") becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Loan Documents that might

otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Loan Documents were governed by the laws of the United States or a state of the United States. Without limitation of the foregoing, it is understood and agreed that rights and remedies of the parties with respect to a Defaulting Lender shall in no event affect the rights of any Covered Party with respect to a Supported QFC or any QFC Credit Support.

[SIGNATURES BEGIN ON FOLLOWING PAGE]

IN WITNESS WHEREOF, each of the undersigned have caused this Agreement to be executed by its duly authorized representatives as of the date first set forth above.

BORROWER:

GLADSTONE COMMERCIAL LIMITED PARTNERSHIP, a Delaware limited partnership

By: GCLP Business Trust II, a Massachusetts business trust, its sole general partner

By: _____
Name: Robert Cuttip
Title: Trustee

By: _____
Name: Michael Soda
Title: Trustee

(SEAL)

PARENT:

GLADSTONE COMMERCIAL CORPORATION, a Maryland corporation

By: _____
Name: Robert Cuttip
Title: President

(SEAL)

[Signatures Continued on Next Page]

LENDERS:

KEYBANK NATIONAL ASSOCIATION,
individually and as Agent

By: Angela Kara
Name: Angela Kara
Title: Vice President

[Signatures Continued on Next Page]

FIFTH THIRD BANK, National Association

By: _____
Name: James Britz
Title: Vice President

Address for Notices:

Fifth Third Bank
222 S. Riverside Plaza, MD: GRVR1B
Chicago, Illinois 60606
Attention: Casey Ciccone
Telephone: 312-704-6206
Facsimile: 312-704-4375

[Signatures Continued on Next Page]

THE HUNTINGTON NATIONAL BANK

By: Rebecca Stirnkorb
Name:
Title:

Digitally signed by Rebecca Stirnkorb
Date: 2021.02.05 14:17:37 -05'00'

Address for Notices:

The Huntington National Bank
200 Public Square, CM-17
Cleveland, Ohio 44114
Attention: Artis Arnold
Telephone: 216-515-0398

[Signatures Continued on Next Page]

U.S. BANK NATIONAL ASSOCIATION

By: Karrie L Gardner
Name: Karrie L Gardner
Title: Vice President

Address for Notices:

U.S. Bank National Association
1650 Tysons Boulevard, Suite 250
McLean, Virginia 22102
Attention: Timothy J. Tillman
Telephone: 703-442-5491

[Signatures Continued on Next Page]

WELLS FARGO BANK, NATIONAL ASSOCIATION

By:_____
Name: Scott S. Solis
Title: Managing Director

Address for Notices:

Wells Fargo Bank, National Association
550 S Tryon St
Charlotte, NC 28202
Attention: Matthew Kuhn
Telephone: 704-410-2459
Facsimile: 704-383-6205

[Signatures Continued on Next Page]

GOLDMAN SACHS BANK USA

By:_____
Name: Kevin W Raisch
Title: Authorized Signatory

Address for Notices:

Goldman Sachs Bank USA
200 West Street
New York, NY 10282
Attention: Mahesh Mohan
Telephone: 212-902-1099
Facsimile: 917-977-3966

EXHIBIT A-1

FORM OF [AMENDED AND RESTATED] REVOLVING CREDIT NOTE

$_____ _____ ___, 2021

FOR VALUE RECEIVED, the undersigned, GLADSTONE COMMERCIAL LIMITED PARTNERSHIP, a Delaware limited partnership ("Maker"), hereby promises to pay to _____ ("Payee"), or order, in accordance with the terms of that certain Third Amended and Restated Credit Agreement, dated as of February 11, 2021, as from time to time in effect, by and among Maker, Gladstone Commercial Corporation, KeyBank National Association, for itself and as Agent, and such other Lenders as may be from time to time named therein (the "Credit Agreement"), to the extent not sooner paid, on or before the Revolving Credit Maturity Date, the principal sum of _____ ($_____), or such amount as may be advanced by the Payee under the Credit Agreement as a Revolving Credit Loan with daily interest from the date thereof, computed as provided in the Credit Agreement, on the principal amount hereof from time to time unpaid, at a rate per annum on each portion of the principal amount which shall at all times be equal to the rate of interest applicable to such portion in accordance with the Credit Agreement, and with interest on overdue principal and, to the extent permitted by Applicable Law, on overdue installments of interest and late charges at the rates provided in the Credit Agreement. Interest shall be payable on the dates specified in the Credit Agreement, except that all accrued interest shall be paid at the stated or accelerated maturity hereof or upon the prepayment in full hereof. Capitalized terms used herein and not otherwise defined herein shall have the meanings set forth in the Credit Agreement.

Payments hereunder shall be made to the Agent for the Payee at 127 Public Square, Cleveland, Ohio 44114-1306, or at such other address as Agent may designate from time to time.

This Note is one of one or more Revolving Credit Notes evidencing borrowings under and is entitled to the benefits and subject to the provisions of the Credit Agreement. The principal of this Note may be due and payable in whole or in part prior to the Revolving Credit Maturity Date and is subject to mandatory prepayment in the amounts and under the circumstances set forth in the Credit Agreement, and may be prepaid in whole or from time to time in part, all as set forth in the Credit Agreement.

Notwithstanding anything in this Note to the contrary, all agreements between the undersigned Maker and the Lenders and the Agent, whether now existing or hereafter arising and whether written or oral, are hereby limited so that in no contingency, whether by reason of acceleration of the maturity of any of the Obligations or otherwise, shall the interest contracted for, charged or received by the Lenders exceed the maximum amount permissible under Applicable Law. If, from any circumstance whatsoever, interest would otherwise be payable to the Lenders in excess of the maximum lawful amount, the interest payable to the Lenders shall be reduced to the maximum amount permitted under Applicable Law; and if from any circumstance the Lenders shall ever receive anything of value deemed interest by Applicable Law in excess of the maximum lawful amount, an amount equal to any excessive interest shall be applied to the reduction of the principal balance of the Obligations of the undersigned Maker and to the payment of interest or, if such excessive interest exceeds the unpaid balance of principal of the Obligations

of the undersigned Maker, such excess shall be refunded to the undersigned Maker. All interest paid or agreed to be paid to the Lenders shall, to the extent permitted by Applicable Law, be amortized, prorated, allocated and spread throughout the full period until payment in full of the principal of the Obligations of the undersigned Maker (including the period of any renewal or extension thereof) so that the interest thereon for such full period shall not exceed the maximum amount permitted by Applicable Law. This paragraph shall control all agreements between the undersigned Maker and the Lenders and the Agent.

In case an Event of Default shall occur, the entire principal amount of this Note may become or be declared due and payable in the manner and with the effect provided in said Credit Agreement.

This Note shall, pursuant to New York General Obligations Law Section 5-1401, be governed by the laws of the State of New York.

[This Note and certain other Notes being executed contemporaneously herewith are delivered in amendment and restatement of the "Revolving Credit Notes" as such term is defined in the Original Credit Agreement.][1]

The undersigned Maker and all guarantors and endorsers hereby waive presentment, demand, notice, protest, notice of intention to accelerate the indebtedness evidenced hereby, notice of acceleration of the indebtedness evidenced hereby and all other demands and notices in connection with the delivery, acceptance, performance and enforcement of this Note, except as specifically otherwise provided in the Credit Agreement, and assent to extensions of time of payment or forbearance or other indulgence without notice.

[Signatures Appear on Next Page]

[1] To be included for notes issued on the Closing Date to the existing Lenders under the Original Credit Agreement.

IN WITNESS WHEREOF, the undersigned has by its duly authorized officer executed this Note on the day and year first above written.

GLADSTONE COMMERCIAL LIMITED PARTNERSHIP, a Delaware limited partnership

By: GCLP Business Trust II, a Massachusetts business trust, its sole general partner

By:_____
Name:_____
Title:_____

By:_____
Name:_____
Title:_____

(SEAL)

EXHIBIT A-2

FORM OF [AMENDED AND RESTATED] TERM LOAN A NOTE

$_____ _____ ___, 2021

FOR VALUE RECEIVED, the undersigned, GLADSTONE COMMERCIAL LIMITED PARTNERSHIP, a Delaware limited partnership ("Maker"), hereby promises to pay to _____ ("Payee"), or order, in accordance with the terms of that certain Third Amended and Restated Credit Agreement, dated as of February 11, 2021, as from time to time in effect, by and among Maker, Gladstone Commercial Corporation, KeyBank National Association, for itself and as Agent, and such other Lenders as may be from time to time named therein (the "Credit Agreement"), to the extent not sooner paid, on or before the Term Loan A Maturity Date, the principal sum of _____ ($_____), or such amount as may be advanced by the Payee under the Credit Agreement as a Term Loan A with daily interest from the date thereof, computed as provided in the Credit Agreement, on the principal amount hereof from time to time unpaid, at a rate per annum on each portion of the principal amount which shall at all times be equal to the rate of interest applicable to such portion in accordance with the Credit Agreement, and with interest on overdue principal and, to the extent permitted by Applicable Law, on overdue installments of interest and late charges at the rates provided in the Credit Agreement. Interest shall be payable on the dates specified in the Credit Agreement, except that all accrued interest shall be paid at the stated or accelerated maturity hereof or upon the prepayment in full hereof. Capitalized terms used herein and not otherwise defined herein shall have the meanings set forth in the Credit Agreement.

Payments hereunder shall be made to the Agent for the Payee at 127 Public Square, Cleveland, Ohio 44114-1306, or at such other address as Agent may designate from time to time.

This Note is one of one or more Term Loan A Notes evidencing borrowings under and is entitled to the benefits and subject to the provisions of the Credit Agreement. The principal of this Note may be due and payable in whole or in part prior to the Term Loan A Maturity Date and is subject to mandatory prepayment in the amounts and under the circumstances set forth in the Credit Agreement, and may be prepaid in whole or from time to time in part, all as set forth in the Credit Agreement.

Notwithstanding anything in this Note to the contrary, all agreements between the undersigned Maker and the Lenders and the Agent, whether now existing or hereafter arising and whether written or oral, are hereby limited so that in no contingency, whether by reason of acceleration of the maturity of any of the Obligations or otherwise, shall the interest contracted for, charged or received by the Lenders exceed the maximum amount permissible under Applicable Law. If, from any circumstance whatsoever, interest would otherwise be payable to the Lenders in excess of the maximum lawful amount, the interest payable to the Lenders shall be reduced to the maximum amount permitted under Applicable Law; and if from any circumstance the Lenders shall ever receive anything of value deemed interest by Applicable Law in excess of the maximum lawful amount, an amount equal to any excessive interest shall be applied to the reduction of the principal balance of the Obligations of the undersigned Maker and to the payment of interest or, if such excessive interest exceeds the unpaid balance of principal of the Obligations

of the undersigned Maker, such excess shall be refunded to the undersigned Maker. All interest paid or agreed to be paid to the Lenders shall, to the extent permitted by Applicable Law, be amortized, prorated, allocated and spread throughout the full period until payment in full of the principal of the Obligations of the undersigned Maker (including the period of any renewal or extension thereof) so that the interest thereon for such full period shall not exceed the maximum amount permitted by Applicable Law. This paragraph shall control all agreements between the undersigned Maker and the Lenders and the Agent.

In case an Event of Default shall occur, the entire principal amount of this Note may become or be declared due and payable in the manner and with the effect provided in said Credit Agreement.

This Note shall, pursuant to New York General Obligations Law Section 5-1401, be governed by the laws of the State of New York.

[This Note and certain other Notes being executed contemporaneously herewith are delivered in amendment and restatement of the "Term Loan Notes" as such term is defined in the Original Credit Agreement.][2]

The undersigned Maker and all guarantors and endorsers hereby waive presentment, demand, notice, protest, notice of intention to accelerate the indebtedness evidenced hereby, notice of acceleration of the indebtedness evidenced hereby and all other demands and notices in connection with the delivery, acceptance, performance and enforcement of this Note, except as specifically otherwise provided in the Credit Agreement, and assent to extensions of time of payment or forbearance or other indulgence without notice.

[Signatures Appear on Next Page]

[2] To be included for notes issued on the Closing Date to the existing Lenders under the Original Credit Agreement.

IN WITNESS WHEREOF, the undersigned has by its duly authorized officer executed this Note on the day and year first above written.

GLADSTONE COMMERCIAL LIMITED PARTNERSHIP, a Delaware limited partnership

By: GCLP Business Trust II, a Massachusetts business trust, its sole general partner

By:_____
Name:_____
Title:_____

By:_____
Name:_____
Title:_____

(SEAL)

EXHIBIT A-3

FORM OF TERM LOAN B NOTE

$_____ _____ ___, 2021

FOR VALUE RECEIVED, the undersigned, GLADSTONE COMMERCIAL LIMITED PARTNERSHIP, a Delaware limited partnership ("Maker"), hereby promises to pay to _____ ("Payee"), or order, in accordance with the terms of that certain Third Amended and Restated Credit Agreement, dated as of February 11, 2021, as from time to time in effect, by and among Maker, Gladstone Commercial Corporation, KeyBank National Association, for itself and as Agent, and such other Lenders as may be from time to time named therein (the "Credit Agreement"), to the extent not sooner paid, on or before the Term Loan B Maturity Date, the principal sum of _____ ($_____), or such amount as may be advanced by the Payee under the Credit Agreement as a Term Loan B with daily interest from the date thereof, computed as provided in the Credit Agreement, on the principal amount hereof from time to time unpaid, at a rate per annum on each portion of the principal amount which shall at all times be equal to the rate of interest applicable to such portion in accordance with the Credit Agreement, and with interest on overdue principal and, to the extent permitted by Applicable Law, on overdue installments of interest and late charges at the rates provided in the Credit Agreement. Interest shall be payable on the dates specified in the Credit Agreement, except that all accrued interest shall be paid at the stated or accelerated maturity hereof or upon the prepayment in full hereof. Capitalized terms used herein and not otherwise defined herein shall have the meanings set forth in the Credit Agreement.

Payments hereunder shall be made to the Agent for the Payee at 127 Public Square, Cleveland, Ohio 44114-1306, or at such other address as Agent may designate from time to time.

This Note is one of one or more Term Loan B Notes evidencing borrowings under and is entitled to the benefits and subject to the provisions of the Credit Agreement. The principal of this Note may be due and payable in whole or in part prior to the Term Loan B Maturity Date and is subject to mandatory prepayment in the amounts and under the circumstances set forth in the Credit Agreement, and may be prepaid in whole or from time to time in part, all as set forth in the Credit Agreement.

Notwithstanding anything in this Note to the contrary, all agreements between the undersigned Maker and the Lenders and the Agent, whether now existing or hereafter arising and whether written or oral, are hereby limited so that in no contingency, whether by reason of acceleration of the maturity of any of the Obligations or otherwise, shall the interest contracted for, charged or received by the Lenders exceed the maximum amount permissible under Applicable Law. If, from any circumstance whatsoever, interest would otherwise be payable to the Lenders in excess of the maximum lawful amount, the interest payable to the Lenders shall be reduced to the maximum amount permitted under Applicable Law; and if from any circumstance the Lenders shall ever receive anything of value deemed interest by Applicable Law in excess of the maximum lawful amount, an amount equal to any excessive interest shall be applied to the reduction of the principal balance of the Obligations of the undersigned Maker and to the payment of interest or, if such excessive interest exceeds the unpaid balance of principal of the Obligations

of the undersigned Maker, such excess shall be refunded to the undersigned Maker. All interest paid or agreed to be paid to the Lenders shall, to the extent permitted by Applicable Law, be amortized, prorated, allocated and spread throughout the full period until payment in full of the principal of the Obligations of the undersigned Maker (including the period of any renewal or extension thereof) so that the interest thereon for such full period shall not exceed the maximum amount permitted by Applicable Law. This paragraph shall control all agreements between the undersigned Maker and the Lenders and the Agent.

In case an Event of Default shall occur, the entire principal amount of this Note may become or be declared due and payable in the manner and with the effect provided in said Credit Agreement.

This Note shall, pursuant to New York General Obligations Law Section 5-1401, be governed by the laws of the State of New York.

The undersigned Maker and all guarantors and endorsers hereby waive presentment, demand, notice, protest, notice of intention to accelerate the indebtedness evidenced hereby, notice of acceleration of the indebtedness evidenced hereby and all other demands and notices in connection with the delivery, acceptance, performance and enforcement of this Note, except as specifically otherwise provided in the Credit Agreement, and assent to extensions of time of payment or forbearance or other indulgence without notice.

[Signatures Appear on Next Page]

IN WITNESS WHEREOF, the undersigned has by its duly authorized officer executed this Note on the day and year first above written.

GLADSTONE COMMERCIAL LIMITED PARTNERSHIP, a Delaware limited partnership

By: GCLP Business Trust II, a Massachusetts business trust, its sole general partner

By:_____
Name:_____
Title:_____

By:_____
Name:_____
Title:_____

(SEAL)

EXHIBIT B

FORM OF JOINDER AGREEMENT

THIS JOINDER AGREEMENT ("Joinder Agreement") is executed as of _____, 20__, by _____, a _____ ("Joining Party"), and delivered to KeyBank National Association, as Agent, pursuant to §5.2 of that certain Third Amended and Restated Credit Agreement dated as of February 11, 2021, as from time to time in effect (the "Credit Agreement"), by and among Gladstone Commercial Limited Partnership (the "Borrower"), Gladstone Commercial Corporation ("Parent"), KeyBank National Association, for itself and as Agent, and the other Lenders from time to time party thereto. Terms used but not defined in this Joinder Agreement shall have the meanings defined for those terms in the Credit Agreement.

RECITALS

A. Joining Party is required, pursuant to §5.2 of the Credit Agreement, to become an additional Subsidiary Guarantor under the Guaranty and the Contribution Agreement.

B. Joining Party expects to realize direct and indirect benefits as a result of the availability to Borrower of the credit facilities under the Credit Agreement.

NOW, THEREFORE, Joining Party agrees as follows:

AGREEMENT

1. Joinder. By this Joinder Agreement, Joining Party hereby becomes a "Subsidiary Guarantor" and a "Guarantor" under the Credit Agreement, the Guaranty, and the other Loan Documents with respect to all the Obligations of Borrower now or hereafter incurred under the Credit Agreement and the other Loan Documents, and a "Subsidiary Guarantor" under the Contribution Agreement. Joining Party agrees that Joining Party is and shall be bound by, and hereby assumes, all representations, warranties, covenants, terms, conditions, duties and waivers applicable to a Subsidiary Guarantor and a Guarantor under the Credit Agreement, the Guaranty, the other Loan Documents and the Contribution Agreement.

2. Representations and Warranties of Joining Party. Joining Party represents and warrants to Agent that, as of the Effective Date (as defined below), except as disclosed in writing by Joining Party to Agent on or prior to the date hereof and approved by the Agent in writing (which disclosures shall be deemed to amend the Schedules and other disclosures delivered as contemplated in the Credit Agreement), the representations and warranties contained in the Credit Agreement and the other Loan Documents are true and correct in all material respects as applied to Joining Party as a Subsidiary Guarantor and a Guarantor on and as of the Effective Date as though made on that date. As of the Effective Date, all covenants and agreements in the Loan Documents and the Contribution Agreement of the Subsidiary Guarantors are true and correct with respect to Joining Party and no Default or Event of Default shall exist upon the Effective Date in the event that Joining Party becomes a Subsidiary Guarantor.

3. Joint and Several. Joining Party hereby agrees that, as of the Effective Date, the Guaranty and the Contribution Agreement heretofore delivered to the Agent and the Lenders shall be a joint and several obligation of Joining Party to the same extent as if executed and delivered by Joining Party, and upon request by Agent, will promptly become a party to the Guaranty and the Contribution Agreement to confirm such obligation.

4. Further Assurances. Joining Party agrees to execute and deliver such other instruments and documents and take such other action, as the Agent may reasonably request, in connection with the transactions contemplated by this Joinder Agreement.

5. GOVERNING LAW. THIS AGREEMENT SHALL BE DEEMED TO BE A CONTRACTUAL OBLIGATION UNDER, AND SHALL, PURSUANT TO NEW YORK GENERAL OBLIGATIONS LAW SECTION 5-1401, BE GOVERNED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

6. Counterparts. This Agreement may be executed in any number of counterparts which shall together constitute but one and the same agreement.

7. The effective date (the "Effective Date") of this Joinder Agreement is _____, 20__.

[Signatures Appear on Next Page]

IN WITNESS WHEREOF, Joining Party has executed this Joinder Agreement under seal as of the day and year first above written.

"JOINING PARTY"

_____, a _____

By:_____

Name:_____

Title:_____

[SEAL]

ACKNOWLEDGED:

KEYBANK NATIONAL ASSOCIATION, as Agent

By:_____

Its:_____
[Printed Name and Title]

EXHIBIT C

FORM OF REQUEST FOR LOAN

KeyBank National Association, as Agent
4910 Tiedeman Road, 3rd Floor
Brooklyn, Ohio 44144
Mail Code: OH-01-51-0311
Attn: John Bertleff

Ladies and Gentlemen:

Pursuant to the provisions of §2.7 of that certain Third Amended and Restated Credit Agreement dated as of February 11, 2021, as from time to time in effect (the "Credit Agreement"), by and among Gladstone Commercial Limited Partnership (the "Borrower"), Gladstone Commercial Corporation, KeyBank National Association for itself and as Agent, and the other Lenders from time to time party thereto, the undersigned Borrower hereby requests and certifies as follows:

1. Loan. The undersigned Borrower hereby requests a Revolving Credit Loan under §2.1 of the Credit Agreement:

Principal Amount: $_____
Type (LIBOR Rate, Base Rate):
Drawdown Date:
Interest Period for Revolving Credit LIBOR Rate Loans:

by credit to the general account of the Borrower with the Agent at the Agent's Head Office.

2. Use of Proceeds. Such Loan shall be used for purposes permitted by §2.9 of the Credit Agreement.

3. No Default. The undersigned Authorized Officer certifies that the Borrower, Guarantors and Unencumbered Property Subsidiaries are and will be in compliance with all covenants under the Loan Documents after giving effect to the making of the Loan requested hereby and no Default or Event of Default has occurred and is continuing. Attached hereto is a Unencumbered Asset Certificate setting forth a calculation of the Unencumbered Asset Availability after giving effect to the Loan requested hereby. No condemnation proceedings are pending or, to the undersigned knowledge, threatened against any Subject Property.

4. Representations True. The undersigned Authorized Officer certifies, represents and agrees that each of the representations and warranties made by or on behalf of the Borrower, the Guarantors or their respective Subsidiaries, contained in the Credit Agreement, in the other Loan Documents or in any document or instrument delivered pursuant to or in connection with the Credit Agreement was true in all material respects as of the date on which it was made and, is true in all material respects as of the date hereof and shall also be true at and as of the Drawdown Date for the Loan requested hereby, with the same effect as if made at and as of such Drawdown Date, except that any representation or warranty which by its terms is made as of a specified date shall

be required to be true and correct only as of such specified date, and except to the extent of any changes resulting from transactions permitted by this Agreement.

5. Other Conditions. The undersigned Authorized Officer certifies, represents and agrees that all other conditions to the making of the Loan requested hereby set forth in the Credit Agreement have been satisfied.

6. Definitions. Terms defined in the Credit Agreement are used herein with the meanings so defined.

[Signatures Appear on Next Page]

IN WITNESS WHEREOF, the undersigned has duly executed this request this _____ day of _____, 20__.

GLADSTONE COMMERCIAL LIMITED PARTNERSHIP, a Delaware limited partnership

By: GCLP Business Trust II, a Massachusetts business trust, its sole general partner

By:_____
Name:_____
Title:_____

By:_____
Name:_____
Title:_____

(SEAL)

EXHIBIT D

FORM OF LETTER OF CREDIT REQUEST

[DATE]

KeyBank National Association, as Agent
4910 Tiedeman Road, 3rd Floor
Brooklyn, Ohio 44144
Mail Code: OH-01-51-0311
Attn: John Bertleff

Re: Letter of Credit Request under Third Amended and Restated Credit Agreement dated as of February 11, 2021

Ladies and Gentlemen:

Pursuant to §2.10 of that certain Third Amended and Restated Credit Agreement dated as of February 11, 2021, as from time to time in effect, by and among you, certain other Lenders, Gladstone Commercial Corporation and us (the "Credit Agreement"), we hereby request that you issue a Letter of Credit as follows:

(i) Name and address of beneficiary:
(ii) Face amount: $
(iii) Proposed Issuance Date:
(iv) Proposed Expiration Date:
(v) Other terms and conditions as set forth in the proposed form of Letter of Credit attached hereto.
(vi) Purpose of Letter of Credit:

This Letter of Credit Request is submitted pursuant to, and shall be governed by, and subject to satisfaction of, the terms, conditions and provisions set forth in §2.10 of the Credit Agreement.

The undersigned Authorized Officer certifies that the Borrower, Guarantors and Unencumbered Property Subsidiaries are and will be in compliance with all covenants under the Loan Documents after giving effect to the issuance of the Letter of Credit requested hereby and no Default or Event of Default has occurred and is continuing. Attached hereto is a Unencumbered Asset Certificate setting forth a calculation of the Unencumbered Asset Availability after giving effect to the Letter of Credit requested hereby. No condemnation proceedings are pending or, to the undersigned knowledge, threatened against any Subject Property.

We also understand that if you grant this request this request obligates us to accept the requested Letter of Credit and pay the issuance fee and Letter of Credit fee as required by §2.10(e). All capitalized terms defined in the Credit Agreement and used herein without definition shall have the meanings set forth in §1.1 of the Credit Agreement.

The undersigned Authorized Officer certifies, represents and agrees that each of the representations and warranties made by or on behalf of the Borrower, the Guarantors or their respective Subsidiaries, contained in the Credit Agreement, in the other Loan Documents or in any document or instrument delivered pursuant to or in connection with the Credit Agreement was true in all material respects as of the date on which it was made, is true as of the date hereof and shall also be true at and as of the proposed issuance date of the Letter of Credit requested hereby, with the same effect as if made at and as of the proposed issuance date, except that any representation or warranty which by its terms is made as of a specified date shall be required to be true and correct only as of such specified date, and except to the extent of any changes resulting from transactions permitted by this Agreement.

Very truly yours,

GLADSTONE COMMERCIAL LIMITED PARTNERSHIP, a Delaware limited partnership

By: GCLP Business Trust II, a Massachusetts business trust, its sole general partner

By:_____
Name:_____
Title:_____

By:_____
Name:_____
Title:_____

EXHIBIT E

FORM OF UNENCUMBERED ASSETS CERTIFICATE

KeyBank National Association, as Agent
127 Public Square
Cleveland, Ohio 44114-1306
Attention: Jason Weaver

Ladies and Gentlemen:

Reference is made to that certain Third Amended and Restated Credit Agreement dated as of February 11, 2021, as from time to time in effect (the "Credit Agreement") by and among Gladstone Commercial Limited Partnership (the "Borrower"), Gladstone Commercial Corporation ("Parent"), KeyBank National Association for itself and as Agent, and the other Lenders from time to time party thereto. Terms defined in the Credit Agreement and not otherwise defined herein are used herein as defined in the Credit Agreement.

Pursuant to the Credit Agreement, Parent is furnishing to you herewith the Unencumbered Asset Certificate. This certificate is submitted in compliance with requirements of the Credit Agreement.

The undersigned is providing the attached information to demonstrate compliance as of the date hereof with the covenants described in the attachment hereto.

IN WITNESS WHEREOF, the undersigned have duly executed this Unencumbered Asset Certificate this _____ day of _____, 20__.

GLADSTONE COMMERCIAL CORPORATION,
a Maryland corporation

By:_____
Name:_____
Title:_____

[APPENDIX TO UNENCUMBERED ASSET CERTIFICATE]

(To Be Attached)

EXHIBIT F

FORM OF COMPLIANCE CERTIFICATE

KeyBank National Association, as Agent
127 Public Square
Cleveland, Ohio 44114-1306
Attn: Jason Weaver

Ladies and Gentlemen:

Reference is made to that certain Third Amended and Restated Credit Agreement dated as of February 11, 2021, as from time to time in effect (the "Credit Agreement") by and among Gladstone Commercial Limited Partnership (the "Borrower"), Gladstone Commercial Corporation ("Parent"), KeyBank National Association for itself and as Agent, and the other Lenders from time to time party thereto. Terms defined in the Credit Agreement and not otherwise defined herein are used herein as defined in the Credit Agreement.

Pursuant to the Credit Agreement, Parent is furnishing to you herewith (or have most recently furnished to you) the consolidated financial statement of Parent for the fiscal period ended _____ (the "Balance Sheet Date"). Such financial statements have been prepared in accordance with GAAP and present fairly the consolidated financial position of Parent at the date thereof and the results of its operations for the periods covered thereby, subject in the case of interim statements only to normal year-end audit adjustments.

This certificate is submitted in compliance with requirements of §2.11(d), §7.4(c) or §10.12 of the Credit Agreement. If this certificate is provided under a provision other than §7.4(c), the calculations provided below are made using the consolidated financial statement of Parent as of the Balance Sheet Date adjusted in the good faith estimate of Borrower to give effect to the making of a Loan, issuance of a Letter of Credit, acquisition or disposition of property or other event that occasions the preparation of this certificate; and the nature of such event and the estimate of Borrower of its effects are set forth in reasonable detail in an attachment hereto. The undersigned officer is the chief financial officer or controller of Parent.

The undersigned representative has caused the provisions of the Loan Documents to be reviewed and have no knowledge of any existing Default or Event of Default. (Note: If the signer does have knowledge of any Default or Event of Default, the form of certificate should be revised to specify the Default or Event of Default, the nature thereof and the actions taken, being taken or proposed to be taken by the Borrower with respect thereto.)

If the Borrower has elected to use an Investment Grade Rating as the basis for the Applicable Margin, as of the date hereof, (i) Borrower [does]/[does not] have an Investment Grade Rating, and (ii) the Credit Rating applicable to Borrower is [N/A]/[_____].

The undersigned is providing the attached information to demonstrate compliance as of the date hereof with the covenants described in the attachment hereto.

[Signatures Appear on Next Page]

IN WITNESS WHEREOF, the undersigned have duly executed this Compliance Certificate this _____ day of _____, 20__.

GLADSTONE COMMERCIAL CORPORATION, a Maryland corporation

By:_____
Name:_____
Title:_____

EXHIBIT G

FORM OF ASSIGNMENT AND ACCEPTANCE AGREEMENT

THIS ASSIGNMENT AND ACCEPTANCE AGREEMENT (this "Agreement") dated _____, by and between _____ ("Assignor"), and _____ ("Assignee").

W I T N E S S E T H:

WHEREAS, Assignor is a party to that certain Third Amended and Restated Credit Agreement, dated as of February 11, 2021, as from time to time in effect, by and among GLADSTONE COMMERCIAL LIMITED PARTNERSHIP, a Delaware limited partnership ("Borrower"), Gladstone Commercial Corporation, the other lenders that are or may become a party thereto, and KEYBANK NATIONAL ASSOCIATION, individually and as Agent (the "Loan Agreement"); and

WHEREAS, Assignor desires to transfer to Assignee [Describe assigned Commitment] under the Loan Agreement and its rights with respect to the Commitment assigned and its Outstanding Loans with respect thereto;

NOW, THEREFORE, for and in consideration of the sum of Ten and No/100 Dollars ($10.00) and other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, Assignor and Assignee hereby agree as follows:

1. Definitions. Terms defined in the Loan Agreement and used herein without definition shall have the respective meanings assigned to such terms in the Loan Agreement.

2. Assignment.

(a) Subject to the terms and conditions of this Agreement and in consideration of the payment to be made by Assignee to Assignor pursuant to Paragraph 5 of this Agreement, effective as of the "Assignment Date" (as defined in Paragraph 7 below), Assignor hereby irrevocably sells, transfers and assigns to Assignee, without recourse, a portion of its [Revolving Credit] [Term Loan A] [Term Loan B] Note in the amount of $_____ representing a $_____ [Revolving Credit] [Term Loan A] [Term Loan B] Commitment, and a _____ percent (_____%) [Revolving Credit] [Term Loan A] [Term Loan B] Commitment Percentage, and a corresponding interest in and to all of the other rights and obligations under the Loan Agreement and the other Loan Documents relating thereto (the assigned interests being hereinafter referred to as the "Assigned Interests"), including Assignor's share of all outstanding [Revolving Credit Loans] [Term Loans A] [Term Loans B] with respect to the Assigned Interests and the right to receive interest and principal on and all other fees and amounts with respect to the Assigned Interests, all from and after the Assignment Date, all as if Assignee were an original Lender under and signatory to the Loan Agreement having a [Revolving Credit] [Term Loan A] [Term Loan B] Commitment Percentage equal to the amount of the respective Assigned Interests.

(b) Assignee, subject to the terms and conditions hereof, hereby assumes all obligations of Assignor with respect to the Assigned Interests from and after the Assignment Date as if

Assignee were an original Lender under and signatory to the Loan Agreement and the "Intercreditor Agreement" (as hereinafter defined), which obligations shall include, but shall not be limited to, the obligation to make [Revolving Credit Loans] [Term Loans A] [Term Loans B] to the Borrower with respect to the Assigned Interests and to indemnify the Agent as provided therein (such obligations, together with all other obligations set forth in the Loan Agreement and the other Loan Documents are hereinafter collectively referred to as the "Assigned Obligations"). Assignor shall have no further duties or obligations with respect to, and shall have no further interest in, the Assigned Obligations or the Assigned Interests.

3. Representations and Requests of Assignor.

(a) Assignor represents and warrants to Assignee (i) that it is legally authorized to, and has full power and authority to, enter into this Agreement and perform its obligations under this Agreement; (ii) that as of the date hereof, before giving effect to the assignment contemplated hereby the principal face amount of Assignor's [Revolving Credit] [Term Loan A] [Term Loan B] Note is $_____ and the aggregate outstanding principal balance of the [Revolving Credit Loans] [Term Loans A] [Term Loans B] made by it equals $_____, and (iii) that it has forwarded to the Agent the [Revolving Credit] [Term Loan A] [Term Loan B] Note held by Assignor. Assignor makes no representation or warranty, express or implied, and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with the Loan Documents or the execution, legality, validity, enforceability, genuineness or sufficiency of any Loan Document or any other instrument or document furnished pursuant thereto or in connection with the Loan, the collectability of the Loans, the continued solvency of the Borrower or the Guarantors or the continued existence, sufficiency or value of any assets of the Borrower or the Guarantors which may be realized upon for the repayment of the Loans, or the performance or observance by the Borrower or the Guarantors of any of their respective obligations under the Loan Documents to which it is a party or any other instrument or document delivered or executed pursuant thereto or in connection with the Loan; other than that it is the legal and beneficial owner of, or has the right to assign, the interests being assigned by it hereunder and that such interests are free and clear of any adverse claim.

(b) Assignor requests that the Agent obtain replacement Revolving Credit Notes, Term Loan A Notes or Term Loan B Notes, as applicable, for each of Assignor and Assignee as provided in the Credit Agreement.

4. Representations of Assignee. Assignee makes and confirms to the Agent, Assignor and the other Lenders all of the representations, warranties and covenants of a Lender under Articles 14 and 18 of the Loan Agreement. Without limiting the foregoing, Assignee (a) represents and warrants that it is legally authorized to, and has full power and authority to, enter into this Agreement and perform its obligations under this Agreement; (b) confirms that it has received copies of such documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Agreement; (c) agrees that it has and will, independently and without reliance upon Assignor, any other Lender or the Agent and based upon such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in evaluating the Loans, the Loan Documents, the creditworthiness of the Borrower and the Guarantors and the value of the assets of the Borrower and the Guarantors, and taking or not taking action under the Loan Documents and any intercreditor agreement among the Lenders and

the Agent (the "Intercreditor Agreement"); (d) appoints and authorizes the Agent to take such action as agent on its behalf and to exercise such powers as are reasonably incidental thereto pursuant to the terms of the Loan Documents and the Intercreditor Agreement; (e) agrees that, by this Assignment, Assignee has become a party to and will perform in accordance with their terms all the obligations which by the terms of the Loan Documents and the Intercreditor Agreement are required to be performed by it as a Lender; (f) represents and warrants that Assignee does not control, is not controlled by, is not under common control with and is otherwise free from influence or control by, the Borrower or any Guarantor and is not a Defaulting Lender or an Affiliate of a Defaulting Lender, (g) represents and warrants that Assignee is subject to control, regulation or examination by a state or federal regulatory agency, (h) agrees that if Assignee is not incorporated under the laws of the United States of America or any State, it has on or prior to the date hereof delivered to Borrower and Agent certification as to its exemption (or lack thereof) from deduction or withholding of any United States federal income taxes and (i) Assignee has a net worth or unfunded commitments as of the date hereof of not less than $100,000,000.00 unless waived in writing by Borrower and Agent as required by the Credit Agreement. Assignee agrees that Borrower may rely on the representation contained in Section 4(i).

5. Payments to Assignor. In consideration of the assignment made pursuant to Paragraph 1 of this Agreement, Assignee agrees to pay to Assignor on the Assignment Date, an amount equal to $_____ representing the aggregate principal amount outstanding of the [Revolving Credit Loans] [Term Loans A] [Term Loans B] owing to Assignor under the Loan Agreement and the other Loan Documents with respect to the Assigned Interests.

6. Payments by Assignor. Assignor agrees to pay the Agent on the Assignment Date the registration fee required by §18.2 of the Loan Agreement.

7. Effectiveness.

(a) The effective date for this Agreement shall be _____ (the "Assignment Date"). Following the execution of this Agreement, each party hereto shall deliver its duly executed counterpart hereof to the Agent for acceptance and recording in the Register by the Agent.

(b) Upon such acceptance and recording and from and after the Assignment Date, (i) Assignee shall be a party to the Loan Agreement and the Intercreditor Agreement and, to the extent of the Assigned Interests, have the rights and obligations of a Lender thereunder, and (ii) Assignor shall, with respect to the Assigned Interests, relinquish its rights and be released from its obligations under the Loan Agreement and the Intercreditor Agreement.

(c) Upon such acceptance and recording and from and after the Assignment Date, the Agent shall make all payments in respect of the rights and interests assigned hereby accruing after the Assignment Date (including payments of principal, interest, fees and other amounts) to Assignee.

(d) All outstanding LIBOR Rate Loans shall continue in effect for the remainder of their applicable Interest Periods and Assignee shall accept the currently effective interest rates on its Assigned Interest of each LIBOR Rate Loan.

8. Notices. Assignee specifies as its address for notices and its Lending Office for all assigned Loans, the offices set forth below:

Notice Address: _____
_____
_____
_____
Attn:_____
Facsimile:

Domestic Lending Office: Same as above

Eurodollar Lending Office: Same as above

9. Payment Instructions. All payments to Assignee under the Loan Agreement shall be made as provided in the Loan Agreement in accordance with the separate instructions delivered to Agent.

10. Governing Law. THIS AGREEMENT IS INTENDED TO TAKE EFFECT AS A SEALED INSTRUMENT FOR ALL PURPOSES AND TO BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK (WITHOUT REFERENCE TO CONFLICT OF LAWS).

11. Counterparts. This Agreement may be executed in any number of counterparts which shall together constitute but one and the same agreement.

12. Amendments. This Agreement may not be amended, modified or terminated except by an agreement in writing signed by Assignor and Assignee, and consented to by Agent.

13. Successors. This Agreement shall inure to the benefit of the parties hereto and their respective successors and assigns as permitted by the terms of Loan Agreement and the Intercreditor Agreement.

[signatures on following page]

IN WITNESS WHEREOF, intending to be legally bound, each of the undersigned has caused this Agreement to be executed on its behalf by its officers thereunto duly authorized, as of the date first above written.

ASSIGNEE:

By:_____
Title:_____

ASSIGNOR:

By:_____
Title:_____

RECEIPT ACKNOWLEDGED AND
ASSIGNMENT CONSENTED TO BY:

KEYBANK NATIONAL ASSOCIATION, as Agent

By:_____
Title:_____

CONSENTED TO BY: [3]

GLADSTONE COMMERCIAL LIMITED PARTNERSHIP,
a Delaware limited partnership

By: GCLP Business Trust II, a Massachusetts business trust,
its sole general partner

By:_____
Name:_____
Title:_____

By:_____
Name:_____
Title:_____

[3] Insert to extent required by Credit Agreement.

EXHIBIT H

FORM OF LETTER OF CREDIT APPLICATION

[See Attached]

KeyBank National Association

Application for Irrevocable Standby Letter of Credit

To: Standby Letter of Credit Services

☐ **4900 Tiedeman, 1st floor**
Cleveland, Ohio 44144-2302
Mailcode: OH-01-49-1003
Fax Number: (216) 813-3719

☐ **726 Exchange Street, Suite 900**
Buffalo, New York 14210
Mailcode: NY-00-72-0100
Fax Number: (216) 813-3719

Please issue your Irrevocable Standby Letter of Credit and notify the Beneficiary no later than _____ (date) via
Courier to Attention: _____ _____ (Telephone Number) _____
SWIFT (Advising Bank Swift Address, if known _____)

Advising Bank (if applicable)
Name: _____
Address: _____
_____
_____

Account Party(ies)/Applicant(s) Name and Address:
(PO Box is not acceptable)
_____
_____
_____
_____
_____

Applicant Name to appear on the Letter of Credit (if different from Account Party):
(Name and address (PO Box is not acceptable),
_____
_____
_____
_____
_____

Is this party legally related to Account Party through ownership?
☐ Yes ☐ No
If yes, please indicate relationship:
☐ Parent ☐ Subsidiary ☐ Affiliate ☐ Owner
If no, provide the following:
a. Tax ID number: _____
b. If an individual, date of birth: _____
c. Brief description of why account party is applying for a Letter of Credit for a non-related entity. _____

Beneficiary Name and Address:
_____
_____
_____
_____

Brief description of underlying transaction:
_____

Expiration Date: _____

Dollar Amount $ _____ **and currency if other than USD** _____

Automatic Extension Clause? ☐ Yes ☐ No
If yes, indicate Number of Days for Notice: _____ if No, leave blank.

(Amount in words):
_____

Is there an Ultimate Expiration Date? ___ Yes ___ No If yes, indicate Ultimate Expiration Date: _____

☐ **Available by Drafts at sight drawn on KeyBank National Association and accompanied by the following documentation:**

☐	A statement signed by an authorized representative of Beneficiary stating: "_____, has not performed or fulfilled all of the undertakings, covenants and conditions in accordance with the terms of the agreement dated _____ between (Applicant) and (Beneficiary)."
☐	A certificate signed by an authorized representative of Beneficiary stating: "We hereby certify that _____, has failed to honor their contractual agreement dated _____ between (Applicant) and (Beneficiary)."
☐	A statement signed by an authorized representative of Beneficiary stating as follows: (insert wording that is to appear in the statement accompanying the draft): _____
☐	No statement or document other than Beneficiary's draft is required to be presented under this Letter of Credit.
☐	**Issue per attached sample**

Partial Drawings:	☐ Permitted	☐ Not Permitted	Charges for: Applicant
Multiple Drawings:	☐ Permitted	☐ Not Permitted	

Special instructions or conditions:

Account Party(ies) shall keep and maintain Demand Deposit Account No. at all times until the Letter of Credit has finally expired and all reimbursement and other obligations in respect thereof have been paid in full in cash. KeyBank is authorized to debit the Demand Deposit Account or any successor account to pay any amounts which become due by Account Party(ies) in connection with the Letter of Credit, including any fees charged to Account Party(ies) or the amount of any draw(s) made under the Letter of Credit by the Beneficiary. KeyBank and any applicable Keycorp Affiliates (collectively and severally "Key") shall have all rights, remedies and/or collateral provided for under (a) any Standby Letter of Credit Reimbursement and Security Agreement executed by the Account Party(ies) in favor of Key at, prior to or after the date hereof and any other reimbursement agreement, credit agreement, security agreement, pledge agreement or other agreement or instrument in effect at any time between Account Party(ies) and Key that obligate and/or secure reimbursement in respect of letters of credit by Account Party(ies) or any of them.

This application and agreement and each letter of credit are subject to the provisions of, and Key shall have all rights and remedies provided for under (a) Article 5 of the Uniform Commercial Code as in effect from time to time and (b) either the Uniform Customs and Practice for Documentary Credits or the International Standby Practices, in each case as established by the International Chamber of Commerce from time to time (whichever may be determined to be appropriate by Key under the circumstances) and to the terms and conditions set forth in the Standby Letter of Credit Reimbursement and Security Agreement dated _____ executed by the Account Parties.

_____ Authorized Signer- Applicant _____ Signer's printed name [Only required if different from Account Party]	Date: _____
_____ Authorized Signer- Account Party _____ Signer's printed name	Date: _____

KeyBank National Association

STANDBY LETTER OF CREDIT REIMBURSEMENT AND SECURITY AGREEMENT

In consideration of the issuance from time to time, at the request of the Account Parties of one or more Credits in accordance with the terms of any Standby Letter of Credit Application(s) submitted by the Account Parties to the Issuer, the Account Parties hereby represent, warrant and agree as follows:

1. **DEFINITIONS:** The following definitions shall apply herein:

"ACCOUNT PARTIES" is defined in Paragraph 13 below.

"AGREEMENT" means this Standby Letter of Credit Reimbursement and Security Agreement, including as the same may from time to time be amended, modified, supplements and/or restated.

"**BANK LIABILITIES**" is defined in Paragraph 8 below.

"**CREDIT**" means each letter of credit requested or described in any Letter of Credit Application submitted to the Issuer by any of the Account Parties and issued by the Issuer, including, in each case, as the same may be amended from time to time.

"DEPOSIT ACCOUNT" is defined in Paragraph 2 below.

"DOCUMENTS" mean any document, however evidenced, negotiable or non-negotiable, including, but not limited to, all documents and certificates accompanying or relating to presentations, drafts or demands under or in respect of any Credit.

"DRAFTS" means any draft drawn under or presentment or demand made for payment on any Credit.

"**ISP**" means the International Standby Practices adopted by the International Chamber of Commerce in force at the time of issuance of the Credit, as the same may be thereafter amended or replaced.

"**ISSUER**" means any KeyCorp affiliate that issues any Credit.

"**LETTER OF CREDIT APPLICATION"** means any request submitted by any of the Account Parties to the Issuer (in written or electronic form and whether set forth on the Issuer's application form or otherwise) for the issuance of any Credit or Credits for the account of any of the Account Parties.

"PROPERTY" means all tangible and intangible property of any kind, whether real, personal or mixed, including, without limitation, goods, negotiable or non-negotiable instruments, documents of title, securities, funds, choses in action and any right or interest therein. Property in Issuer's possession shall include Property in possession of any person or entity other than Issuer that holds such property as agent, trustee or otherwise for the benefit or account of Issuer.

"REIMBURSEMENT OBLIGATIONS" means the obligations of the Account Parties to reimburse the Issuer for all payments made by or for the account of the Issuer with respect to any presentment on a Credit and to pay, reimburse and/or indemnify the Issuer for all fees, charges, costs, expenses and liabilities charged or incurred by or asserted against the Issuer in connection with this Agreement, any Letter of Credit Application and/or any Credit and includes, without limitation, all such obligations provided for in Sections 2, 3 and 7 of this Agreement..

"REQUESTS" means any request, instruction, waiver or agreement made or agreed upon by any of the Account Parties and communicated to the Issuer in writing, by telephone or by any means of electronic communication that is honored or relied upon by the Issuer in connection with the issuance, terms, amendment, waiver of discrepancies, and/or honor, dishonor, payment or acceptance of any presentment or drawing on any Credit.

"UNIFORM CUSTOMS" means the Uniform Customs and Practice for Documentary Credits adopted by the International Chamber of Commerce in force at the time of issuance of the Credit, as the same may be thereafter amended or replaced.

2. PAYMENT TERMS: The Issuer may honor and accept or pay any draft, demand or drawing presented to Issuer on or in respect of any Credit, regardless of when drawn or presented and whether or not negotiated, if such presentment, any related documents required to accompany the drawing and any transmittal advice are dated on or before the expiration date of the Credit. The expiration date of the Credit shall in all cases be the expiration date stated therein or in any amendment expressly extending such date, and shall not be extended or deemed extended on account of or by reference to any action or inaction of any person or entity or the terms of any other communication or agreement. Issuer may accept any presentment, draft, instruction or other document that appears on its face to be signed or issued by the beneficiary or other party authorized or specified under the Credit to draw or issue such instruments or other documents, whether in the name of the beneficiary or other party as reflected in the Credit or as such name may have been changed, and/or by any successor to or administrator, executor, trustee in bankruptcy, debtor in possession assignee for the benefit of creditors, liquidator, receiver, conservator, or other legal representative of the beneficiary or such other party, if the same otherwise complies on its face with the terms of the Credit. The Account Parties, jointly and severally, agree to reimburse Issuer at its main office on demand in United States Dollars: (A) as to drafts payable in United States Dollars drawn or to be drawn under the Credit, the amount paid or payable thereon, or (B) as to such drafts payable in currency other than United States Dollars, the equivalent of the amount paid in United States Dollars at Issuer's selling rate of exchange in the currency in which such draft is drawn, (C) any and all other expenses or charges incurred by Issuer in issuing or effecting payment of the Credit, for perfecting or maintaining, and insuring the Property, and for enforcing Issuer's rights and remedies under this Agreement, (D) interest from the date of such payment at a rate per annum equal to the greater of (i) zero and (ii) the Prime Rate of KeyBank National Association in effect from time to time plus the rate margin customarily charged by Issuer to other account parties with similar credit worthiness and in like circumstances or as agreed by Account Parties, upon all unpaid drafts and other payment, reimbursement and/or indemnification obligations of Account Parties hereunder until paid in full, but in no event higher than the highest lawful rate permitted by law, and (E) such commission, issuance, letter of credit commitment fees, draw fees, and negotiation fees at such rate as Issuer may determine from time to time and/or as agreed by Account Parties. The Account Parties shall at all times keep and maintain a deposit account at the Issuer described in the Application (the "Deposit Account"). Without prior notice or demand Issuer is authorized to charge the Deposit Account or any other deposit account maintained by any of the Account Parties with Issuer or any other KeyCorp affiliate for the amount of any draft and all other reimbursement obligations hereunder.

3. INCREASED COSTS: If any law or regulation, or change therein, or interpretation, administration or enforcement thereof, by any person, agency or court shall (A) impose upon or modify any reserve or special deposit requirement, insurance assessment or other requirement against or affecting the Credit, or (B) impose any tax, other than tax imposed upon the income of Issuer, or withholding of any kind, or (C) impose or modify any capital requirement, impose any condition upon, supplement to or increase of any kind to Issuer's capital base, and the result of any such event increases the cost or decreases the benefit to Issuer of issuing or maintaining any Credit, then the Account Parties shall pay to Issuer upon request such amounts as are advised by Issuer that are necessary to compensate Issuer for all increased costs and/or decreased benefits attributable to any of the foregoing. Upon written request, Issuer will certify such amounts. Issuer's certification shall be conclusive absent manifest error.

4. REQUESTS: Requests shall be made by those persons purportedly authorized by any of the Account Parties. Account Parties agree to provide Issuer from time to time a written list of all such authorized representatives. Issuer shall not be obligated to identify or confirm such persons beyond the use of the

authorized name or code identification, if any, that is established by Issuer and/or Account Parties. All requests will be confirmed by Issuer in writing or through the use of any electronic communication system used in the ordinary course of business between Issuer and the Account Parties. The Account Parties will promptly report all discrepancies upon their receipt of such confirmation. Issuer may, but shall not be obligated to, assign a unique code number or word and require such code to be used by the Account Parties, and thereafter all further requests shall refer to such code. Issuer shall not be liable for any loss which the Account Parties may incur as a result of Issuer's compliance with any request received by Issuer that complies with the terms of this Agreement, even if in fact unauthorized, provided that Issuer acted in good faith and exercised reasonable care.

5. **MODIFICATION OF CREDITS:** Any amendment to the terms of a Credit may be authorized by those persons purportedly authorized by any one of the Account Parties without notice to any other of the Account Parties, but any increase in the amount of a Credit or extension of the expiration date under a Credit for presentation of Drafts or Documents shall only be approved by those persons authorized by the Account Parties. Account Parties agree that if a Credit provides for automatic renewal or extension of the expiration date unless the beneficiary is notified to the contrary in advance of any then current expiration date, and Account Parties determine to instruct the Issuer not to allow such renewal or extension, Account Parties must notify Issuer in writing to such effect not later than 60 days prior to the latest then applicable date for notification of the beneficiary of non-renewal or non-extension under the terms of the Credit. If such notice by the Account Parties is not timely made, Issuer may automatically renew or extend the Credit and Account Parties will have no claim or cause of action against Issuer and will continue to be fully liable for all Reimbursement Obligations incurred and/or arising with respect to such Credit, including after giving effect to any such automatic renewal or extension. Issuer may, in its sole discretion, elect not to renew or extend any Credit and if Issuer does not renew or extend the Credit Account Parties will have no claim or cause of action against Issuer and will continue to be fully liable for all Reimbursement Obligations incurred and/or arising with respect to such Credit, including as a result of the non-renewal or non-extension thereof. This Agreement shall in all events be and remain binding upon all of the Account Parties with regard to the Credit, as increased, amended, extended or renewed, notwithstanding any refusal of Issuer to agree to any increase, amendment, renewal or extension, as to the form, content, action or inaction taken with respect to any Drafts, Documents and/or Property associated therewith and/or any action taken or not taken by Issuer and any of Issuer's correspondents in connection therewith.

6. **LIMITED LIABILITY:** None of Issuer, Issuer's employees, agents or correspondents or any person or entity advising or confirming any Credit shall be responsible for or liable on account of: (A) the invalidity, insufficiency, or any lack of genuineness or due authorization of any Draft or Document or any fraud or forgery of or affecting any Draft or Document; (B) the inadequacy of insufficiency of the coverages and/or terms of any insurance, any lack of validity, genuineness or enforceability of any insurance or associated Document or the insolvency of any insurer; (C) the performance, solvency or financial responsibility of any party issuing or having liability on or under any Document; (D) delays on non-delivery of any Draft or Document; (E) any breach of contract or other wrongful action by or between any person and the Account Parties; (F) failure of any Draft or Document to be sufficient in form or content to effect a proper and conforming presentment on any Credit; (G) errors or omissions in and/or interruptions or delays in transmission or delivery of any messages, Drafts or Documents by mail, cable, telegraph, wireless, email, PDF or otherwise or for any errors in translation or interpretation of terms; (H) any action or inaction taken in conformity with the rights of the Issuer or any adviser or confirmer under the ISP or UCP and/or (I) other consequences arising from causes beyond the control of any Issuer, adviser or confirmer, or any person or entity acting on behalf of any such party, including, but not limited to, any action or omission by, or any law, regulation or restriction of, any de facto or de jure domestic or foreign government or agency. IN NO EVENT SHALL ISSUER BE LIABLE FOR SPECIAL, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES.

7. **WARRANTIES; INDEMNITY:** Each of the Account Parties hereby represents, warrants, covenants and confirms to and for the benefit of Issuer that Account Parties understand the general nature and operation of a letter of credit and the obligations, rights and remedies of the Account Parties on the one hand and the Issuer on the other in regard to letters of credit, including, without limitation: (A) the obligation of the Account Parties to reimburse Issuer for all payments to the beneficiary in respect of

presentments on the Credit, (B) the conditions set forth in the Credit to the obligation of Issuer to pay any drawing on the Credit, (C) that Issuer has no responsibility or liability in connection with any underlying contract or other transaction between any of the Account Parties and the beneficiary of the Credit, (D) that Issuer is not acting as an agent or in any fiduciary capacity for or on behalf of the Account Parties or the beneficiary, but solely as an issuer of letters of credit, (E) Issuer makes no representation or warranty regarding the value or desirability of the Account Parties' transactions in connection with which any Credit is issued, the decision to utilize any Credit or the appropriateness of or risks arising from the terms or conditions of any Credit, (F) that the Account Parties should seek advice from their legal counsel with respect to any Letter of Credit Application, this Agreement, the issuance and terms of any Credit and the related underlying transactions and (G) Account Parties unconditionally approve and assume all risks associated with the terms of each Credit, regardless of any advice provided by Issuer with respect to the form or terms of the Credit. Each of the Account Parties hereby further represents, warrants, covenants and confirms to and for the benefit of Issuer that the transactions associated with each Credit do not violate any applicable law, rule or regulation of the United States, any state or the United States and/or any foreign nation or governmental authority thereof, including, without limitation, anti-terrorism, anti-money laundering, export/import and/or corrupt practices laws, orders, rules and regulations. All representations, warranties and indemnities set forth herein shall survive Issuer's issuance of the Credit and any payment thereunder and shall continue until all Reimbursement Obligations arising hereunder are finally determined and paid in full in cash. Each of the Account Parties hereby releases Issuer from and agrees to indemnify and hold harmless the Issuer, and its officers, agents, employees and correspondents for and against any and all claims, costs, liabilities and expenses (including reasonable attorney fees) incurred by or asserted against any such indemnified party and arising out of or in any way relating to (1) any underlying investments, transaction, and/or contracts between any one of the Account Parties, any beneficiary of any Credit and/or any such indemnified party and/or (2) any acceptance or payment made on account of any presentment on a Credit that appeared on its face to conform to the applicable terms and conditions of the Credit, any refusal to pay or honor the Credit when a conforming presentment has not been made or for any other legally or commercially sufficient reason, or any other action or omission by any such indemnified party, other than in respect of gross negligence or willful misconduct on the part of such indemnified party, as determined by a final, non-appealable judgment of a court of competent jurisdiction.

8. SECURITY: As security for the payment and/or performance and satisfaction of all Reimbursement Obligations and other liabilities of the Account Parties to the Issuer with respect to any Credit and under this Agreement, in all cases whether now existing or hereafter arising, whether joint, several independent or otherwise, and whether absolute or contingent or due or to become due (herein collectively, called the "Bank Liabilities"), each of the Account Parties does hereby assign, pledge and grant to Issuer, a security interest in, and the right of possession and disposal of: (A) all Drafts, Documents and all Property shipped, stored or otherwise held or disposed of in connection with the Credit and/or subject to any Document, whether or not released to any of the Account Parties on bills of lading, warehouse or trust receipts or otherwise, (B) all right and causes of action against all parties arising from or in connection with any contract or agreement referred to in any Credit, and all guarantees, agreements or other undertakings (including those in effect between or among any of the Account Parties), credits, policies of insurance or other assurances in connection therewith, (C) the Deposit Account and/or any other cash instruments, deposit balances, certificates of deposit and other cash equivalents, repurchase agreements, and other investments maintained by any of the Account Parties with Issuer or any other KeyCorp affiliate, whether matured or unmatured, or collected or in the process of collection and (D) all proceeds of the foregoing. The Account Parties agree to execute, deliver, and file all further instruments as may be reasonably required by the Issuer to carry out the purposes of this Agreement and/or perfect or enforce the rights of Issuer hereunder.

9. DEFAULT: In the event that any of the Account Parties: (A) fails to perform any obligation required to be performed by it under this Agreement or any other agreement or document relating to or evidencing a Credit or any Property in which a security interest has been granted to Issuer, (B) fails to make any payment or perform any other obligations under this Agreement, (C) makes any assignment for the benefit of creditors, (D) files or authorizes or consents to the filing of any voluntary or involuntary petition in bankruptcy by or against any one of the Account Parties as debtor, (E) applies for the appointment of a receiver of any of its assets, (F) becomes insolvent, or ceases, becomes unable or admits in writing its

inability to pay its debts as they become due, or (G) fails to pay when due, upon acceleration or otherwise, any other obligation to Issuer, Issuer may at such time or any time thereafter declare, without demand or notice which are hereby expressly waived, all Reimbursement Obligations hereunder, including such as are then contingent, to be immediately due and payable, whereupon the same shall be immediately due and payable in full in cash, and Issuer is authorized, at its option, to apply (or hold as collateral) the proceeds of any Property, the Deposit Account, any other sums due from Issuer to any one of the Account Parties and any other collateral, to the payment of any and all Reimbursement Obligations. In any such event Issuer shall have all of the remedies of a secured party under the Uniform Commercial Code in effect in the State in which the principal office of the Issuer is located and Issuer is hereby authorized and empowered at its option, at any time or times thereafter, to sell and assign the whole of the Property, or any part thereof then constituting security pursuant to any of the terms hereof, at any public or private sale, at such time and place and upon such terms as Issuer may deem proper and with the right in Issuer to be the purchaser at such sale and, after deducting all legal and other costs and expenses of any sale, to apply the net proceeds of such sale(s) to the payment of all of the Bank Liabilities. The residue, if any, of the proceeds of sale and any other Property constituting security remaining after satisfaction of the Bank Liabilities shall be returned to the respective Account Parties unless otherwise disposed of in accordance with written instructions from the affected Account Parties. It is agreed that, with or without notification to any of the Account Parties, Issuer may exchange, release, surrender, realize upon, release on trust receipt to any of them, or otherwise deal with any Property by whomsoever pledged, mortgaged or subjected to a security interest to secure directly or indirectly any of the Bank Liabilities and/or any offset against the same. In addition, Issuer and its affiliates shall have all rights and remedies provided for under the Uniform Commercial Code and other wise at law and in equity and all rights, remedies and/or collateral provided for under any other reimbursement agreement, credit agreement, security agreement, pledge agreement or other agreement or instrument in effect at any time between Account Party(ies) and Issuer or any affiliate that obligate and/or secure reimbursement in respect of letters of credit by Account Party(ies) or any of them. All rights and remedies of Issuer shall be cumulative and not exclusive.

10. NO WAIVER: ISSUER SHALL HAVE NO DUTY TO EXERCISE ANY RIGHT HEREUNDER OR WITH RESPECT TO ANY PROPERTY, AND ISSUER SHALL NOT BE LIABLE FOR ANY FAILURE TO DO SO OR DELAY IN DOING SO. NONE OF ISSUER'S OPTIONS, POWERS OR RIGHTS IN CONNECTION WITH THE CREDIT OR THIS AGREEMENT SHALL BE WAIVED UNLESS ISSUER OR ISSUER'S AUTHORIZED AGENT SHALL HAVE SIGNED SUCH WAIVER IN WRITING. NO SUCH WAIVER, UNLESS EXPRESSLY AS STATED THEREIN, SHALL BE EFFECTIVE AS TO ANY TRANSACTION WHICH OCCURS SUBSEQUENT TO THE DATE OF SUCH WAIVER NOR AS TO ANY CONTINUANCE OF A BREACH AFTER SUCH WAIVER. NO COURSE OF DEALING BETWEEN ANY OF THE ACCOUNT PARTIES AND ISSUER SHALL BE EFFECTIVE TO CHANGE, MODIFY OR DISCHARGE IN WHOLE OR IN PART THIS AGREEMENT OR THE OBLIGATIONS HEREUNDER.

11. GOVERNING LAW; SEVERABILITY: THIS AGREEMENT WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE IN WHICH THE PRINCIPAL OFFICE OF THE ISSUER IS LOCATED. THE CREDIT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE IN WHICH THE PRINCIPAL OFFICE OF THE ISSUER IS LOCATED AND SHALL BE SUBJECT TO THE UNIFORM CUSTOMS OR THE ISP (WHICHEVER MAY BE DETERMINED TO BE APPROPRIATE UNDER THE CIRCUMSTANCES BY ISSUER AND INDICATED IN THE CREDIT) THEN IN EFFECT, WHICH UNIFORM CUSTOMS OR ISP, AS THE CASE MAY BE, WILL CONTROL IN THE EVENT OF ANY CONFLICT WITH STATE LAWS. IF ANY PROVISION HEREOF IS FOR ANY REASON HELD TO BE UNENFORCEABLE UNDER ANY LAW, SUCH ILLEGALITY OR INVALIDITY SHALL NOT AFFECT ANY OTHER PROVISIONS HEREOF, EACH OF WHICH SHALL BE CONSTRUED AND ENFORCED AS IF SUCH UNENFORCEABLE PROVISION WERE NOT CONTAINED HEREIN.

12. NOTICE AND WAIVERS: EXCEPT AS OTHERWISE PROVIDED IN PARAGRAPHS 4 AND 5 HEREIN, ANY NOTICE TO ISSUER SHALL BE DEEMED EFFECTIVE ONLY IF IN WRITING SENT TO AND RECEIVED BY ISSUER. ANY SUCH NOTICE TO OR DEMAND ON ANY OF THE ACCOUNT PARTIES SHALL BE BINDING ON ALL OF THEM AND SHALL BE DEEMED

EFFECTIVE ONLY IF IN WRITING (A) WHEN DELIVERED PERSONALLY OR BY VERIFIABLE FACSIMILE TRANSMISSION WITH CONFIRMATION OF RECEIPT; (B) ON THE NEXT BUSINESS DAY AFTER DELIVERY TO A NATIONALLY-RECOGNIZED OVERNIGHT COURIER, WITH RECEIPT ACKNOWLEDGMENT REQUESTED; (C) ON THE BUSINESS DAY ACTUALLY RECEIVED IF DEPOSITED IN THE U.S. MAIL, OR (D) IF BY TELEPHONE, WHEN CONFIRMED BY VERIFIABLE FACSIMILE TRANSMISSION TO THE LAST ADDRESS OR TELEPHONE NUMBER OF SUCH PERSON APPEARING ON ISSUER'S RECORDS.

13. ACCOUNT PARTY: IF THIS AGREEMENT IS SIGNED BY ONE ACCOUNT PARTY ONLY, THE TERMS "ACCOUNT PARTIES" AND "THEIR" AND "THEM" SHALL REFER THROUGHOUT TO THE ONE ACCOUNT PARTY EXECUTING THIS AGREEMENT; IF THIS AGREEMENT IS SIGNED BY MORE THAN ONE PARTY, THIS AGREEMENT SHALL BE THE JOINT AND SEVERAL OBLIGATION OF ALL SUCH ACCOUNT PARTIES. IF THE UNDERSIGNED IS A PARTNERSHIP, THE OBLIGATIONS HEREUNDER SHALL CONTINUE IN FORCE AND APPLY NOTWITHSTANDING ANY CHANGE IN MEMBERSHIP OF SUCH PARTNERSHIP. THIS AGREEMENT SHALL BE BINDING UPON EACH OF THE ACCOUNT PARTIES AND THEIR RESPECTIVE HEIRS, PERSONAL REPRESENTATIVES, SUCCESSORS AND ASSIGNS AND SHALL INURE TO ISSUER'S BENEFIT AND ISSUER'S SUCCESSORS AND ASSIGNS. ISSUER MAY, WITHOUT NOTICE TO THE ACCOUNT PARTIES, ASSIGN THIS AGREEMENT IN WHOLE OR IN PART.

Account Party Name typed: _____

Signature: _____
Signer's Name typed: _____
Title or Capacity: _____
Date: _____

Account Party Name typed: _____

Signature: _____
Signer's Name typed: _____
Title or Capacity: _____
Date: _____

EXHIBIT I-1

FORM OF U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Lenders That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to that certain Third Amended and Restated Credit Agreement dated as of February 11, 2021, as from time to time in effect (the "Credit Agreement"), by and among Gladstone Commercial Limited Partnership (the "Borrower"), Gladstone Commercial Corporation, KeyBank National Association for itself and as Agent, and the other Lenders from time to time party thereto.

Pursuant to the provisions of Section 4.4 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the Loan(s) (as well as any Note(s) evidencing such Loan(s)) in respect of which it is providing this certificate, (ii) it is not a bank within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code and (iv) it is not a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished the Agent and the Borrower with a certificate of its non-U.S. Person status on IRS Form W-8BEN. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the Borrower and the Agent, and (2) the undersigned shall have at all times furnished the Borrower and the Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF LENDER]

By:_____
Name:
Title:
Date: _____ __, 20[ ]

EXHIBIT I-2

FORM OF U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Participants That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to that certain Third Amended and Restated Credit Agreement dated as of February 11, 2021, as from time to time in effect (the "Credit Agreement"), by and among Gladstone Commercial Limited Partnership (the "Borrower"), Gladstone Commercial Corporation, KeyBank National Association for itself and as Agent, and the other Lenders from time to time party thereto.

Pursuant to the provisions of Section 4.4 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the participation in respect of which it is providing this certificate, (ii) it is not a bank within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code, and (iv) it is not a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished its participating Lender with a certificate of its non-U.S. Person status on IRS Form W-8BEN. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender in writing, and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF PARTICIPANT]

By: _____
Name:
Title:
Date: _____ __, 20[ ]

EXHIBIT I-3

FORM OF U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Participants That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to that certain Third Amended and Restated Credit Agreement dated as of February 11, 2021, as from time to time in effect (the "Credit Agreement") by and among Gladstone Commercial Limited Partnership (the "Borrower"), Gladstone Commercial Corporation, KeyBank National Association for itself and as Agent, and the other Lenders from time to time party thereto.

Pursuant to the provisions of Section 4.4 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the participation in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such participation, (iii) with respect such participation, neither the undersigned nor any of its direct or indirect partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (iv) none of its direct or indirect partners/members is a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code and (v) none of its direct or indirect partners/members is a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished its participating Lender with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN or (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN from each of such partner's/member's beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF PARTICIPANT]

By: _____
Name:
Title:
Date: _____ __, 20[ ]

EXHIBIT I-4

FORM OF U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Lenders That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to that certain Third Amended and Restated Credit Agreement dated as of February 11, 2021, as from time to time in effect (the "Credit Agreement"), by and among Gladstone Commercial Limited Partnership (the "Borrower"), Gladstone Commercial Corporation, KeyBank National Association for itself and as Agent, and the other Lenders from time to time party thereto.

Pursuant to the provisions of Section 4.4 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the Loan(s) (as well as any Note(s) evidencing such Loan(s)) in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such Loan(s) (as well as any Note(s) evidencing such Loan(s)), (iii) with respect to the extension of credit pursuant to this Credit Agreement or any other Loan Document, neither the undersigned nor any of its direct or indirect partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (iv) none of its direct or indirect partners/members is a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code and (v) none of its direct or indirect partners/members is a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished the Administrative Agent and the Borrower with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN or (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN from each of such partner's/member's beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the Borrower and the Administrative Agent, and (2) the undersigned shall have at all times furnished the Borrower and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF LENDER]

By:_____
Name:
Title:
Date: _____, 20[ ]

EXHIBIT J

FORM OF TERM LOAN B REQUEST

KeyBank National Association, as Agent
4910 Tiedeman Road, 3rd Floor
Brooklyn, Ohio 44144
Mail Code: OH-01-51-0311
Attn: John Bertleff

Ladies and Gentlemen:

Pursuant to the provisions of §2.5 of that certain Third Amended and Restated Credit Agreement dated as of February 11, 2021, as from time to time in effect (the "Credit Agreement"), by and among Gladstone Commercial Limited Partnership (the "Borrower"), Gladstone Commercial Corporation, KeyBank National Association for itself and as Agent, and the other Lenders from time to time party thereto, the undersigned Borrower hereby requests and certifies as follows:

14. Term Loan B. The undersigned Borrower hereby requests a Term Loan B under §2.2 of the Credit Agreement:

Principal Amount: $_____
Type (LIBOR Rate, Base Rate):
Drawdown Date:
Interest Period for Term B LIBOR Rate Loans:

by credit to the general account of the Borrower with the Agent at the Agent's Head Office.

2. Use of Proceeds. Such Loan shall be used for purposes permitted by §2.9 of the Credit Agreement.

3. No Default. The undersigned Authorized Officer certifies that the Borrower, Guarantors and Unencumbered Property Subsidiaries are and will be in compliance with all covenants under the Loan Documents after giving effect to the making of the Loan requested hereby and no Default or Event of Default has occurred and is continuing. Attached hereto is a Unencumbered Asset Certificate setting forth a calculation of the Unencumbered Asset Availability after giving effect to the Loan requested hereby. No condemnation proceedings are pending or, to the undersigned knowledge, threatened against any Subject Property.

4. Representations True. The undersigned Authorized Officer certifies, represents and agrees that each of the representations and warranties made by or on behalf of the Borrower, the Guarantors or their respective Subsidiaries, contained in the Credit Agreement, in the other Loan Documents or in any document or instrument delivered pursuant to or in connection with the Credit Agreement was true in all material respects as of the date on which it was made and, is true in all material respects as of the date hereof and shall also be true at and as of the Drawdown Date for the Loan requested hereby, with the same effect as if made at and as of such Drawdown Date, except that any representation or warranty which by its terms is made as of a specified date shall

be required to be true and correct only as of such specified date, and except to the extent of any changes resulting from transactions permitted by this Agreement.

5. Other Conditions. The undersigned Authorized Officer certifies, represents and agrees that all other conditions to the making of the Loan requested hereby set forth in the Credit Agreement have been satisfied.

6. Definitions. Terms defined in the Credit Agreement are used herein with the meanings so defined.

[Signatures Appear on Next Page]

IN WITNESS WHEREOF, the undersigned has duly executed this request this _____ day of _____, 20__.

GLADSTONE COMMERCIAL LIMITED PARTNERSHIP, a Delaware limited partnership

By: GCLP Business Trust II, a Massachusetts business trust, its sole general partner

By:_____
Name:_____
Title:_____

By:_____
Name:_____
Title:_____

(SEAL)

Exhibit 21

SUBSIDIARIES OF GLADSTONE COMMERCIAL CORPORATION

Delaware

2525 N Woodlawn Vstrm Wichita KS, LLC
260 Springside Drive Akron OH LLC
ABC12 Ottumwa IA LLC
ACI06 Champaign IL LLC
AFL05 Duncan SC LLC
AFL05 Duncan SC Member LLC
AFR11 Parsippany NJ LLC
AL13 Brookwood LLC
AL15 Birmingham LLC
ALHSVI01 GOOD 130 Vintage Drive LLC
ALMGMI01 GOOD 111 Folmar Parkway LLC
ALVANI02 GOOD 11198 Will Walker Road LLC
APML07 Hialeah FL LLC
AZTUC901 GOOD 3381 East Global Loop LLC
C08 Fridley MN LLC
CA14 Rancho Cordova GP LLC
CA14 Rancho Cordova LP
CBP11 Green Tree PA GP LLC
CBP11 Green Tree PA, L.P.
CDLCI07 Mason OH LLC
CI05 Clintonville WI LLC
CMI04 Canton NC LLC
CO13 Englewood LLC
CO14 Aurora LLC
CO14 Denver LLC
COCO04 Austin TX, L.P.
COCO04 Austin TX GP LLC
Corning Big Flats LLC
Corning Big Flats Two LLC
CVG12 New Albany OH LLC
D08 Marietta OH LLC
DBPI07 Bolingbrook IL LLC
EE 208 South Rogers Lane Raleigh NC LLC
EE07 Raleigh NC, L.P.
EE07 Raleigh NC GP LLC
EI07 Tewksbury MA LLC
First Park Ten COCO San Antonio, L.P.
First Park Ten COCO San Antonio GP LLC
FL16 Fort Lauderdale LLC
FL17 Eatonville-1 LLC
FL17 Eatonville-2 LLC
FL17 Eatonville-3 LLC
FLLKMO01 GOOD 1000 Business Center LLC
FLOCAI01 GOOD 1900 Southwest 38TH Avenue LLC
FLOCAI02 GOOD 808 Southwest 12TH Street LLC
FMCT08 Chalfont PA GP LLC
FMCT08 Chalfont PA LP
FS11 Hickory NC GP LLC
FS11 Hickory NC, LP
FTCHI07 Grand Rapids MI LLC
GA15 Hapeville LLC
GA15 Villa Rica LLC
GACARI01 GOOD 1050 Columbia Drive LLC
GACHAI01 GOOD 6900 Highway 411 North LLC

GATIFI01 GOOD 260 Jordan Road LLC
GBI07 Syracuse NY LLC
GCC1302 Egg Harbor NJ LLC
GCC Acquisition Holdings, LLC
GCO12 Jupiter FL LLC
Gladstone Commercial Advisers, Inc.
Gladstone Commercial Corporation
Gladstone Commercial Limited Partnership
Gladstone Commercial Partners LLC
Gladstone Commercial Lending LLC
GSM LLC
HMBF05 Newburyport MA LLC
IN14 Indianapolis LLC
ININDI01 GOOD 5225 W 81ST LLC
ININDI02 GOOD 5600 W Raymond, LLC
ININDI03 GOOD 5610 W 82, LLC
ININDI04 GOOD 4780 E Margaret LLC
IPA12 Ashburn VA LLC
IPA12 Ashburn VA SPE LLC
LANORI02 GOOD 900 Distributors Row LLC
LAPALI01 GOOD 1274 Commercial Drive LLC
LittleArch04 Charlotte NC Member LLC
Little Arch Charlotte NC LLC
MI13 Novi LLC
MI14 Monroe Frenchtown LLC
MI14 Monroe Revard LLC
MIDETI04 GOOD 4440 N Atlantic LLC
MIDETI05 GOOD 7026 Sterling LLC
MN13 Blaine, LLC
MOSTCI01 GOOD 2931 Elm Point Industrial Drive LLC
MPI06 Mason OH LLC
NARA12 Fort Worth TX, L.P.
NARA12 Fort Worth TX GP LLC
NCCLTI01 GOOD 2925 Stewart Blvd LLC
NCH12 Columbus OH LLC
NH10 Cumming GA LLC
NJPHII02 GOOD 5 Twosome LLC
NMABQI01 GOOD 555 Gallatin Place NW LLC
NMABQI02 GOOD 7500 Los Volcanes NW LLC
NW05 Richmond VA LLC
OB Crenshaw GCC, L.P.
OB Crenshaw SPE GP LLC
OB Midway NC Gladstone Commercial LLC
OH04 North Canton LLC
OH14 Columbus LLC
OH15 Dublin LLC
OHCOLI01 GOOD 759 Pittsburgh LLC
OHCOLI02 GOOD 1932 Pittsburgh Drive LLC
OHCOLO05 GOOD 4343 Easton Commons LLC
PA14 Taylor LLC
PA16 Prussia LLC
PA17 Conshohocken LLC
PAPITI01 GOOD 106 Gamma LLC
PA17 Philadelphia LLC
PNA11 Boston Heights OH LLC
Pocono PA GCC GP LLC
Pocono PA GCC, L.P.
PZ05 Maple Heights OH LLC
RC06 Menomonee Falls WI LLC

RCOG07 Georgia LLC
Richardson TX15 LLC
RPT08 Pineville NC GP LLC
RPT08 Pineville NC LP
SCC10 Orange City IA LLC
SJMH06 Baytown TX GP LLC
SJMH06 Baytown TX L.P.
SLEE Grand Prairie, L.P.
SRFF08 Reading PA GP LLC
SRFF08 Reading PA LP
TCI06 Burnsville MN LLC
TMC11 Springfield MO LLC
TNIJACI01 GOOD 961 Lower Brownsville Road LLC
TUP12 Columbus GA LLC
TX13 Allen LLC
TX13 Austin LLC
TX14 Allen II LLC
TX14 Colleyville LLC
TX14 Coppell LLC
TXDENI01 GOOD 5450 Dakota Lane LLC
TXHOUI01 GOOD 9400 Telge Road LLC
TXSNTI01 GOOD 929 South Medina Street LLC
TXTEMI01 GOOD 3120 AND 3410 Range Road LLC
UT15 Draper LLC
UT16 Taylorsville LLC
UTSLCO03 GOOD 680 West Shields Lane LLC
VW12 Columbia SC LLC
WC11 Springfield MO LLC
WEC11 Dartmouth MA LLC
WPI07 Tulsa OK LLC
YCC06 South Hadley MA LLC
YorkTC05 Eatontown NJ LLC

Ohio

Hemingway at Boston Heights, LLC

Massachusetts

GCLP Business Trust I
GCLP Business Trust II

Exhibit 23

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (No. 333-229209 and 333-236143) of Gladstone Commercial Corporation of our report dated February 16, 2021 relating to the financial statements and financial statement schedule and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP
McLean, Virginia
February 16, 2021

Exhibit 31.1

CERTIFICATION
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, David Gladstone, certify that:

1. I have reviewed this annual report on Form 10-K of Gladstone Commercial Corporation;

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

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

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

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

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

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

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

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

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

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

Date: February 16, 2021

/s/ David Gladstone

David Gladstone
Chief Executive Officer and
Chairman of the Board of Directors

Exhibit 31.2

CERTIFICATION
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Michael Sodo, certify that:

1. I have reviewed this annual report on Form 10-K of Gladstone Commercial Corporation;

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

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

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

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

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

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

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

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

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

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

Date: February 16, 2021

/s/ Michael Sodo

Michael Sodo
Chief Financial Officer

Exhibit 32.1

CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

The undersigned, the Chief Executive Officer of Gladstone Commercial Corporation (the "Company"), hereby certifies on the date hereof, pursuant to 18 U.S.C. §1350(a), as adopted pursuant to Section 906 of The Sarbanes-Oxley Act of 2002, that the Annual Report on Form 10-K for the period ended December 31, 2020 ("Form 10-K"), filed concurrently herewith by the Company, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and that the information contained in the Form 10-K fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Dated: February 16, 2021

/s/ David Gladstone

David Gladstone
Chief Executive Officer

Exhibit 32.2

CERTIFICATION OF THE CHIEF FINANCIAL OFFICER PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

The undersigned, the Chief Financial Officer of Gladstone Commercial Corporation (the "Company"), hereby certifies on the date hereof, pursuant to 18 U.S.C. §1350(a), as adopted pursuant to Section 906 of The Sarbanes-Oxley Act of 2002, that the Annual Report on Form 10-K for the period ended December 31, 2020 ("Form 10-K"), filed concurrently herewith by the Company, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and that the information contained in the Form 10-K fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Dated: February 16, 2021

/s/ Michael Sodo

Michael Sodo
Chief Financial Officer

Exhibit 99.1

Pursuant to FINRA Rule 2310(b)(5), Gladstone Commercial Corporation (the "Company") determined the estimated value as of December 31, 2020, of its 6.00% Series F Cumulative Redeemable Preferred Stock (the "Series F Preferred Stock"), $25.00 stated value per share, with the assistance of a third-party valuation service. In particular, the third-party valuation service reviewed the amount resulting from the consolidated undepreciated book value of the Company's assets less its contractual liabilities, divided by the number of shares of the Company's Series D, E and F Preferred Stock outstanding, all as reflected in the Company's consolidated financial statements included in Item 8 of the Company's Annual Report on Form 10-K for the year ended December 31, 2020 to which this exhibit is attached, which were prepared in conformity with accounting principles generally accepted in the United States of America. Based on this methodology and because the result from the calculation above is greater than the $25.00 per share stated value of the Company's Series F Preferred Stock, the Company has determined that the estimated value of its Series F Preferred Stock as of December 31, 2020, is $25.00 per share.

Pursuant to FINRA Rule 2310(b)(5), the Company determined the estimated value as of December 31, 2020 of its Senior Common Stock, $15.00 original issue price per share, with the assistance of a third party valuation service. In particular, the third party valuation service reviewed the amount resulting from the consolidated undepreciated book value of the Company's assets less its contractual liabilities, less the liquidation value of the Company's Series D, E and F Preferred Shareholders, divided by the number of fully diluted shares of the Company's Common Stock outstanding, all as reflected in the Company's consolidated financial statements included in Item 8 of the Company's Annual Report on Form 10-K for the year ended December 31, 2020 to which this exhibit is attached, which were prepared in conformity with accounting principles generally accepted in the United States of America. Based on this methodology, the Company has determined that the estimated value of its Senior Common Stock as of December 31, 2020 is $15.18 per share.