Consolidated-Tomoka Acquires Class a Single-Tenant Net Lease Office Property in Albuquerque, NM for $44.0 Million and Provides Other Updates

October 5, 2018

DAYTONA BEACH, Fla. , Oct. 05, 2018 (GLOBE NEWSWIRE) -- Consolidated-Tomoka Land Co. (NYSE American:CTO) (the "Company") today announced the acquisition of an approximately 210,000 square foot, Class A single-tenant office property in Albuquerque, New Mexico (the "Property") for approximately $44.0 million, or approximately $209 per square foot. The Property, which is LEED Gold certified, is situated on approximately 25 acres and is 100% leased to an affiliate of Fidelity Investments ("Fidelity"), the 2nd largest mutual fund company in the United States, under a triple-net lease that was recently extended through 2028. The Property was built in 2009 as a build-to-suit for Fidelity which they are currently using for call center and back-office functions. The initial investment yield is above the high end of the Company's 2018 guidance. The transaction is expected to be part of a 1031 like-kind exchange.

As a result of the acquisition of the Property, the weighted average lease duration for the Company's portfolio of single-tenant income properties is approximately 9.3 years.

The Property at 5401 Watson Drive, is located in the Mesa del Sol community, just 8 miles outside of Albuquerque. Mesa del Sol is a 12,900-acre mixed-use master planned community, one of the largest in the United States, which currently features 1.2 million square feet of industrial, commercial and office development and 250 single-family residences, recreation facilities and the 15,000-seat Isleta Amphitheater. The Property is located just 5 miles from Albuquerque International Airport (the largest in New Mexico), approximately 10 miles from Kirtland Air Force Base, is in close proximity to several research campuses of the University of New Mexico and the Sandia National Laboratories and is less than 10 miles from Interstate 40 and Interstate 25 interchange.

The Company has initiated efforts to explore the disposition of certain of its multi-tenant income properties whereby the proceeds from any sale transaction would be redeployed in a 1031 like-kind exchange structure to invest in one or more single-tenant net-lease income properties. This monetization of certain multi-tenant properties and reinvestment into single-tenant properties is part of the Company's effort to simplify its investment strategy into single-tenant net-lease product.

The Company also announced the following update to its pipeline of land contracts as of October 4, 2018 reflecting changes since its last release on August 30, 2018.

The Company currently has sixteen (16) executed purchase and sale agreements with fourteen (14) different buyers, which in the aggregate represent the potential sale of approximately 3,500 acres, or approximately 64% of our remaining land holdings, with anticipated sales proceeds of more than $154 million, or approximately $44,000 per acre. Each of the transactions are in varying stages of due diligence by the various buyers including, in some instances, having made submissions to the planning and development departments of the City of Daytona Beach and other approval and permitting activities with other applicable governmental authorities. In addition to other customary closing conditions, most of the transactions are conditioned upon the receipt of approvals or permits from various governmental authorities, as well as other matters that are beyond the Company's control. If such approvals are not obtained, the prospective buyers may have the ability to terminate their respective agreements prior to closing. As a result, there can be no assurances regarding the likelihood or timing of any of these potential land transactions being completed or the final terms thereof, including the sales price.

The updated pipeline of land contracts reflects, amongst other changes, the closing of a land sale, a new contract entered into, and terminated contracts as outlined in the following summary:

- Completed the sale of nearly 13 acres on Tomoka Farms Road on the west side of Interstate 95 near the Honda and CarMax dealerships, for a total sales price of $2.1 million, or approximately $166,000 per acre, and resulting in an estimated gain of approximately $1.9 million, or $0.26 per share after tax;
- Added approximately 80 acres to the existing contract with O'Connor Management that was originally for approximately 123 acres along Williamson Boulevard. The amended contract now represents approximately 203 acres for a total potential transaction price of approximately $45.3 million, or approximately $223,000 per acre, an increase of potential proceeds of approximately $16 million;
- O'Connor Management terminated its land contract pertaining to the approximately 850-acre industrial park that had a potential transaction price of approximately $34 million; and
- VanTrust terminated its land contract pertaining to approximately 71 acres on Clyde Morris Boulevard that had a potential transaction price of approximately $5 million.

Finally, the Company announced that in September 2018, that Kerogen renewed its oil exploration lease on approximately 15,152 acres in Hendry County, Florida for an additional year (through September 2019) and that Kerogen filed its application for a drilling permit. As part of the renewal, the Company received $400,000 as partial payment of the total amounts due of approximately $957,000, which includes a $150,000 drilling penalty. The remaining $557,000 will be paid in monthly installments ending in January of 2019.

About Consolidated-Tomoka Land Co.

Consolidated-Tomoka Land Co. is a Florida-based publicly traded real estate company, which owns approximately 2.3 million square feet of income properties in diversified markets in the United States, as well as nearly 5,500 acres of land in the Daytona Beach area. Visit our website at www.ctlc.com.

We encourage you to review our most recent investor presentations which are available on our website at www.ctlc.com.

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Certain statements contained in this press release (other than statements of historical fact) are forward-looking statements. Words such as "believe," "estimate," "expect," "intend," "anticipate," "will," "could," "may," "should," "plan," "potential," "predict," "forecast," "project," and similar expressions and variations thereof are intended to identify certain of such forward-looking statements, which speak only as of the dates on which they were made, although not all forward-looking statements contain such words. Although forward-looking statements are made based upon management's expectations and beliefs concerning future developments and their potential effect upon the Company, a number of factors could cause the Company's actual results to differ materially from those set forth in the forward-looking statements. Such factors may include the completion of 1031 exchange transactions, the availability of investment properties that meet the Company's investment goals and criteria, the modification of terms of certain land sales agreements, uncertainties associated with obtaining required governmental permits and satisfying other closing conditions for planned acquisitions and sales, as well as the uncertainties and risk factors discussed in our Annual Report on Form 10-K for the fiscal year ended December 31, 2017 and our Quarterly Report on Form 10-Q for the quarter ended June 30, 2018, as filed with the Securities and Exchange Commission. There can be no assurance that future developments will be in accordance with management's expectations or that the effect of future developments on the Company will be those anticipated by management. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this release.

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