

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 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: 001-36735

Landmark Infrastructure Partners LP

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

400 Continental Blvd., Suite 500

P.O. Box 3429

El Segundo, CA 90245

(Address of principal executive offices)

61-1742322

(I.R.S. Employer
Identification No.)

90245

(Zip Code)

(310) 598-3173

(Registrant's telephone number, including area code)

N/A

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

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Units, Representing Limited Partner Interests	LMRK	NASDAQ Global Market
8.0% Series A Cumulative Redeemable Preferred Units, \$25.00 par value	LMRKP	NASDAQ Global Market
7.9% Series B Cumulative Redeemable Preferred Units, \$25.00 par value	LMRKO	NASDAQ Global Market
Series C Floating-to-Fixed Rate Cumulative Redeemable Perpetual Convertible Preferred Units, \$25.00 par value	LMRKN	NASDAQ Global Market

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

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

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

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Emerging growth company

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

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

The registrant had 25,478,042 common units outstanding at August 3, 2020.

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PART I. FINANCIAL INFORMATION

Item 1. Unaudited Financial Statements

LANDMARK INFRASTRUCTURE PARTNERS LP

CONSOLIDATED BALANCE SHEETS

(IN THOUSANDS, EXCEPT UNIT DATA)

	<u>June 30, 2020</u>	<u>December 31, 2019(1)</u>
Assets		
Land	\$ 107,455	\$ 107,558
Real property interests	520,029	509,181
Construction in progress	41,655	49,116
Total land and real property interests	669,139	665,855
Accumulated depreciation and amortization of real property interests	(55,860)	(48,995)
Land and net real property interests	613,279	616,860
Investments in receivables, net	5,380	5,653
Investment in unconsolidated joint venture	62,062	62,059
Cash and cash equivalents	6,409	5,885
Restricted cash	3,103	5,619
Rent receivables	2,948	3,673
Due from Landmark and affiliates	2,058	1,132
Deferred loan costs, net	4,051	4,557
Deferred rent receivable	1,492	1,548
Other intangible assets, net	20,661	21,936
Assets held for sale (AHFS)	—	114,400
Right-of-use asset, net	6,500	6,615
Other assets	7,451	5,668
Total assets	<u>\$ 735,394</u>	<u>\$ 855,605</u>
Liabilities and equity		
Revolving credit facility	\$ 58,000	\$ 179,500
Secured notes, net	278,377	217,098
Accounts payable and accrued liabilities	4,837	3,842
Other intangible liabilities, net	6,826	7,583
Liabilities associated with AHFS	—	64,627
Operating lease liability	6,723	6,766
Prepaid rent	5,758	5,391
Derivative liabilities	3,908	1,474
Total liabilities	364,429	486,281
Commitments and contingencies (Note 16)		
Mezzanine equity		
Series C cumulative redeemable convertible preferred units, 1,982,700 and 1,988,700 units issued and outstanding at June 30, 2020 and December 31, 2019, respectively	47,709	47,666
Equity		
Series A cumulative redeemable preferred units, 1,745,328 and 1,722,041 units issued and outstanding at June 30, 2020 and December 31, 2019, respectively	40,785	40,210
Series B cumulative redeemable preferred units, 2,628,932 and 2,544,793 units issued and outstanding at June 30, 2020 and December 31, 2019, respectively	63,014	60,926
Common units, 25,478,042 and 25,353,140 units issued and outstanding at June 30, 2020 and December 31, 2019, respectively	380,860	382,581
General Partner	(160,323)	(162,277)
Accumulated other comprehensive income (loss)	(1,281)	17
Total partners' equity	323,055	321,457
Noncontrolling interests	201	201
Total equity	323,256	321,658
Total liabilities, mezzanine equity and equity	<u>\$ 735,394</u>	<u>\$ 855,605</u>

(1) Prior period amounts have been revised to reflect classification of the European outdoor advertising portfolio as discontinued operations. As a result, assets and liabilities of the European outdoor advertising portfolio were reclassified to assets and liabilities held for sale on the consolidated balance sheet (Note 4).

See accompanying notes to consolidated financial statements.

LANDMARK INFRASTRUCTURE PARTNERS LP

CONSOLIDATED STATEMENTS OF OPERATIONS

(IN THOUSANDS, EXCEPT PER UNIT DATA)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020(1)	2019(1)	2020(1)	2019(1)
Revenue				
Rental revenue	\$ 13,844	\$ 13,687	\$ 27,665	\$ 26,902
Expenses				
Property operating	354	270	863	856
General and administrative	1,223	1,455	2,711	2,924
Acquisition-related	86	162	91	204
Depreciation and amortization	4,301	3,259	7,903	6,615
Impairments	102	—	184	204
Total expenses	6,066	5,146	11,752	10,803
Other income and expenses				
Interest and other income	96	112	271	446
Interest expense	(4,393)	(4,655)	(8,691)	(9,142)
Loss on early extinguishment of debt	—	—	(2,231)	—
Unrealized loss on derivatives	(481)	(3,570)	(6,684)	(5,728)
Equity income from unconsolidated joint venture	687	164	837	109
Gain on sale of real property interests	—	11,673	—	17,535
Total other income and expenses	(4,091)	3,724	(16,498)	3,220
Income from continuing operations before income tax expense (benefit)	3,687	12,265	(585)	19,319
Income tax expense (benefit)	(90)	3,112	(335)	3,122
Income from continuing operations	3,777	9,153	(250)	16,197
Income from discontinued operations, net of tax	14,856	112	17,511	278
Net income	18,633	9,265	17,261	16,475
Less: Net income attributable to noncontrolling interest	8	8	16	16
Net income attributable to limited partners	18,625	9,257	17,245	16,459
Less: Distributions declared to preferred unitholders	(3,037)	(3,021)	(6,097)	(5,915)
Less: General partner's incentive distribution rights	—	(197)	—	(394)
Less: Accretion of Series C preferred units	(96)	(94)	(193)	(450)
Net income attributable to common unitholders	\$ 15,492	\$ 5,945	\$ 10,955	\$ 9,700
Income (loss) from continuing operations per common unit				
Common units – basic	\$ 0.02	\$ 0.23	\$ (0.26)	\$ 0.37
Common units – diluted	\$ 0.02	\$ 0.23	\$ (0.26)	\$ 0.37
Net income per common unit				
Common units – basic	\$ 0.61	\$ 0.23	\$ 0.43	\$ 0.38
Common units – diluted	\$ 0.61	\$ 0.23	\$ 0.43	\$ 0.38
Weighted average common units outstanding				
Common units – basic	25,476	25,339	25,468	25,338
Common units – diluted	25,476	25,339	25,468	25,338
Cash distributions declared per common unit	\$ 0.2000	\$ 0.3675	\$ 0.4000	\$ 0.7350

(1) Prior period amounts have been revised to reflect classification of the European outdoor advertising portfolio as discontinued operations. As a result, operating results of the European outdoor advertising portfolio are presented as income from discontinued operations on the consolidated statements of operations for all periods presented (Note 8).

See accompanying notes to consolidated financial statements.

LANDMARK INFRASTRUCTURE PARTNERS LP

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(IN THOUSANDS)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Net income	\$ 18,633	\$ 9,265	\$ 17,261	\$ 16,475
Other comprehensive income (loss):				
Foreign currency translation adjustment	2,481	(2,415)	(5,650)	(672)
Reclassification adjustments of other comprehensive losses to gain on sale included in net income	4,352	—	4,352	—
Other comprehensive income (loss):	6,833	(2,415)	(1,298)	(672)
Comprehensive income	25,466	6,850	15,963	15,803
Less: Comprehensive income attributable to noncontrolling interest	8	8	16	16
Comprehensive income attributable to limited partners	\$ 25,458	\$ 6,842	\$ 15,947	\$ 15,787

See accompanying notes to consolidated financial statements.

LANDMARK INFRASTRUCTURE PARTNERS LP
CONSOLIDATED STATEMENTS OF EQUITY AND MEZZANINE EQUITY
(IN THOUSANDS)

	Common Units	Preferred Units - Series A	Preferred Units - Series B	Common Unitholders	Preferred Unitholders - Series A	Preferred Unitholders - Series B	General Partner	Accumulated Other Comprehensive Income (loss)	Noncontrolling Interest	Total Equity	Mezzanine Equity - Series C Preferred
Balance as of December 31, 2018	25,328	1,593	2,463	\$ 411,158	\$ 37,207	\$ 58,936	\$ (167,019)	\$ (2,806)	\$ 201	\$ 337,677	\$ 47,308
Foreign currency translation adjustment	—	—	—	—	—	—	—	1,743	—	1,743	—
Distributions	—	—	—	(9,312)	(788)	(1,189)	(197)	—	(8)	(11,494)	(917)
Capital contribution from Sponsor	—	—	—	—	—	—	994	—	—	994	—
Other deemed contributions	—	—	—	—	—	—	197	—	—	197	—
Unit-based compensation	10	—	—	130	—	—	—	—	—	130	—
Net income	—	—	—	3,755	788	1,189	197	—	8	5,937	1,273
Balance as of March 31, 2019	<u>25,338</u>	<u>1,593</u>	<u>2,463</u>	<u>\$ 405,731</u>	<u>\$ 37,207</u>	<u>\$ 58,936</u>	<u>\$ (165,828)</u>	<u>\$ (1,063)</u>	<u>\$ 201</u>	<u>\$ 335,184</u>	<u>\$ 47,664</u>
Foreign currency translation adjustment	—	—	—	—	—	—	—	(2,415)	—	(2,415)	—
Issuance of Preferred Units, net	—	57	67	—	1,259	1,639	—	—	—	2,898	—
Conversion of Preferred Units, net	1	—	—	5	—	—	—	—	—	5	(5)
Distributions	—	—	—	(9,312)	(829)	(1,260)	(197)	—	(8)	(11,606)	(933)
Capital contribution from Sponsor	—	—	—	—	—	—	1,134	—	—	1,134	—
Other deemed contributions	—	—	—	—	—	—	197	—	—	197	—
Net income	—	—	—	5,945	829	1,260	197	—	8	8,239	1,026
Balance as of June 30, 2019	<u>25,339</u>	<u>1,650</u>	<u>2,530</u>	<u>\$ 402,369</u>	<u>\$ 38,466</u>	<u>\$ 60,575</u>	<u>\$ (164,497)</u>	<u>\$ (3,478)</u>	<u>\$ 201</u>	<u>\$ 333,636</u>	<u>\$ 47,752</u>

See accompanying notes to consolidated financial statements.

LANDMARK INFRASTRUCTURE PARTNERS LP
CONSOLIDATED STATEMENTS OF EQUITY AND MEZZANINE EQUITY
(IN THOUSANDS)

	Common Units	Preferred Units - Series A	Preferred Units - Series B	Common Unitholders	Preferred Unitholders - Series A	Preferred Unitholders - Series B	General Partner	Accumulated Other Comprehensive Income (loss)	Noncontrolling Interest	Total Equity	Mezzanine Equity - Series C Preferred
Balance as of December 31, 2019	25,353	1,722	2,545	\$ 382,581	\$ 40,210	\$ 60,926	\$ (162,277)	\$ 17	\$ 201	\$ 321,658	\$ 47,666
Adoption of ASU 2016-13	—	—	—	—	—	—	(76)	—	—	(76)	—
Foreign currency translation adjustment	—	—	—	—	—	—	—	(8,131)	—	(8,131)	—
Issuance of Common Units, net	110	—	—	1,510	—	—	—	—	—	1,510	—
Issuance of Preferred Units, net	—	23	84	—	575	2,088	—	—	—	2,663	—
Distributions	—	—	—	(9,360)	(871)	(1,319)	—	—	(8)	(11,558)	(870)
Capital contribution from Sponsor	—	—	—	—	—	—	1,101	—	—	1,101	—
Unit-based compensation	7	—	—	120	—	—	—	—	—	120	—
Net income (loss)	—	—	—	(4,537)	871	1,319	—	—	8	(2,339)	967
Balance as of March 31, 2020	<u>25,470</u>	<u>1,745</u>	<u>2,629</u>	<u>\$ 370,314</u>	<u>\$ 40,785</u>	<u>\$ 63,014</u>	<u>\$ (161,252)</u>	<u>\$ (8,114)</u>	<u>\$ 201</u>	<u>\$ 304,948</u>	<u>\$ 47,763</u>
Foreign currency translation adjustment	—	—	—	—	—	—	—	6,833	—	6,833	—
Conversion of Preferred Units	8	—	—	150	—	—	—	—	—	150	(150)
Distributions	—	—	—	(5,096)	(873)	(1,298)	—	—	(8)	(7,275)	(866)
Capital contribution from Sponsor	—	—	—	—	—	—	929	—	—	929	—
Net income	—	—	—	15,492	873	1,298	—	—	8	17,671	962
Balance as of June 30, 2020	<u>25,478</u>	<u>1,745</u>	<u>2,629</u>	<u>\$ 380,860</u>	<u>\$ 40,785</u>	<u>\$ 63,014</u>	<u>\$ (160,323)</u>	<u>\$ (1,281)</u>	<u>\$ 201</u>	<u>\$ 323,256</u>	<u>\$ 47,709</u>

See accompanying notes to consolidated financial statements.

LANDMARK INFRASTRUCTURE PARTNERS LP
CONSOLIDATED STATEMENTS OF CASH FLOWS
(IN THOUSANDS)

	Six Months Ended June 30,	
	2020	2019
Operating activities		
Net income	\$ 17,261	\$ 16,475
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Unit-based compensation	120	130
Unrealized loss on derivatives	8,483	6,775
Loss on early extinguishment of debt	2,231	—
Depreciation and amortization expense	8,439	6,973
Amortization of above- and below- market lease, net	(481)	(438)
Amortization of deferred loan costs	1,020	1,342
Amortization of discount on secured notes	185	186
Receivables interest accretion	—	(6)
Impairments	184	204
Gain on sale of real property interests	(15,723)	(17,535)
Adjustment for uncollectible accounts	150	5
Equity income from unconsolidated joint venture	(837)	(109)
Return on investment in unconsolidated joint venture	925	2,583
Foreign currency transaction (gain) loss	(2,635)	68
Changes in operating assets and liabilities:		
Rent receivables	1,650	211
Accounts payable and accrued liabilities	1,308	3,650
Deferred rent	377	269
Prepaid rent	11	(1,059)
Due to (from) Landmark and affiliates	(893)	99
Other assets	(1,679)	(2,940)
Net cash provided by operating activities	20,096	16,883
Investing activities		
Acquisition of land	—	(8,660)
Acquisition of real property interests and development activities	(7,684)	(33,481)
Proceeds from sale of real property interests	120,405	45,109
Repayments of receivables	243	274
Net cash provided by investing activities	112,964	3,242
Financing activities		
Proceeds from the issuance of Common Units, net	1,510	—
Proceeds from the issuance of Preferred Units, net	2,663	2,898
Proceeds from revolving credit facility	7,000	43,139
Proceeds from the issuance of secured notes	170,000	—
Principal payments on revolving credit facility	(179,343)	(31,500)
Principal payments on secured notes	(109,713)	(3,311)
Payments on finance leases	(26)	—
Payments on settlement of derivatives	(7,565)	—
Deferred loan costs	(1,938)	(230)
Capital contribution to fund general and administrative expense reimbursement	1,997	1,757
Distributions to preferred unitholders	(6,125)	(5,863)
Distributions to common unitholders	(14,456)	(18,624)
Distributions to non-controlling interests	(16)	(16)
Net cash used in financing activities	(136,012)	(11,750)
Effect of changes in foreign currency exchange rates on cash, cash equivalents and restricted cash	(601)	(21)
Net increase (decrease) in cash, cash equivalents and restricted cash	(3,553)	8,354
Cash, cash equivalents and restricted cash at beginning of the period	13,065	7,780
Cash, cash equivalents and restricted cash at end of the period	\$ 9,512	\$ 16,134

See accompanying notes to consolidated financial statements.

1. Business

Landmark Infrastructure Partners LP (the “Partnership”) was formed on July 28, 2014 by Landmark Dividend LLC (“Landmark” or “Sponsor”) to acquire, develop, own and manage a portfolio of real property interest and infrastructure assets that are leased to companies in the wireless communication, outdoor advertising, renewable power generation and digital infrastructure industries. The Partnership is a master limited partnership organized in the State of Delaware and has been publicly traded since its initial public offering on November 19, 2014 (the “IPO”). On July 31, 2017, the Partnership completed changes to its organizational structure by transferring substantially all of its assets to a consolidated subsidiary, Landmark Infrastructure Inc., a Delaware corporation (“REIT Subsidiary”), which elected to be taxed as a REIT commencing with its taxable year ending December 31, 2017. References in this report to “Landmark Infrastructure Partners LP,” the “partnership,” “we,” “our,” “us,” or like terms refer to Landmark Infrastructure Partners LP.

Our operations are managed by the board of directors and executive officers of Landmark Infrastructure Partners GP LLC, our general partner (the “General Partner”). As of June 30, 2020, the Sponsor and affiliates own (a) our general partner; (b) 3,415,405 common units representing limited partnership interest in the Partnership (“Common Units”); and (c) all of our incentive distribution rights (“IDRs”).

2. Basis of Presentation and Summary of Significant Accounting Policies

Basis of Presentation and Principles of Consolidated Financial Statements

On an ongoing basis, we evaluate each legal entity that is not wholly owned by us in accordance with the consolidation guidance. The accompanying consolidated financial statements include the accounts of the Partnership, its wholly-owned subsidiaries and those entities in which it has a controlling interest. Investments in entities that the Partnership does not control are accounted for using the equity or cost method, depending upon the Partnership’s ability to exercise significant influence over operating and financial policies.

The unaudited interim consolidated financial statements have been prepared in conformity with GAAP as established by the Financial Accounting Standards Board (the “FASB”) in the Accounting Standards Codification (“ASC”) including modifications issued under the Accounting Standards Updates (“ASUs”) and with the instructions to Form 10-Q and Article 10 of Regulation S-X of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). The accompanying unaudited financial statements include, in our opinion, all adjustments, consisting of normal recurring adjustments, necessary to present fairly the unaudited financial information set forth therein. Financial information for the three and six months ended June 30, 2020 and 2019 included in these Notes to the Consolidated Financial Statements is derived from our unaudited financial statements. Certain notes and other information have been condensed or omitted from the interim financial statements included in this report. Operating results for the three and six months ended June 30, 2020 are not necessarily indicative of the results that may be expected for the year ending December 31, 2020. Certain reclassifications have been made to the prior period’s consolidated financial statements to conform to the current period presentation, primarily in the Consolidated Balance Sheet and Consolidated Statement of Operations and all related notes in which prior periods have been retrospectively adjusted to reflect the classification of the operations of the European outdoor advertising portfolio to discontinued operations. All references to tenant sites are outside the scope of our independent registered public accounting firm’s review of our financial statements in accordance with the public company accounting oversight board (U.S.).

Use of Estimates

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

Income Taxes

The Partnership is generally not subject to federal, state or local income taxes, except for our subsidiary Landmark Infrastructure Asset OpCo LLC (“Asset OpCo”) and our foreign subsidiaries. Asset OpCo conducts certain activities that may not generate qualifying income and will be treated as a corporation for U.S. federal income tax purposes. Each limited partner is responsible for the tax liability, if any, related to its proportionate share of the Partnerships’ taxable income or loss. Asset OpCo and certain consolidated foreign subsidiaries of the Partnership conduct certain activities in international locations that generate taxable income and will be treated as taxable entities. Additionally, our consolidated REIT subsidiary, Landmark Infrastructure Inc., a Delaware corporation, files as a corporation for U.S. federal income tax purposes. The REIT Subsidiary has elected to be treated as a REIT and we believe that it has operated in a manner that has allowed the REIT Subsidiary to qualify as a REIT for federal income tax purposes, and the REIT Subsidiary intends to continue operating in such manner. If the REIT Subsidiary fails to qualify as a REIT in any taxable year, and is unable to avail itself of certain savings provisions, all of its taxable income would be subject to federal income tax at regular corporate rates. The Partnership may also be subject to various non-income taxes, filing fees, and franchise taxes in various states that are reflected in operating expenses. The Partnership follows the requirements of ASC Topic 740, *Income Taxes* (“ASC 740”), relating to uncertain tax positions. Based on its evaluation under ASC 740, the Partnership has concluded that there are no significant uncertain tax positions requiring recognition in the consolidated financial statements, nor has the Partnership been assessed interest or penalties by any major tax jurisdictions.

Investment in Unconsolidated Joint Venture

The Partnership accounts for its investment in an unconsolidated joint venture using the equity method of accounting. Under the equity method, the investment is initially recorded at fair value and subsequently adjusted for distributions and the Partnership’s proportionate share of equity in the joint venture’s income (loss). The Partnership recognizes its proportionate share of the ongoing income or loss of the unconsolidated joint venture as equity income (loss) from unconsolidated joint venture on the consolidated statements of operations. On a quarterly basis, the Partnership evaluates its investment in an unconsolidated joint venture for other-than-temporary impairments. The Partnership elected as an accounting policy to reflect unconsolidated joint venture distributions in the consolidated statements of cash flows using the nature of the distribution approach. Accordingly, the net proceeds were classified as return on investment in unconsolidated joint venture within the operating activities section of the consolidated statements of cash flows for the six months ended June 30, 2020 and 2019.

Discontinued Operations

If the disposition of a component, being an operating or reportable segment, business unit, subsidiary or asset group, represents a strategic shift that has or will have a major effect on the Partnership’s operations and financial results, the operating profits or losses of the component disposed of by sale or when classified as held for sale, and the gain or loss upon disposition of the component, are presented as discontinued operations in the statements of operations.

On June 17, 2020, the Partnership completed the sale of its interest in the consolidated joint venture that holds its European outdoor advertising portfolio for a purchase price of £95 million. As a result, the sale of the European outdoor advertising portfolio represents a strategic shift that will have a major effect on the Partnership’s operations and financial results and has met the criteria as discontinued operations in June 2020. Accordingly, for all prior periods presented, the related assets and liabilities, including borrowings under the revolving credit facility and an interest rate swap agreement denominated in British pound sterling (“GBP”), are presented as assets and liabilities held for sale on the consolidated balance sheets (*Note 4*) and the related operating results, including interest expense and unrealized loss on the interest rate swap agreement denominated in GBP, are presented as income from discontinued operations on the consolidated statement of operations (*Note 8*).

Recently Issued Accounting Standards

Changes to GAAP are established by the FASB in the form of ASUs to the FASB’s Accounting Standard Codification. The Partnership considers the applicability and impact of all ASUs. Newly issued ASUs not listed below are not expected to have a material impact on its consolidated financial position and results of operations because either the ASU is not applicable, or the impact is expected to be immaterial.

In April 2020, the FASB issued a question and answer document (the “*Lease Modification Q&A*”) focused on the application of lease accounting guidance to lease concessions provided as a result of the COVID-19 pandemic. Under existing GAAP, the Partnership would have to determine, on a lease by lease basis, if a lease concession was the result of a new arrangement reached with the tenant (treated within the lease modification accounting framework) or if a lease concession was under the enforceable rights and obligations within the existing lease agreement (precluded from applying the lease modification accounting framework). The *Lease Modification Q&A* allows the Partnership, if certain criteria have been met, to bypass the lease by lease analysis, and instead elect to either apply the lease modification accounting framework or not, with such election applied consistently to leases with similar characteristics and similar circumstances. The Partnership has elected to apply such relief and will avail itself of the election to avoid performing a lease by lease analysis and not apply the lease modification accounting framework. The *Lease Modification Q&A* had no material impact on the Partnership’s consolidated financial statements.

In June 2016, the FASB issued ASU No. 2016-13, *Measurement of Credit Losses on Financial Instruments* (“ASU 2016-13”), which establishes ASC 326, *Financial Instruments – Credit Losses*. The ASU revises the measurement of impairment for certain financial instruments measured at amortized cost from an incurred loss methodology to an expected loss methodology. The ASU affects trade receivables, debt securities, net investment in leases, and most other financial assets that represent a right to receive cash. This update is effective for annual and interim financial statement periods beginning after December 15, 2019, with early adoption permitted for financial statement periods beginning after December 15, 2018. In November 2018, the FASB issued ASU No. 2018-19, *Codification Improvements to Topic 326, Financial Instruments – Credit Losses*. This ASU clarifies that receivables from operating leases are accounted for using the lease guidance and not as financial instruments. The measurement of expected credit losses under the current expected credit loss model is based on relevant information including historical experience, current conditions, and reasonable and supportable forecasts that affect the collectability of the reported amounts. The Partnership adopted the guidance as of January 1, 2020 and recognized \$0.1 million as a cumulative adjustment to retained earnings and as a reduction to investment in receivables as of the effective date.

3. Acquisitions and Developments

Third Party Acquisitions

The following table presents direct third-party acquisitions completed by the Partnership during the six months ended June 30, 2020 and for the year ended December 31, 2019.

Acquisition Description	No. of Tenant Sites					Consideration (in millions)	
	Wireless Communication	Outdoor Advertising	Renewable Power Generation	Digital Infrastructure	Total	Borrowings and Available Cash	Total
First Quarter							
International	—	1	—	—	1	\$ 0.1	\$ 0.1
Second Quarter							
International	6	—	—	—	6	\$ 1.3	\$ 1.3
Total	6	—	—	—	6	\$ 1.3	\$ 1.3
2020 Total	6	1	—	—	7	\$ 1.4	\$ 1.4
First Quarter							
International	—	104	—	—	104	\$ 6.0	\$ 6.0
Total	—	104	—	—	104	\$ 6.0	\$ 6.0
Second Quarter							
International	—	7	—	—	7	\$ 6.7	\$ 6.7
Domestic	—	—	8	—	8	0.4	0.4
Total	—	7	8	—	15	\$ 7.1	\$ 7.1
Third Quarter							
International	—	10	—	—	10	\$ 3.8	\$ 3.8
Domestic	1	—	—	—	1	0.3	0.3
Total	1	10	—	—	11	\$ 4.1	\$ 4.1
Fourth Quarter							
International	1	13	—	—	14	\$ 10.5	\$ 10.5
Domestic	—	—	—	2	2	24.3	24.3
Total	1	13	—	2	16	\$ 34.8	\$ 34.8
2019 Total	2	134	8	2	146	\$ 52.0	\$ 52.0

Leases

The Partnership evaluates whether an easement meets the definition of a lease under the new lease standard (“ASC 842”). The Partnership determines if an arrangement is a lease at the date of acquisition. The Partnership considers an arrangement to be a lease if it conveys the right to control the use of the leased site or ground space underneath a leased site for a period of time in exchange for consideration. While most of our leases are classified as operating leases in which the Partnership is the lessor, the Partnership is the lessee in an insignificant population of operating and finance leases that have recurring ground lease rental payments. The lease liability is the present value of the remaining minimum rental payments using each respective lease term and a corresponding incremental borrowing rate. We use a discount rate of approximately 4.5%, which is the interest rate that we estimate we would have to pay to borrow on a collateralized basis over a similar term for an amount equal to the lease payments. As of June 30, 2020, the weighted-average remaining lease term of operating leases is approximately 5 years. Operating lease assets are included in Right of use, net and finance lease assets are included in real property interests in the Consolidated Balance Sheets.

The following table illustrates information about other lease related balances as of June 30, 2020 (in thousands):

Operating leases:	
Right-of-use asset	\$ 6,500
Operating lease liability	6,723
Finance leases:	
Right-of-use asset (1)	\$ 1,147

(1) Assets held under finance leases are recorded in Real property interests and are depreciated over the lease term.

The following table represents the future minimum ground lease payments as of June 30, 2020 (in thousands):

	Operating Lease
2020 (six months)	\$ 175
2021	356
2022	365
2023	377
2024	386
Thereafter	10,832
Total future payments	12,491
Discount	(5,768)
Total lease liability	\$ 6,723

Developments

During 2017, the Partnership started developing an ecosystem of technologies that provide smart enabled infrastructure including smart poles and digital outdoor advertising kiosks across North America. Smart poles are self-contained, neutral-host poles designed for wireless carrier and other wireless operator collocation. The smart poles are designed for macro, mini macro and small cell deployments and will support Internet of Things (IoT), carrier densification needs, private LTE networks and other wireless solutions.

During the fourth quarter of fiscal year 2018, the Partnership entered into an agreement with Dallas Area Rapid Transit (“DART”) to develop a smart media and communications platform which will include the deployment of content-rich kiosks and the Partnership’s smart enabled infrastructure ecosystem solution on strategic high-traffic DART locations.

As of June 30, 2020 and December 31, 2019, the Partnership’s \$41.7 million and \$49.1 million, respectively, of construction in progress balance primarily related to these projects. During the six months ended June 30, 2020, the Partnership deployed 59 DART kiosks and placed in service other assets for a total of \$9.7 million.

4. Real Property Interests

The following table summarizes the Partnership’s real property interests. Prior period amounts have been revised to exclude discontinued operations (in thousands):

	June 30, 2020	December 31, 2019
Land	\$ 107,455	\$ 107,558
Real property interests – perpetual	101,651	151,999
Real property interests – finite life	417,231	356,704
Real property interests – ROU asset finance lease	1,147	478
Total real property interests	520,029	509,181
Construction in progress	41,655	49,116
Total land and real property interests	669,139	665,855
Accumulated depreciation and amortization of real property interests	(55,860)	(48,995)
Land and net real property interests	\$ 613,279	\$ 616,860

Sales

On June 17, 2020, the Partnership completed the sale of its interest in the consolidated joint venture that holds its European outdoor advertising portfolio for a purchase price of £95 million. We recognized a gain on sale of real property interest of \$15.7 million upon completion of the sale. The sale of the European outdoor advertising portfolio has met the criteria as discontinued operations. Accordingly, for all prior periods presented, the related assets and liabilities are presented as assets and liabilities held for sale on the consolidated balance sheets, as described below, and the related operating results and gain on sale are presented as income from discontinued operations on the consolidated statement of operations for all periods presented (Note 8).

On January 4, 2019, the Partnership completed the sale of its real property interest held for sale as of December 31, 2018 for total consideration of \$13.5 million. We recognized a gain on sale of real property interest of \$5.9 million upon completion of the sale.

Purchase Price Allocation

The Partnership applies the asset acquisition method to all acquired investments of real property interests for transactions that meet the definition of an asset acquisition. The fair value of the assets acquired and liabilities assumed is typically determined by using Level III valuation methods. The most sensitive assumption is the discount rate used to discount the estimated cash flows from the real estate rights. For purposes of the computation of fair value assigned to the various tangible and intangible assets, the Partnership assigned discount rates ranging between 6% and 20%.

The following table summarizes final allocations for acquisitions made during the six months ended June 30, 2020 and the year ended December 31, 2019 of estimated fair values of the assets acquired and liabilities assumed (in thousands).

Period	Land	Investments in real property interests	In-place lease intangibles	Above-market lease intangibles	Below-market lease intangibles	ROU Asset	Lease liability	Total
2020	\$ 11,813	\$ 770	\$ 40	\$ —	\$ —	\$ 675	\$ —	\$ 1,485
2019	\$ 11,813	\$ 17,154	\$ 5,730	\$ 86	\$ (113)	\$ 21,570	\$ (1,640)	\$ 54,600

Future estimated aggregate depreciation and amortization of finite lived real property interests for each of the five succeeding fiscal years and thereafter as of June 30, 2020, are as follows (in thousands):

2020 (six months)	\$ 6,315
2021	12,632
2022	12,169
2023	10,776
2024	10,681
Thereafter	309,945
Total	\$ 362,518

The weighted average remaining depreciation and amortization period for non-perpetual real property interests is 39 years as of June 30, 2020.

Impairments

During the three and six months ended June 30, 2020, the Partnership recognized impairment charges totaling \$0.1 million and \$0.2 million, respectively, for one and three of the Partnership's real property interest that were impaired and one expiring lease. There were no impairment charges recognized during the three months ended June 30, 2019. During the six months ended June 30, 2019, two of the Partnership's real property interests were impaired and recognized impairment charges totaling \$0.2 million. The carrying value of each impaired real property interest was determined to have a fair value of zero.

Assets and Liabilities Held for Sale

In December 2016, the Partnership formed a joint venture to acquire real property interests that are leased to companies in the outdoor advertising industry located in the UK and Europe. On June 17, 2020, the Partnership completed the sale of its interest in the European joint venture.

In connection with the sale of the joint venture interest in the European outdoor advertising portfolio, assets totaling \$114.4 million and liabilities totaling \$64.6 million as of December 31, 2019 were classified as held for sale on the consolidated balance sheets, as presented in the table below.

The carrying amounts of the major classes of assets and liabilities that were classified as held for sale are as follows (in thousands):

	December 31, 2019	
Land	\$	34,714
Real property interests, net		33,127
Construction in progress		19,791
Investments in receivables, net		3,169
Cash and cash equivalents		1,561
Rent receivables		1,432
Deferred rent receivable		4,628
Other intangible assets, net		2,030
Right-of-use asset, net		4,743
Other assets		9,205
AHFS	\$	<u>114,400</u>
Revolving credit facility	\$	53,407
Accounts payable and accrued liabilities		4,756
Other intangible liabilities, net		23
Operating lease liability		3,502
Finance lease liability		908
Prepaid rent		356
Derivative liabilities		1,675
Liabilities associated with AHFS	\$	<u>64,627</u>

5. Other Intangible Assets and Liabilities

The following table summarizes our identifiable intangible assets, including above/below-market lease intangibles. Prior period amounts have been revised to exclude discontinued operations (in thousands):

	June 30, 2020		December 31, 2019	
Acquired in-place lease				
Gross amount	\$	26,773	\$	26,741
Accumulated amortization		<u>(8,961)</u>		<u>(7,934)</u>
Net amount	\$	<u>17,812</u>	\$	<u>18,807</u>
Acquired above-market leases				
Gross amount	\$	6,547	\$	6,550
Accumulated amortization		<u>(3,698)</u>		<u>(3,421)</u>
Net amount	\$	<u>2,849</u>	\$	<u>3,129</u>
Total other intangible assets, net	\$	<u>20,661</u>	\$	<u>21,936</u>
Acquired below-market leases				
Gross amount	\$	(16,777)	\$	(16,778)
Accumulated amortization		9,951		9,195
Total other intangible liabilities, net	\$	<u>(6,826)</u>	\$	<u>(7,583)</u>

We recorded net amortization of above- and below-market lease intangibles, excluding amounts related to discontinued operations, of \$0.2 million and \$0.5 million as an increase to rental revenue for the three and six months ended June 30, 2020, respectively, and \$0.2 million and \$0.4 million as an increase to rental revenue for the three and six months ended June 30, 2019, respectively. We recorded amortization of in-place lease intangibles, excluding amounts related to discontinued operations, of \$0.5 million and \$1.0 million as amortization expense for the three and six months ended June 30, 2020, respectively, and \$0.4 million and \$0.9 million as amortization expense for the three and six months ended June 30, 2019, respectively.

Future aggregate amortization of intangibles for each of the five succeeding fiscal years and thereafter as of June 30, 2020 follows (in thousands):

	Acquired in-place leases	Acquired above-market leases	Acquired below-market leases
2020 (six months)	\$ 1,016	\$ 259	\$ (746)
2021	1,981	426	(1,375)
2022	1,901	343	(1,252)
2023	1,624	308	(809)
2024	1,511	284	(719)
Thereafter	9,779	1,229	(1,925)
Total	\$ 17,812	\$ 2,849	\$ (6,826)

6. Investments in Receivables

Investments in receivables include financing arrangements and management agreements whereby we purchased the right to receive a portion of a rental payment under a contract but are not a party to the lease and do not have a real property interest. Additionally, certain lease arrangements of real property interests meet the definition of a financial asset and are included in investments in receivables in our financial statements. Investments in receivables also include arrangements with T-Mobile whereby we purchased the right to retain a portion of a lease payment prior to passing the remainder to the property owner. The receivables are unsecured with payments collected over periods ranging from 2 to 99 years. These cash flow financing arrangements were recorded at the fair value at the acquisition date, using discount rates ranging from 7% to 14% and are accounted for as receivables in our consolidated financial statements.

Interest income recognized on the receivables totaled \$0.1 million and \$0.3 million for the three and six months ended June 30, 2020, respectively, and \$0.1 million and \$0.5 million for the three and six months ended June 30, 2019, respectively. In connection with the sale of the European outdoor advertising portfolio on June 17, 2020, the Partnership completed the sale of an investment in receivable and recognized a gain on sale of investments in receivables in discontinued operations. Additionally, on June 27, 2019, the Partnership completed a sale of its investments in receivables held for sale as of March 31, 2019 and recognized a gain on sale of investments in receivables.

The following table reflects the activity in investments in receivables (in thousands). Prior period amounts have been revised to exclude discontinued operations (in thousands):

	June 30, 2020	December 31, 2019
Investments in receivables – beginning	\$ 5,653	\$ 15,236
Adoption of ASU 2016-13	(53)	—
Sales	—	(8,331)
Other	—	(742)
Repayments	(220)	(519)
Interest accretion	—	9
Investments in receivables – ending	\$ 5,380	\$ 5,653

Annual amounts due as of June 30, 2020, are as follows (in thousands):

2020 (six months)	\$	524
2021		1,043
2022		1,157
2023		1,260
2024		1,316
Thereafter		5,476
Total	\$	10,776
Interest	\$	5,396
Principal		5,380
Total	\$	10,776

7. Investment in Unconsolidated Joint Venture

On September 24, 2018, the Partnership completed the formation of the unconsolidated JV. The Partnership contributed 545 tenant site assets to the unconsolidated JV that secured the Partnership's \$125.4 million Series 2018-1 secured notes (the "2018 Securitization"), in exchange for a 50.01% membership interest in the unconsolidated JV and \$65.5 million in cash (the "Transaction"). The Partnership does not control the unconsolidated JV and therefore, accounts for its investment in the unconsolidated JV using the equity method of accounting prospectively upon formation of the unconsolidated JV.

In addition to the contribution of assets, the JV assumed the 2018 Securitization, which was completed by the Partnership on June 6, 2018 involving certain tenant sites and related property interests owned by certain unrestricted special purpose subsidiaries of the Partnership, through the issuance of the Class C, Class D and Class F Series 2018-1 Secured Notes (the "2018 Secured Notes"), in an aggregate principal amount of \$125.4 million. The Class F notes are subordinated in right of payment to the Class D notes and the Class D notes are subordinated in right of payment to the Class C notes. The 2018 Secured Notes were issued at a discount of less than \$0.1 million, which will be accreted and recognized as interest expense over the term of the secured notes. The Class C, Class D and Class F 2018 Secured Notes bear interest at a fixed note rate per annum of 3.97%, 4.70% and 5.92%, respectively.

The following table summarizes balance sheet information for the unconsolidated JV (in thousands):

	June 30, 2020	December 31, 2019
Total assets	\$ 252,310	\$ 255,157
Total liabilities	125,760	127,611
Total equity	126,550	127,546
Total liabilities and equity	<u>\$ 252,310</u>	<u>\$ 255,157</u>

The following table summarizes financial information for the unconsolidated JV (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Rental revenue	\$ 3,555	\$ 3,636	\$ 7,130	\$ 7,143
Net income	1,374	328	1,674	217
Partnership's share in net income	687	164	837	109
Distributions declared to the Partnership	250	1,101	925	2,583

8. Discontinued Operations

The following table presents income from discontinued operations in connection with the sale of the European outdoor advertising portfolio (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Revenue				
Rental revenue from discontinued operations	\$ 1,541	\$ 1,338	\$ 3,401	\$ 2,516
Expenses				
Property operating	165	135	387	214
General and administrative	87	48	211	57
Acquisition-related	31	206	341	291
Depreciation and amortization	246	197	536	358
Total expenses from discontinued operations	529	586	1,475	920
Other income and expenses				
Interest and other income	48	60	105	120
Interest expense	(238)	(37)	(641)	(38)
Unrealized loss on derivatives	(711)	(443)	(1,799)	(1,047)
Gain on sale of real property interests	15,723	—	15,723	—
Foreign currency transaction gain (loss)	(728)	(47)	2,635	(68)
Total other income and expenses from discontinued operations	14,094	(467)	16,023	(1,033)
Income from discontinued operations before income tax expense	15,106	285	17,949	563
Income tax expense	250	173	438	285
Income from discontinued operations	<u>\$ 14,856</u>	<u>\$ 112</u>	<u>\$ 17,511</u>	<u>\$ 278</u>

9. Debt

The following table summarizes the Partnership's debt. Prior period amounts have been revised to exclude discontinued operations (in thousands):

	Maturity Date	Outstanding Balance	
		June 30, 2020	December 31, 2019
Revolving credit facility	November 15, 2023	\$ 58,000	\$ 179,500
4.38% senior secured notes	June 30, 2036	\$ 38,877	\$ 39,945
Series 2019-1 Class A 3.90%	January 14, 2027	170,000	—
Series 2017-1 Class A 4.10%	November 15, 2022 (1)	57,933	59,124
Series 2017-1 Class B 3.81%	November 15, 2022 (1)	16,994	17,172
Series 2016-1 Class A 3.52%	June 1, 2021(2)	—	82,175
Series 2016-1 Class B 7.02%	June 1, 2021(2)	—	25,100
Secured Notes		283,804	223,516
Discount on Secured Notes		(893)	(1,081)
Deferred loan costs		(4,534)	(5,337)
Secured Notes, net		<u>\$ 278,377</u>	<u>\$ 217,098</u>

(1) Maturity date reflects anticipated repayment date; final legal maturity is November 15, 2047.

(2) Maturity date reflects anticipated repayment date; final legal maturity is July 15, 2046.

Revolving Credit Facility

On November 15, 2018, the Partnership completed its Third Amended and Restated Credit Facility and obtained commitments from a syndicate of banks with initial borrowing commitments of \$450.0 million for five-years. Additionally, borrowings up to \$75.0 million may be denominated in GBP, Euro, Australian dollar and Canadian dollar. Substantially all of our assets, excluding equity in and assets of unrestricted subsidiaries, after-acquired real property (other than real property that is acquired from affiliate funds and is subject to a mortgage), and other customary exclusions, are pledged (or secured by mortgages), as collateral under our revolving credit facility. Our revolving credit facility contains various customary covenants and restrictive provisions.

Loans under the revolving credit facility bear interest at a rate equal to the applicable London Inter Bank Offering Rate (“LIBOR”) related to the currency for which borrowings are denominated, plus a spread ranging from 1.75% to 2.25% (determined based on leverage levels). As of June 30, 2020, the applicable spread was 2.25%.

Additionally, under the revolving credit facility we will be subject to an annual commitment fee (determined based on leverage levels) associated with the available undrawn capacity subject to certain restrictions. As of June 30, 2020, the applicable annual commitment rate used was 0.125%.

The revolving credit facility requires monthly interest payments and the outstanding debt balance is due upon maturity on November 15, 2023. In June 2020, the Partnership used proceeds from the sale of the European outdoor advertising portfolio and available cash to repay borrowings totaling \$115 million on its revolving credit facility, including the £40.5 million of GBP denominated borrowings. As of June 30, 2020, \$58 million was outstanding and \$392 million of undrawn borrowing capacity under the revolving credit facility (including standby letter of credit arrangements of \$5.8 million), subject to compliance with various financial covenants. As of June 30, 2020, the Partnership was in compliance with all financial covenants required under the revolving credit facility.

Secured Notes

On January 15, 2020, certain subsidiaries of the Partnership entered into a master note purchase and participation agreement (“MNPPA”) pursuant to which such subsidiaries issued and sold an initial \$170 million aggregate principal amount of 3.90% series A senior secured notes in a private placement (the “2019 Secured Notes”). The 2019 Secured Notes mature on January 14, 2027 and include an interest-only initial term of three years. The net proceeds were used to repay in full the 2016 Secured Notes by \$108 million and the revolving credit facility by \$59 million. In connection with the issuance of the senior secured notes, the Partnership obtained a standby letter of credit arrangement totaling \$3.4 million.

On April 24, 2018, the Partnership entered into a note purchase and private shelf agreement (“Note Purchase Agreement”) pursuant to which the Partnership agreed to sell an initial \$43.7 million aggregate principal amount of 4.38% senior secured notes, in a private placement (the “4.38% Senior Secured Notes”) involving a segregated pool of renewable power generation sites and related property interests. The 4.38% Senior Secured Notes are fully amortized through June 30, 2036. The Partnership may from time to time issue and sell additional senior secured notes pursuant to the Note Purchase Agreement, in an aggregate principal amount when aggregated with the initial principal amount of up to \$225 million.

On November 30, 2017, the Partnership completed a securitization transaction (the “2017 Securitization”) involving certain outdoor advertising tenant sites and related property interests owned by certain unrestricted special purpose subsidiaries of the Partnership, through the issuance of the Class A and Class B Series 2017-1 Secured Notes (the “2017 Secured Notes”), in an aggregate principal amount of \$80.0 million. The Class B notes are subordinated in right of payment to the Class A notes. The 2017 Secured Notes were issued at a discount of \$1.8 million, which will be accreted and recognized as interest expense over the term of the secured notes. The Class A and Class B 2017 Secured Notes bear interest at a fixed note rate per annum of 4.10% and 3.81%, respectively.

The secured notes described above are collectively referred to as the “Secured Notes” and the tenant site assets securing the Secured Notes are collectively referred to as the “Secured Tenant Site Assets.”

The Secured Notes are secured by (1) mortgages and deeds of trust on substantially all of the Secured Tenant Site Assets and their operating cash flows, (2) a security interest in substantially all of the personal property of the obligors (as defined in the applicable indenture), and (3) the rights of the obligors under a management agreement. Under the terms of the applicable indenture, amounts due under the Secured Notes will be paid solely from the cash flows generated from the operation of the Secured Tenant Site Assets, as applicable, which must be deposited into reserve accounts, and thereafter distributed solely pursuant to the terms of the applicable indenture. On a monthly basis, after payment of all required amounts under the applicable indenture, subject to the conditions described below, the excess cash flows generated from the operation of such assets are released to the Partnership. As of June 30, 2020, \$3.1 million was held in such reserve accounts which are classified as Restricted Cash on the accompanying consolidated balance sheets.

The Partnership is subject to covenants customary for notes issued in rated securitizations. Among other things, the obligors are prohibited from incurring other indebtedness for borrowed money or further encumbering their assets (as defined in the applicable agreement). Under the terms of the applicable indenture, the obligors will be permitted to issue additional notes under certain circumstances, including so long as the debt service coverage ratio (“DSCR”) of the issuer is at least 1.5 to 1.0 for the 2019 Secured Notes, 2.0 to 1.0 for the 2017 Secured Notes and at least 1.1 to 1.0 for the 4.38% Senior Secured Notes. As of June 30, 2020, the Partnership was in compliance with all financial covenants under the Secured Notes.

The Secured Notes’ annual principal payment amounts due as of June 30, 2020, are as follows (in thousands):

2020 (six months)	\$	2,626
2021		5,987
2022 (1)		72,440
2023		6,812
2024		7,150
Thereafter (1)		188,789
Total	\$	283,804

(1) Reflects anticipated repayment dates

Interest Expense

The Partnership incurred interest expense, excluding amounts related to discontinued operations, of \$4.4 million and \$8.7 million for the three and six months ended June 30, 2020, respectively, and \$4.7 million and \$9.1 million for the three and six months ended June 30, 2019, respectively. At June 30, 2020 and December 31, 2019, the Partnership had interest payable of \$0.2 million and \$0.5 million, respectively. Additionally, the Partnership recorded amortization of deferred loan costs and discount on secured notes, which is included in interest expense, of \$0.6 million and \$1.2 million for the three and six months ended June 30, 2020, respectively, and \$0.8 million and \$1.5 million for the three and six months ended June 30, 2019, respectively.

10. Interest Rate Swap Agreements

The following table summarizes the terms and fair value of the Partnerships’ interest rate swap agreements. Prior period amounts have been revised to exclude discontinued operations (in thousands, except percentages):

Date Entered	Notional Value	Fixed Rate	Index	Effective Date	Maturity Date	Fair Value Liability at	
						June 30, 2020	December 31, 2019
August 24, 2015 ⁽¹⁾	\$ 50,000	1.74%	1-month USD LIBOR	10/1/2015	10/1/2022	\$ —	\$ (264)
March 23, 2016 ⁽¹⁾	50,000	1.67	1-month USD LIBOR	12/24/2018	12/24/2021	—	(113)
March 31, 2016 ⁽¹⁾	20,000	1.56	1-month USD LIBOR	12/24/2018	12/24/2021	—	(4)
March 31, 2016 ⁽¹⁾	25,000	1.63	1-month USD LIBOR	4/13/2019	4/13/2022	—	(48)
June 12, 2017	50,000	2.10	1-month USD LIBOR	3/2/2018	9/2/2024	(3,908)	(1,045)
						\$ (3,908)	\$ (1,474)

(1) In connection with the sale of the European outdoor advertising portfolio, the Partnership used proceeds from the sale to terminate existing swaps.

During the three and six months ended June 30, 2020, the Partnership recorded a loss of \$0.5 million and \$6.7 million, respectively, resulting from the change in fair value of the interest rate swap agreements, which is reflected as an unrealized loss on derivative financial instruments on the consolidated statements of operations. In June 2020, the Partnership used proceeds from the sale of the European outdoor advertising portfolio to terminate certain interest rate swap agreements for approximately \$7.6 million including approximately \$3.3 million for the GBP denominated interest rate swap agreement with a notional value of £38 million. As of December 31, 2019, the GBP swap agreement had a fair value liability of \$1.7 million, which was reclassified to liabilities held for sale in prior period to exclude discontinued operations (*Note 4*). Additionally, for all periods presented, foreign currency transaction gains and losses resulting from the changes in exchange rates affecting mark-to-market adjustments on the GBP interest rate swap agreement were reclassified to discontinued operations (*Note 8*).

The fair values of the interest rate swap agreements are derived based on Level 2 inputs. To illustrate the effect of movements in the interest rate market, the Partnership performed a market sensitivity analysis on its outstanding interest rate swap agreement. The Partnership applied various basis point spreads to the underlying interest rate curve of the derivative in order to determine the instrument's change in fair value at June 30, 2020. The following table summarizes the sensitivity of the fair value of the interest rate swap as a result of the analysis performed (in thousands):

Date Entered	Maturity Date	Sensitivity of the Fair Value to Changes in Interest Rates			
		+50 Basis Points	-50 Basis Points	+100 Basis Points	-100 Basis Points
June 12, 2017	9/2/2024	(3,021)	(5,145)	(1,995)	(6,245)

11. Equity

The table below summarizes changes in the number of units outstanding (in units):

	Common	Series A Preferred	Series B Preferred	Mezzanine Equity - Series C Preferred
Balance as of December 31, 2018	25,327,801	1,593,149	2,463,015	2,000,000
Conversion of Series C Preferred Units	260	—	—	(200)
Issuance under ATM Programs	—	56,651	66,734	—
Unit-based compensation	10,631	—	—	—
Balance as of June 30, 2019	<u>25,338,692</u>	<u>1,649,800</u>	<u>2,529,749</u>	<u>1,999,800</u>
Balance as of December 31, 2019	25,353,140	1,722,041	2,544,793	1,988,700
Conversion of Series C Preferred Units	7,810	—	—	(6,000)
Issuance under ATM Programs	109,724	23,287	84,139	—
Unit-based compensation	7,368	—	—	—
Balance as of June 30, 2020	<u>25,478,042</u>	<u>1,745,328</u>	<u>2,628,932</u>	<u>1,982,700</u>

On December 4, 2019, the Partnership filed a universal shelf registration statement on Form S-3 with the SEC. The shelf registration statement was declared effective by the SEC on January 30, 2020 and permits us to issue and sell, from time to time, common and preferred units representing limited partner interests in us, and debt securities up to an aggregate amount of \$750.0 million.

Common Units

On May 3, 2019, the Partnership established a Common Unit at-the-market offering program (the "2019 Common Unit ATM Program") pursuant to which we may sell, from time to time, Common Units having an aggregate offering price of up to \$50.0 million pursuant to our previously filed and effective registration statement on Form S-3. The net proceeds from sales under the 2019 Common Unit ATM Program will be used for general partnership purposes, which may include, among other things, the repayment of indebtedness and to potentially fund future acquisitions. During the six months ended June 30, 2020, 109,724 Common Units were issued under the 2019 Common Unit ATM Program generating proceeds of approximately \$1.8 million before issuance costs.

On February 28, 2020, the Partnership replaced the 2019 Common Unit ATM Program and established a new Common Unit at-the-market offering program (the "2020 Common Unit ATM Program") pursuant to which we may sell, from time to time, Common Units having an aggregate offering price of up to \$50.0 million pursuant to our previously filed and effective registration statement on Form S-3. The net proceeds from sales under the 2020 Common Unit ATM Program will be used for general partnership purposes, which may include, among other things, the repayment of indebtedness and to potentially fund future acquisitions. No Common Units were issued under the 2020 Common Unit ATM Program during the six months ended June 30, 2020.

Preferred Units

On March 30, 2017, the Partnership established a Series B Preferred Unit at-the-market offering program (the “Series B ATM Program”) pursuant to which we may sell, from time to time, Series B Preferred Units having an aggregate offering price of up to \$50.0 million pursuant to our previously filed and effective registration statement on Form S-3. The net proceeds from sales under the Series B ATM Program will be used for general Partnership purposes, which may include, among other things, the repayment of indebtedness and to potentially fund future acquisitions. During the six months ended June 30, 2020, the Partnership issued 84,139 Series B Preferred Units under our Series B ATM Program, generating proceeds of approximately \$2.1 million before issuance costs, respectively.

On May 3, 2019, the Partnership established a Series A Preferred Unit at-the-market offering program (the “2019 Series A ATM Program”) pursuant to which we may sell, from time to time, Series A Preferred Units having an aggregate offering price of up to \$50.0 million pursuant to our previously filed and effective registration statement on Form S-3. The net proceeds from sales under the 2019 Series A ATM Program will be used for general Partnership purposes, which may include, among other things, the repayment of indebtedness and to potentially fund future acquisitions. During the six months ended June 30, 2020, the Partnership issued 23,287 Series A Preferred Units under the 2019 Series A ATM Program, generating proceeds of approximately \$0.6 million before issuance costs.

On February 28, 2020, the Partnership replaced the 2019 Series A ATM Program and established a new Series A Preferred Unit at-the-market offering program (the “2020 Series A ATM Program”) pursuant to which we may sell, from time to time, Series A Preferred Units having an aggregate offering price of up to \$50.0 million pursuant to our previously filed and effective registration statement on Form S-3. The net proceeds from sales under the 2020 Series A ATM Program will be used for general partnership purposes, which may include, among other things, the repayment of indebtedness and to potentially fund future acquisitions. No Series A Preferred Units were issued under the 2020 Series A ATM Program during the six months ended June 30, 2020.

On February 28, 2020, the Partnership replaced the Series B ATM Program and established a new Series B Preferred Unit at-the-market offering program (the “2020 Series B ATM Program”) pursuant to which we may sell, from time to time, Series B Preferred Units having an aggregate offering price of up to \$50.0 million pursuant to our previously filed and effective registration statement on Form S-3. The net proceeds from sales under the 2020 Series B ATM Program will be used for general partnership purposes, which may include, among other things, the repayment of indebtedness and to potentially fund future acquisitions. No Series B Preferred Units were issued under the 2020 Series B ATM Program during the six months ended June 30, 2020.

The Common Units ATM programs, the Series A ATM programs and the Series B ATM programs described above are collectively referred to the “ATM Programs.”

Mezzanine Equity

On April 2, 2018, the Partnership completed a public offering of 2,000,000 Series C Floating-to-Fixed Rate Cumulative Perpetual Redeemable Convertible Preferred Units (“Series C Preferred Units” and together with the Series A Preferred Units and Series B Preferred Units the “Preferred Units”), representing limited partner interest in the Partnership, at a price of \$25.00 per unit. We received net proceeds of approximately \$47.5 million after deducting underwriters’ discounts and offering expenses paid by us of \$2.5 million. We used substantially all net proceeds to repay a portion of the borrowings under our revolving credit facility. In connection with the closing of the Series C Preferred Units offering, the Partnership executed the Fourth Amended and Restated Agreement of Limited Partnership of Landmark Infrastructure Partners LP (the “Amended Partnership Agreement”) for the purpose of defining the preferences, rights, powers and duties of holders of the Series C Preferred Units.

Distributions on the Series C Preferred Units are cumulative from the date of original issue and will be payable quarterly in arrears on the 15th day of February, May, August and November of each year, when, as and if declared by the board of directors of our General Partner. The initial distribution on the Series C Preferred Units was paid on May 15, 2018 in an amount equal to \$0.2090 per unit. Distributions accruing from, and including, the date of original issuance and to, but excluding May 15, 2025 will accrue at an annual rate equal to the greater of (i) 7.00% per annum, and (ii) the sum of (a) three-month LIBOR as calculated on each applicable date of determination and (b) 4.698% per annum, based on the \$25.00 liquidation preference per Series C Preferred Unit. Distributions accruing on and after May 15, 2025 will accrue at 9.00% per annum of the stated liquidation preference.

Holders of Series C Preferred Units, at their option, may, at any time and from time to time, convert some or all of their Series C Preferred Units based on an initial conversion rate of 1.3017 common units per Series C Preferred Unit. In the event of a fundamental change, holder of the Series C Preferred Units, at their option, may convert some or all of their Series C Preferred Units into the greater of (i) a number of common units plus a make-whole premium and (ii) a number of common units equal to the lesser of (a) the liquidation preference divided by the market value of our common units on the effective date of such fundamental change and (b) 11.13 (subject to adjustments). On May 15, 2025, May 15, 2028, and each subsequent five-year anniversary date thereafter (each such date, a “designated redemption date”), each holder of Series C Preferred Units shall have the right (a “redemption right”) to require the Partnership to redeem any or all of the Series C Preferred Units held by such holder outstanding on such designated redemption date at a redemption price equal to the liquidation preference of \$25.00, plus all accrued and unpaid distributions to, but not including, in each case out of funds legally available for such payment and to the extent not prohibited by law, the designated redemption date (the “put redemption price”). At our option we may pay the redemption in our common units or cash, subject to certain limitations.

At any time on or after May 20, 2025, the Partnership shall have the option to redeem the Series C Preferred Units, in whole or in part, at a redemption price of \$25.00 per Series C Preferred Unit plus an amount equal to all accumulated and unpaid distributions thereon to the date of redemption, whether or not declared.

The Partnership has classified the Series C Preferred Units as mezzanine equity in the accompanying consolidated balance sheets based upon the terms and conditions of the holder’s redemption option. Issuance costs related to the Series C Preferred Units classified as mezzanine equity are initially recorded as a reduction of the units’ balances and accreted up to the redemption value. During the six months ended June 30, 2020, 6,000 Series C Preferred Units were converted into 7,810 Common Units based on the holder’s option.

Distributions

The table below summarizes the quarterly distributions related to our quarterly financial results:

Quarter Ended	Declaration Date	Distribution Date	Distribution Per Unit	Total Distribution (in thousands)
Common Units and IDRs				
June 30, 2019 (1)	July 19, 2019	August 14, 2019	\$ 0.3675	\$ 9,312
September 30, 2019 (1)	October 25, 2019	November 14, 2019	0.3675	9,317
December 31, 2019 (1)	January 24, 2020	February 14, 2020	0.3675	9,360
March 31, 2020	April 21, 2020	May 15, 2020	0.2000	5,096
June 30, 2020	July 24, 2020	August 14, 2020	0.2000	5,096
Series A Preferred Units				
June 30, 2019	June 20, 2019	July 15, 2019	\$ 0.5000	\$ 828
September 30, 2019	September 20, 2019	October 15, 2019	0.5000	837
December 31, 2019	December 20, 2019	January 15, 2020	0.5000	861
March 31, 2020	March 20, 2020	April 15, 2020	0.5000	873
June 30, 2020	June 19, 2020	July 15, 2020	0.5000	873
Series B Preferred Units				
June 30, 2019	July 19, 2019	August 15, 2019	\$ 0.4938	\$ 1,257
September 30, 2019	October 22, 2019	November 15, 2019	0.4938	1,257
December 31, 2019	January 23, 2020	February 18, 2020	0.4938	1,298
March 31, 2020	April 20, 2020	May 15, 2020	0.4938	1,298
June 30, 2020	July 22, 2020	August 17, 2020	0.4938	1,298
Series C Preferred Units				
June 30, 2019	July 19, 2019	August 15, 2019	\$ 0.4510	\$ 902
September 30, 2019	October 22, 2019	November 15, 2019	0.4375	870
December 31, 2019	January 23, 2020	February 18, 2020	0.4375	870
March 31, 2020	April 20, 2020	May 15, 2020	0.4375	867
June 30, 2020	July 22, 2020	August 17, 2020	0.4375	867

(1) The General Partner irrevocably waived its right to receive the incentive distribution and incentive allocations for the respective quarterly distribution.

12. Net Income (Loss) Per Limited Partner Unit

The General Partner's incentive distribution rights meet the definition of a participating security and therefore we are required to compute income per unit using the two-class method under which any excess of distributions declared over net income shall be allocated to the partners based on their respective sharing of income specified in the Amended Partnership Agreement. Payments made to our unitholders are determined in relation to actual distributions declared and are not based on the net income (loss) allocations used in the calculation of net income (loss) per unit.

Net income (loss) per unit applicable to limited partners is computed by dividing limited partners' interest in net income (loss), after deducting any Preferred Unit distributions and General Partner incentive distributions, by the weighted-average number of outstanding common units. Diluted net income (loss) per unit includes the effects of potentially dilutive units on our common units.

The calculation of the undistributed net income (loss) attributable to common unitholders for the three and six months ended June 30, 2020 and 2019 is as follows (in thousands):

	<u>Three Months Ended June 30,</u>		<u>Six Months Ended June 30,</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Income (loss) from continuing operations	\$ 3,777	\$ 9,153	\$ (250)	\$ 16,197
Less: Net income attributable to noncontrolling interest	8	8	16	16
Income (loss) from continuing operations attributable to limited partners	3,769	9,145	(266)	16,181
Income from discontinued operations, net of tax	14,856	112	17,511	278
Net income attributable to limited partners	18,625	9,257	17,245	16,459
Less:				
Distributions declared on Preferred Units	(3,037)	(3,021)	(6,097)	(5,915)
General partner's incentive distribution rights ⁽¹⁾	—	(197)	—	(394)
Accretion of Series C preferred units	(96)	(94)	(193)	(450)
Net income attributable to common unitholders	15,492	5,945	10,955	9,700
Distributions declared on common units	(5,096)	(9,312)	(10,192)	(18,624)
Undistributed net income (loss)	10,396	(3,367)	763	(8,924)
Undistributed income from discontinued operations	14,856	112	17,511	278
Undistributed loss from continuing operations	<u>\$ (4,460)</u>	<u>\$ (3,479)</u>	<u>\$ (16,748)</u>	<u>\$ (9,202)</u>

(1) There were no incentive distributions and incentive allocations for the three and six months ended June 30, 2020. The General Partner irrevocably waived its right to receive the incentive distribution and incentive allocations for the three and six months ended June 30, 2019 quarterly distribution. For purposes of determining net income per common unit, the amount otherwise due to the general partner has been referenced as a deemed distribution.

The calculation of net income per common unit for the three months ended June 30, 2020 and 2019 is as follows (in thousands, except per unit data):

	Three Months Ended June 30,			
	2020		2019	
Distributions declared	\$	5,096	\$	9,312
Undistributed net loss from continuing operations		(4,460)		(3,479)
Income from continuing operations attributable to common units - basic		636		5,833
Income from discontinued operations attributable to common units - basic		14,856		112
Net income attributable to common units - basic		15,492		5,945
Income from continuing operations attributable to common units - diluted		636		5,833
Income from discontinued operations attributable to common units - diluted		14,856		112
Net income attributable to common units - diluted	\$	15,492	\$	5,945
Weighted-average units outstanding:				
Basic		25,476		25,339
Diluted		25,476		25,339
Income from continuing operations per common unit:				
Basic	\$	0.02	\$	0.23
Diluted (1)	\$	0.02	\$	0.23
Income (loss) from discontinued operations per common unit:				
Basic	\$	0.58	\$	—
Diluted (1)	\$	0.58	\$	—
Net income per common unit:				
Basic	\$	0.61	\$	0.23
Diluted (1)	\$	0.61	\$	0.23

(1) Diluted earnings per unit takes into account the potential dilutive effect of common units that could be issued by the Partnership in conjunction with the Series C Preferred Units conversion features. Potential common unit equivalents are anti-dilutive for the three months ended June 30, 2020 and 2019 and, as a result, have been excluded in the determination of diluted earnings per common unit.

The calculation of net income per common unit for the six months ended June 30, 2020 and 2019 is as follows (in thousands, except per unit data):

	Six Months Ended June 30,	
	2020	2019
Distributions declared	\$ 10,192	\$ 18,624
Undistributed net loss from continuing operations	(16,748)	(9,202)
Income (loss) from continuing operations attributable to common units - basic	(6,556)	9,422
Income from discontinued operations attributable to common units - basic	17,511	278
Net income attributable to common units - basic	10,955	9,700
Income (loss) from continuing operations attributable to common units - diluted	(6,556)	9,422
Income from discontinued operations attributable to common units - diluted	17,511	278
Net income attributable to common units - diluted	\$ 10,955	\$ 9,700
Weighted-average units outstanding:		
Basic	25,468	25,338
Diluted	25,468	25,338
Income (loss) from continuing operations per common unit:		
Basic	\$ (0.26)	\$ 0.37
Diluted (1)	\$ (0.26)	\$ 0.37
Income from discontinued operations per common unit:		
Basic	\$ 0.69	\$ 0.01
Diluted (1)	\$ 0.69	\$ 0.01
Net income per common unit:		
Basic	\$ 0.43	\$ 0.38
Diluted (1)	\$ 0.43	\$ 0.38

(1) Diluted earnings per unit takes into account the potential dilutive effect of common units that could be issued by the Partnership in conjunction with the Series C Preferred Units conversion features. Potential common unit equivalents are anti-dilutive for the six months ended June 30, 2020 and 2019 and, as a result, have been excluded in the determination of diluted earnings per common unit.

13. Fair Value of Financial Instruments

The fair value for certain financial instruments is derived using a combination of market quotes, pricing models and other valuation techniques that involve significant management judgment. The price transparency of financial instruments is a key determinant of the degree of judgment involved in determining the fair value of the Partnership's financial instruments. Financial instruments for which actively quoted prices or pricing parameters are available and for which markets contain orderly transaction will generally have a higher degree of price transparency than financial instruments for which markets are inactive or consist of non-orderly trades. The Partnership evaluates several factors when determining if a market is inactive or when market transactions are not orderly. The following is a summary of the methods and assumptions used by management in estimating the fair value of each class of assets and liabilities for which it is practicable to estimate the fair value:

Cash and cash equivalents, rent receivables, net and accounts payable and accrued liabilities: The carrying values of these balances approximate their fair values because of the short-term nature of these instruments.

Revolving credit facility: The fair value of the Partnership's revolving credit facility is estimated using a discounted cash flow analysis based on management's estimates of current market interest rates for instruments with similar characteristics, including remaining loan term, loan-to-value ratio, type of collateral and other credit enhancements. Additionally, since a quoted price in an active market is generally not available for the instrument or an identical instrument, the Partnership measures fair value using a valuation technique that is consistent with the principles of fair value measurement which typically considers what management believes is a market participant rate for a similar instrument. The Partnership classifies these inputs as Level 3 inputs. The fair value of the Partnership's revolving credit facility is considered to approximate the carrying value because the interest payments are based on LIBOR rates that reset every month.

Secured Notes: The Partnership determines fair value of its secured notes utilizing various Level 2 sources including quoted prices and indicative quotes (non-binding quotes) from brokers that require judgment to interpret market information. Quotes from brokers require judgment and are based on the brokers' interpretation of market information, including implied credit spreads for similar borrowings on recent trades or bid/ask prices or quotes from active markets if available.

Investments in receivables: The Partnership's investments in receivables are presented in the accompanying consolidated balance sheets at their amortized cost net of recorded reserves and not at fair value. The fair values of the receivables were estimated using an internal valuation model that considered the expected cash flow of the receivables and estimated yield requirements by market participants with similar characteristics, including remaining loan term, and credit enhancements. The Partnership classifies these inputs as Level 3 inputs.

Interest rate swap agreements: The Partnership's interest rate swap agreements are presented at fair value on the accompanying consolidated balance sheets. The valuation of these instruments is determined using a proprietary model that utilizes observable and unobservable inputs. A majority of the inputs are observable with the only unobservable inputs relating to the lack of performance risk on the part of the Partnership or the counter party to the instrument. As such, the Partnership classifies these inputs as Level 2 inputs. The proprietary model uses the contractual terms of the derivatives, including the period to maturity, as well as observable market-based inputs, including the interest rate curves and volatility. The fair values of interest rate swaps are estimated using the market standard methodology of netting the discounted fixed cash payments and the discounted expected variable cash receipts. The variable cash receipts are based on an expectation of interest rates (forward curves) derived from observable market interest rate curves. In addition, credit valuation adjustments, which consider the impact of any credit risk to the contracts, are incorporated in the fair values to account for potential nonperformance risk.

The table below summarizes the carrying amounts and fair values of financial instruments which are not carried at fair value on the face of the financial statements. Prior period amounts have been revised to exclude discontinued operations (in thousands):

	June 30, 2020		December 31, 2019	
	Carrying amount	Fair Value	Carrying amount	Fair Value
Investment in receivables, net	\$ 5,380	\$ 5,396	\$ 5,653	\$ 5,650
Revolving credit facility	58,000	58,000	179,500	179,500
Secured Notes, net	278,377	278,929	217,098	221,577

Disclosure of the fair values of financial instruments is based on pertinent information available to the Partnership as of the period end and requires a significant amount of judgment. Despite increased capital market and credit market activity, transaction volume for certain financial instruments remains relatively low. This has made the estimation of fair values difficult and, therefore, both the actual results and the Partnership's estimate of value at a future date could be materially different.

As of June 30, 2020 and December 31, 2019, the Partnership measured the following assets at fair value on a recurring basis. Prior period amount has been revised to exclude discontinued operations (in thousands):

Derivative Liabilities (1)	June 30, 2020		December 31, 2019	
	\$	3,908	\$	1,474

(1) Fair value is calculated using level 2 inputs. Level 2 inputs are quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-derived valuations in which significant inputs and significant value drivers are observable in active markets.

14. Related-Party Transactions

General and Administrative Reimbursement

Under the Amended Partnership Agreement, we are required to reimburse our general partner and its affiliates for all costs and expenses that they incur on our behalf for managing and controlling our business and operations. Except to the extent specified under our amended Omnibus Agreement with Landmark (“Omnibus Agreement”), which was amended on January 30, 2019, our general partner determines the amount of these expenses and such determinations must be made in good faith under the terms of the Amended Partnership Agreement. Under the amended Omnibus Agreement, we are required to reimburse Landmark for expenses related to certain general and administrative services Landmark provides to us in support of our business, subject to a quarterly cap equal to 3% of our revenue during the current calendar quarter. This cap on expenses will last until the earlier to occur of: (i) the date on which our revenue for the immediately preceding four consecutive fiscal quarters exceeded \$120 million and (ii) November 19, 2021. The full amount of general and administrative expenses incurred will be reimbursed by Landmark and reflected on our income statements, and to the extent such general and administrative expenses exceed the cap amount, the amount of such excess will be reflected in our financial statements as a capital contribution rather than as a reduction of our general and administrative expenses, except for expenses that would otherwise be allocated to us, which are not included in the amount of general and administrative expenses. These expenses include salary, bonus, incentive compensation and other amounts paid to persons who perform services for us or on our behalf and expenses allocated to our general partner by its affiliates. For the three and six months ended June 30, 2020, Landmark reimbursed us \$0.9 million and \$1.9 million, respectively, for expenses related to certain general and administrative expenses that exceeded the cap. For the three and six months ended June 30, 2019, Landmark reimbursed us \$1.0 million and \$2.0 million, respectively, for expenses related to certain general and administrative expenses that exceeded the cap. During the three and six months ended June 30, 2020, less than \$0.1 million and \$0.1 million, respectively, of management fees related to our unconsolidated joint venture that is not subject to the cap and is treated as a capital contribution from Sponsor. During the three and six months ended June 30, 2019, \$0.1 million, respectively, of management fees related to our unconsolidated joint venture that is not subject to the cap and is treated as a capital contribution from Sponsor.

Patent License Agreement

We entered into a Patent License Agreement (“License Agreement”) with American Infrastructure Funds, LLC (“AIF”), an affiliate of the controlling member of Landmark. Under the License Agreement, AIF granted us a nonexclusive, perpetual license to practice certain patented methods related to the apparatus and method for combining easements under a master limited partnership. We have agreed to pay AIF a license fee of \$50,000 for the second year of the License Agreement, and thereafter, an amount equal to the greater of (i) one-tenth of one percent (0.1%) of our gross revenue received during such contract year; or (ii) \$100,000. During the three and six months ended June 30, 2020, we incurred \$25,000 and \$50,000, respectively, of license fees related to the AIF patent license agreement. During the three and six months ended June 30, 2019, we incurred \$25,000 and \$50,000, respectively, of license fees related to the AIF patent license agreement.

Secured Tenant Site Assets’ Management Fee

In connection with the issuance of the Secured Notes, the Partnership entered into applicable management agreements with the General Partner. Pursuant to the applicable management agreements, our General Partner will perform those functions reasonably necessary to maintain, manage and administer the Secured Tenant Site Assets for a monthly management fee equal to 1.5% of the Secured Tenant Site Assets’ operating revenue, as defined by the applicable management agreements for the 2017 secured notes, 0.5% of operating revenue for the 4.38% senior secured notes and 2% of gross revenue for the 2019 secured notes. The Secured Tenant Site Assets’ management fee to Landmark will be treated as a capital distribution to Landmark. Landmark will reimburse us for the fees paid with the reimbursement treated as a capital contribution. We incurred less than \$0.1 million and \$0.1 million of Secured Tenant Site Assets’ management fees during the three and six months ended June 30, 2020, respectively, and \$0.1 million and \$0.2 million, respectively, of Secured Tenant Site Assets’ management fees during the three and six months ended June 30, 2019.

In connection with the formation of the unconsolidated JV, the JV assumed the 2018 Secured Notes. Pursuant to the applicable management agreement, our General Partner will perform those functions reasonably necessary to maintain, manage and administer the 2018 Secured Tenant Site Assets for a monthly management fee equal to 1.5% of the Secured Tenant Site Assets’ operating revenue, subject to a maximum of \$46 per tenant site asset. Landmark will reimburse us for the management fees paid by the unconsolidated JV with the reimbursement treated as a capital contribution. For the three and six months ended June 30, 2020, the unconsolidated JV incurred \$0.1 million and \$0.2 million, respectively, of management fees. For the three and six months ended June 30, 2019, the unconsolidated JV incurred \$0.1 million and \$0.2 million, respectively, of management fees.

Acquisition of Real Property Interests

In connection with third party acquisitions, Landmark will be obligated to provide acquisition services to us, including asset identification, underwriting and due diligence, negotiation, documentation and closing, at the reasonable request of our General Partner, but we are under no obligation to utilize such services. We will pay Landmark reasonable fees, as mutually agreed to by Landmark and us, for providing these services. These fees will not be subject to the cap on general and administrative expenses described above. As of June 30, 2020 and 2019, no such fees have been incurred.

Incentive Distribution Rights

Cash distributions will be made to our General Partner in respect of its ownership of all IDRs, which entitle our General Partner to receive increasing percentages, up to a maximum of 50%, of the available cash we distribute from operating surplus (as defined in our Amended Partnership Agreement) in excess of \$0.2875 per unit per quarter. There were no incentive distributions and incentive allocations for the three and six months ended June 30, 2020. The General Partner irrevocably waived its right to receive the incentive distribution and incentive allocations for the three and six months ended June 30, 2019 quarterly distribution totaling \$0.2 million and \$0.4 million, respectively, which is treated as a deemed contribution in the consolidated statements of equity and mezzanine equity and as a deemed distribution for purposes of determining net income per common unit. During the three and six months ended June 30, 2020, no amounts were paid under the incentive distribution rights.

Due from Affiliates

At June 30, 2020 and December 31, 2019, the General Partner and its affiliates owed \$2.1 million and \$1.1 million, respectively, to the Partnership primarily for the current quarter general and administrative reimbursement, unconsolidated JV management fees and for rents received on our behalf, offset by rents received on behalf of the unconsolidated JV.

15. Segment Information

Prior to June 30, 2020, the Partnership had the following three reportable segments: (i) wireless communication, (ii) outdoor advertising, and (iii) renewable power generation. Prior period amounts have been revised to reflect classification of the European outdoor advertising portfolio as a discontinued operation and presentation of the assets of the European outdoor advertising portfolio as assets held for sale. Consequently, an evaluation of segment reporting thresholds resulted in changes in our segment presentation for all prior periods presented. As of June 30, 2020, the Partnership had the following four reportable segments: (i) wireless communication, (ii) outdoor advertising, (iii) renewable power generation, and (iv) digital infrastructure for all periods presented.

The Partnership's wireless communication segment consists of leasing infrastructure and real property interests and providing financing to companies in the wireless communication industry in the United States, Canada, and Australia. The Partnership's outdoor advertising segment consists of leasing real property interests to companies in the outdoor advertising industry in the United States, Canada and Australia. The Partnership's renewable power generation segment consists of leasing real property interests and providing financing to companies in the renewable power industry in the United States. The Partnership's digital infrastructure segment consists of leasing real property interests to companies in the digital infrastructure industry in the United States. Items that are not included in any of the reportable segments are included in the corporate category.

The reportable segments are strategic business units that offer different products and services. They are commonly managed as all four businesses require similar marketing and business strategies. Because our tenant lease arrangements are mostly effectively triple net, we evaluate our segments based on revenue. We believe this measure provides investors relevant and useful information because it is presented on an unlevered basis.

The statements of operations for the reportable segments are as follows:

For the three months ended June 30, 2020 (in thousands):

	Wireless Communication	Outdoor Advertising	Renewable Power Generation	Digital Infrastructure	Corporate	Total
Revenue						
Rental revenue	\$ 6,344	\$ 3,790	\$ 2,153	\$ 1,557	\$ —	\$ 13,844
Expenses						
Property operating	86	159	28	81	—	354
General and administrative	—	—	—	—	1,223	1,223
Acquisition-related	—	—	—	—	86	86
Depreciation and amortization	2,342	1,278	120	561	—	4,301
Impairments	78	24	—	—	—	102
Total expenses	2,506	1,461	148	642	1,309	6,066
Total other income and expenses	762	—	20	—	(4,873)	(4,091)
Income (loss) from continuing operations before income tax benefit	4,600	2,329	2,025	915	(6,182)	3,687
Income tax benefit	—	—	—	—	(90)	(90)
Income (loss) from continuing operations	4,600	2,329	2,025	915	(6,092)	3,777
Income from discontinued operations, net of tax	—	14,856	—	—	—	14,856
Net income (loss)	\$ 4,600	\$ 17,185	\$ 2,025	\$ 915	\$ (6,092)	\$ 18,633

For the three months ended June 30, 2019 (in thousands):

	Wireless Communication	Outdoor Advertising	Renewable Power Generation	Digital Infrastructure	Corporate	Total
Revenue						
Rental revenue	\$ 6,413	\$ 3,885	\$ 2,401	\$ 988	\$ —	\$ 13,687
Expenses						
Property operating	24	159	8	79	—	270
General and administrative	—	—	—	—	1,455	1,455
Acquisition-related	—	—	—	—	162	162
Depreciation and amortization	2,026	824	120	289	—	3,259
Impairments	—	—	—	—	—	—
Total expenses	2,050	983	128	368	1,617	5,146
Total other income and expenses	5,135	—	6,814	—	(8,225)	3,724
Income (loss) from continuing operations before income tax expense	9,498	2,902	9,087	620	(9,842)	12,265
Income tax expense	—	—	—	—	3,112	3,112
Income (loss) from continuing operations	9,498	2,902	9,087	620	(12,954)	9,153
Income from discontinued operations, net of tax	—	112	—	—	—	112
Net income (loss)	\$ 9,498	\$ 3,014	\$ 9,087	\$ 620	\$ (12,954)	\$ 9,265

For the six months ended June 30, 2020 (in thousands):

	Wireless Communication	Outdoor Advertising	Renewable Power Generation	Digital Infrastructure	Corporate	Total
Revenue						
Rental revenue	\$ 12,671	\$ 7,807	\$ 4,073	\$ 3,114	\$ —	\$ 27,665
Expenses						
Property operating	210	373	64	216	—	863
General and administrative	—	—	—	—	2,711	2,711
Acquisition-related	—	—	—	—	91	91
Depreciation and amortization	4,266	2,274	240	1,123	—	7,903
Impairments	78	106	—	—	—	184
Total expenses	4,554	2,753	304	1,339	2,802	11,752
Total other income and expenses	1,068	—	40	—	(17,606)	(16,498)
Income (loss) from continuing operations before income tax benefit	9,185	5,054	3,809	1,775	(20,408)	(585)
Income tax benefit	—	—	—	—	(335)	(335)
Income (loss) from continuing operations	9,185	5,054	3,809	1,775	(20,073)	(250)
Income from discontinued operations, net of tax	—	17,511	—	—	—	17,511
Net income (loss)	\$ 9,185	\$ 22,565	\$ 3,809	\$ 1,775	\$ (20,073)	\$ 17,261

For the six months ended June 30, 2019 (in thousands):

	Wireless Communication	Outdoor Advertising	Renewable Power Generation	Digital Infrastructure	Corporate	Total
Revenue						
Rental revenue	\$ 12,789	\$ 7,784	\$ 4,477	\$ 1,852	\$ —	\$ 26,902
Expenses						
Property operating	39	362	359	96	—	856
General and administrative	—	—	—	—	2,924	2,924
Acquisition-related	—	—	—	—	204	204
Depreciation and amortization	4,098	1,650	289	578	—	6,615
Impairments	—	204	—	—	—	204
Total expenses	4,137	2,216	648	674	3,128	10,803
Total other income and expenses	5,193	—	7,019	5,878	(14,870)	3,220
Income (loss) from continuing operations before income tax expense	13,845	5,568	10,848	7,056	(17,998)	19,319
Income tax expense	—	—	—	—	3,122	3,122
Income (loss) from continuing operations	13,845	5,568	10,848	7,056	(21,120)	16,197
Income from discontinued operations, net of tax	—	278	—	—	—	278
Net income (loss)	\$ 13,845	\$ 5,846	\$ 10,848	\$ 7,056	\$ (21,120)	\$ 16,475

The Partnership's total assets by segment were (in thousands):

	June 30, 2020	December 31, 2019
Segments		
Wireless communication	\$ 356,927	\$ 385,848
Outdoor advertising	195,076	169,803
Renewable power generation	99,799	99,856
Digital infrastructure	65,220	66,279
Corporate assets ⁽¹⁾	18,372	133,819
Total assets	\$ 735,394	\$ 855,605

(1) Prior period amount includes assets of the European outdoor advertising portfolio that have classified as assets held for sale as a result of discontinued operations.

The following table represents the Partnership's rental revenues by geographic location. Prior period amounts have been revised to exclude discontinued operations (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
United States	\$ 13,534	\$ 13,329	\$ 27,052	\$ 26,231
Australia	292	344	576	643
Canada	18	14	37	28
Total rental revenue	<u>\$ 13,844</u>	<u>\$ 13,687</u>	<u>\$ 27,665</u>	<u>\$ 26,902</u>

The following table represents the Partnership's total assets by geographic location (in thousands).

	June 30, 2020	December 31, 2019
United States	\$ 719,624	\$ 726,391
Australia	15,065	13,926
Canada	705	888
Europe ⁽¹⁾	—	114,400
Total assets	\$ 735,394	\$ 855,605

(1) Prior period amount includes assets of the European outdoor advertising portfolio that have classified as assets held for sale as a result of discontinued operations.

16. Commitments and Contingencies

The Partnership's commitments and contingencies include customary claims and obligations incurred in the normal course of business. In the opinion of management, these matters will not have a material effect on the Partnership's consolidated financial position.

There has been consolidation in the wireless communication industry historically that has led to certain lease terminations. The past consolidation in the wireless industry has led to rationalization of wireless networks and reduced demand for tenant sites. On April 1, 2020, T-Mobile and Sprint completed their merger. Significant consolidation among our tenants in the wireless communication industry (or our tenants' sub-lessees) may result in the decommissioning of certain existing communications sites, because certain portions of these tenants' (or their sub-lessees') networks may be redundant. The impact of any future consolidation in the wireless communication industry and the termination of additional leases in our portfolio would result in lower rental revenue and may lead to impairment of our real property interests or other adverse effects to our business.

As of June 30, 2020, the Partnership had approximately \$64.2 million of real property interests subject to subordination to lenders of the underlying property. To the extent a lender forecloses on a property the Partnership would take impairment charges for the book value of the asset and no longer be entitled to the revenue associated with the asset.

Substantially all of our tenant sites are subject to triple net or effectively triple-net lease arrangements, which require the tenant or the underlying property owner to pay all utilities, property taxes, insurance and repair and maintenance costs. Our overall financial results could be impacted to the extent the owners of the fee interest in the real property or our tenants do not satisfy their obligations.

17. Tenant Concentration

For the three and six months ended June 30, 2020 and 2019, the Partnership had the following tenant revenue concentrations. Prior period concentrations have been revised to exclude discontinued operations:

Tenant	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
T-Mobile(1)	15.1%	14.8%	15.1%	15.2%
Clear Channel	12.8%	11.7%	13.1%	12.0%

(1) On April 1, 2020, T-Mobile and Sprint completed their merger. As a result, prior year concentrations for T-Mobile and Sprint have been combined to reflect the merger.

Most tenants are subsidiaries of these companies but have been aggregated for purposes of showing revenue concentration. Financial information for these companies can be found at www.sec.gov.

The loss of any one of our large customers as a result of consolidation, merger, bankruptcy, insolvency, network sharing, roaming, joint development, resale agreements by our customers or otherwise may result in (1) a material decrease in our revenue, (2) uncollectible account receivables, (3) an impairment of our deferred site rental receivables, wireless infrastructure assets, site rental contracts or customer relationships intangible assets, or (4) other adverse effects to our business.

18. Supplemental Cash Flow Information

Noncash investing and financing activities for the six months ended June 30, 2020 and 2019 were as follows (in thousands):

	Six Months Ended June 30,	
	2020	2019
Capital contribution to fund general and administrative expense reimbursement	\$ 929	\$ 1,134
Distributions payable to preferred unitholders	1,810	1,763
Accretion of Series C preferred units	193	450
Conversion of Series C preferred units	150	5
Purchase price for development activities included in accounts payable and accrued liabilities	943	1,571
Initial recognition of lease liabilities related to right of use assets	—	8,299
Adoption of ASU 2016-13	(76)	—
Net cash provided by (used in) operating activities of discontinued operations	3,335	1,881
Net cash provided by (used in) investing activities of discontinued operations	115,868	(28,649)
Net cash provided by (used in) financing activities of discontinued operations	(54,185)	6,139
Deemed contribution by the General Partner	—	394
Deemed distribution by the General Partner	—	(394)

Cash flows related to interest and income taxes paid were as follows (in thousands):

	Six Months Ended June 30,	
	2020	2019
Cash paid for interest	\$ 8,463	\$ 6,925
Capitalized interest	1,246	768
Income taxes paid	194	181

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Unless the context otherwise requires, references in this report to "our partnership," "we," "our," or "us," or like terms refer to Landmark Infrastructure Partners LP. The following is a discussion and analysis of our financial performance, financial condition and significant trends that may affect our future performance. You should read the following in conjunction with the historical consolidated financial statements and related notes included elsewhere in this report. Among other things, those historical consolidated financial statements include more detailed information regarding the basis of presentation for the following information. The following discussion and analysis contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those expressed or implied in forward-looking statements for many reasons, including the risks described in "Risk Factors" disclosed in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2019.

Some of the information in this Quarterly Report on Form 10-Q may contain forward-looking statements. Forward-looking statements give our current expectations, contain projections of results of operations or of financial condition, or forecasts of future events. Words such as "may," "will," "assume," "forecast," "position," "predict," "strategy," "expect," "intend," "plan," "estimate," "anticipate," "believe," "project," "budget," "potential," or "continue," and similar expressions are used to identify forward-looking statements. They can be affected by and involve assumptions used or known or unknown risks or uncertainties. Currently, one of the most significant factors, however, is the potential adverse effect of the current pandemic of the novel coronavirus, or COVID-19, on the financial condition, results of operations, cash flows and performance of the Partnership and its tenants, the real estate market and the global economy and financial markets. The extent to which COVID-19 impacts the Partnership and its tenants will depend on future developments, which are highly uncertain and cannot be predicted with confidence, including the scope, severity and duration of the pandemic, the actions taken to contain the pandemic or mitigate its impact, and the direct and indirect economic effects of the pandemic and containment measures, among others. Moreover, you should interpret many of the risks identified in this report, as well as the risks set forth below, as being heightened as a result of the ongoing and numerous adverse impacts of COVID-19. Consequently, no forward-looking statements can be guaranteed. When considering these forward-looking statements, you should keep in mind the risk factors and other cautionary statements as set forth in "Part I, Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2019. Actual results may vary materially. You are cautioned not to place undue reliance on any forward-looking statements. You should also understand that it is not possible to predict or identify all such factors and should not consider the following list to be a complete statement of all potential risks and uncertainties. The risk factors and other factors noted throughout our Annual Report on Form 10-K for the year ended December 31, 2019 could cause our actual results to differ materially from the results contemplated by such forward-looking statements, including the following:

- the number of real property interests that we are able to acquire, and whether we are able to complete such acquisitions on favorable terms, which could be adversely affected by, among other things, general economic conditions, operating difficulties, and competition;
- the number of completed infrastructure developments;
- the return on infrastructure developments;
- the prices we pay for our acquisitions of real property;
- our management's and our general partner's conflicts of interest with our own;
- the rent increases we are able to negotiate with our tenants, and the possibility of further consolidation among a relatively small number of significant tenants in the wireless communication and outdoor advertising industries;
- changes in the price and availability of real property interests;
- changes in prevailing economic conditions;
- unanticipated cancellations of tenant leases;
- a decrease in our tenants' demand for real property interest due to, among other things, technological advances or industry consolidation;
- inclement or hazardous weather conditions, including flooding, and the physical impacts of climate change, unanticipated ground, grade or water conditions, and other environmental hazards;
- inability to acquire or maintain necessary permits;
- changes in laws and regulations (or the interpretation thereof), including zoning regulations;
- difficulty collecting receivables and the potential for tenant bankruptcy;
- additional expenses associated with being a publicly traded partnership;
- our ability to borrow funds and access capital markets, and the effects of the fluctuating interest rate on our existing and future borrowings;

- restrictions in our revolving credit facility on our ability to issue additional debt or equity or pay distributions;
- mergers or consolidations among wireless carriers;
- performance of our joint ventures;
- fluctuations in foreign currency exchange rates;
- epidemic or pandemic (such as the outbreak and worldwide spread of COVID-19), and the measures that international, federal, state and local governments, agencies, law enforcement and/or health authorities implement to address it, which may (as with COVID-19) precipitate or exacerbate one or more of the above-mentioned and/or other risks, and significantly disrupt or prevent us from operating our business in the ordinary course for an extended period; and
- other events outside of our control.

All forward-looking statements are expressly qualified in their entirety by the foregoing cautionary statements.

Overview

We are a growth-oriented partnership formed by our Sponsor to acquire, develop, own and manage a portfolio of real property interests and infrastructure assets that are leased to companies in the wireless communication, outdoor advertising, renewable power generation and digital infrastructure industries. In addition, the Partnership owns certain interests in receivables associated with similar assets. We generate revenue and cash flow from existing tenant leases of our real property interests and infrastructure assets to wireless carriers, cellular tower owners, outdoor advertisers, renewable power producers and colocation providers and other enterprises.

The Partnership is a master limited partnership organized in the State of Delaware and has been publicly traded since its initial public offering on November 19, 2014. On July 31, 2017, the Partnership completed changes to its organizational structure by transferring substantially all of its assets to a subsidiary, Landmark Infrastructure Inc., a Delaware corporation, which elected to be taxed as a real estate investment trust (“REIT”) commencing with its taxable year ending December 31, 2017. We intend to own and operate substantially all of our assets through the REIT Subsidiary. These changes are designed to simplify tax reporting for unitholders and intended to broaden the Partnership’s investor base by substantially eliminating unrelated business taxable income allocated by the Partnership to tax-exempt investors, including individuals investing through tax-deferred accounts such as an individual retirement account, and we do not intend to generate state source income.

COVID-19

We are closely monitoring the impact of COVID-19 pandemic on all aspects of our business and in all of the jurisdictions in which we operate, including how it will impact our tenants and business partners. While we did not incur significant disruptions during the six months ended June 30, 2020 from the COVID-19 pandemic, we are unable to predict the future impact that the COVID-19 pandemic will have on our financial condition, results of operations and cash flows due to numerous uncertainties. These uncertainties include the scope, severity and duration of the pandemic, the actions taken to contain the pandemic or mitigate its impact and the direct and indirect economic effects of the pandemic and containment measures, among others. The global impact of the outbreak has been rapidly evolving and, as cases of COVID-19 have continued to be identified in additional countries, many countries, including the United States, have reacted by instituting quarantines, mandating business and school closures and restricting travel. As a result, the COVID-19 pandemic is negatively impacting the global economy. Further, the impacts of a potential worsening of global economic conditions and the continued disruptions to, and volatility in, the credit and financial markets, consumer spending as well as other unanticipated consequences remain unknown.

In addition, we cannot predict the impact that COVID-19 will have on our tenants and other business partners; however, any material effect on these parties could adversely impact us. The current economic conditions, including the “stay-at-home” orders and similar mandates, have had and will likely continue to have a negative effect on the outdoor advertising industry. The Partnership has received and is currently reviewing a myriad of short-term rent relief requests from tenants within the outdoor advertising industry, most often in the form of rent deferral requests or amending to percentage rent. Not all tenant requests will ultimately result in modification agreements, nor is the Partnership forgoing its contractual rights under its lease agreements. The three and six months ended June 30, 2020 results may not be indicative of future results. During the three and six months ended June 30, 2020, the Partnership generated \$3.8 million and \$7.8 million in rental revenue from outdoor advertising tenants, \$0.1 million and \$0.5 million of which was generated from percentage rent provisions, respectively.

The impact of the COVID-19 pandemic on our rental revenue for the third quarter of 2020 and thereafter cannot be determined at present. The situation surrounding the COVID-19 pandemic remains fluid, and we are actively managing our response in collaboration with tenants and business partners and assessing potential impacts to our financial position and operating results, as well as potential adverse developments in our business. On July 24, 2020, the General Partner's board of directors approved a quarterly distribution of \$0.20 per common unit for the quarter ended June 30, 2020. The current quarter distribution equates to approximately \$5.1 million per quarter, or \$20.4 million per year in the aggregate, based on the number of common units outstanding as of August 4, 2020. This distribution amount represents on an annualized basis \$17.0 million of additional cash available to strengthen our balance sheet and enhance our long-term financial flexibility. As a result of the unprecedented economic conditions, we will focus on repaying borrowings under our revolving credit facility, preserving liquidity and capital for any potential impact to our business and positioning the Partnership to take advantage of any prospective market opportunities. For further information regarding the impact of COVID-19 on the Company, see Part II, Item 1A titled "Risk Factors."

How We Generate Rental Revenue

We primarily generate rental revenue and cash flow from existing leases of our tenant sites to wireless carriers, cellular tower owners, outdoor advertisers, renewable power producers and colocation providers and other enterprises. The amount of rental revenue generated by the assets in our portfolio depends principally on occupancy levels and the tenant lease rates and terms at our tenant sites.

We believe the terms of our tenant leases provide us with stable and predictable cash flow that will support consistent, growing distributions to our unitholders. Substantially all of our tenant lease arrangements are triple net or effectively triple-net, meaning that our tenants or the underlying property owners are generally contractually responsible for property-level operating expenses, including maintenance capital expenditures, property taxes and insurance. In addition, 80% of our tenant leases have contractual fixed-rate escalators or consumer price index ("CPI")-based rent escalators, and some of our tenant leases contain revenue-sharing provisions in addition to the base monthly or annual rental payments. Occupancy rates under our tenant leases have historically been very high. We also believe we are well positioned to negotiate higher rents in advance of lease expirations as tenants request lease amendments to accommodate equipment upgrades or add tenants to increase co-location.

Future economic or regional downturns affecting our submarkets that impair our ability to renew or re-lease our real property interests and other adverse developments that affect the ability of our tenants to fulfill their lease obligations, such as tenant bankruptcies, could adversely affect our ability to maintain or increase rental rates at our sites. Adverse developments or trends in one or more of these factors could adversely affect our rental revenue and tenant recoveries in future periods.

Significant consolidation among our tenants in the wireless communication industry (or our tenants' sub-lessees) may result in the decommissioning of certain existing communications sites, because certain portions of these tenants' (or their sub-lessees') networks may be redundant. The loss of any one of our large customers as a result of joint ventures, mergers, acquisitions or other cooperative agreements may result in a material decrease in our revenue. On April 1, 2020, T-Mobile and Sprint completed their merger. The Partnership does not expect the merger to have a material impact on rental revenue. For the three months ended June 30, 2020, T-Mobile represented approximately 15.1% of rental revenue.

How We Evaluate Our Operations

Our management uses a variety of financial and operating metrics to analyze our performance. These metrics are significant factors in assessing our operating results and profitability and include: (1) occupancy (2) operating and maintenance expenses; (3) FFO and AFFO; and (4) Adjusted EBITDA.

Occupancy

The amount of revenue we generate primarily depends on our occupancy rate. As of June 30, 2020, we had a 94% occupancy rate with 1,814 of our 1,922 available tenant sites leased. We believe the infrastructure assets at our tenant sites are essential to the ongoing operations and profitability of our tenants and will be a critical component for the rollout of future technologies such as 5G, IOT and autonomous vehicles. Combined with the challenges and costs of relocating the infrastructure, we believe that we will continue to enjoy high tenant retention and occupancy rates.

There has been consolidation in the wireless communication industry historically that has led to certain lease terminations. Additional consolidation among our tenants in the wireless communication industry (or our tenants' sub-lessees) may result in lease terminations for certain existing communication sites. Any additional termination of leases in our portfolio would result in lower rental revenue, may lead to impairment of our real property interests, or other adverse effects to our business.

Operating and Maintenance Expenses

Substantially all of our tenant sites are subject to triple net or effectively triple-net lease arrangements, which require the tenant or the underlying property owner to pay all utilities, property taxes, insurance and repair and maintenance costs. Our overall financial results could be impacted to the extent the owners of the fee interest in the real property or our tenants do not satisfy their obligations or to the extent a jurisdiction applies real property tax to our easements.

Funds from Operations ("FFO") and Adjusted Funds from Operations ("AFFO")

FFO, is a non-GAAP financial measure of operating performance of an equity REIT in order to recognize that income-producing real estate historically has not depreciated on the basis determined under GAAP. We calculate FFO in accordance with the standards established by the National Association of Real Estate Investment Trust ("NAREIT"). FFO represents net income (loss) excluding real estate related depreciation and amortization expense, real estate related impairment charges, gains (or losses) on real estate transactions, adjustments for unconsolidated joint venture, and distributions to preferred unitholders and noncontrolling interests.

FFO is generally considered by industry analysts to be the most appropriate measure of performance of real estate companies. FFO does not necessarily represent cash provided by operating activities in accordance with GAAP and should not be considered an alternative to net earnings as an indication of the Partnership's performance or to cash flow as a measure of liquidity or ability to make distributions. Management considers FFO an appropriate measure of performance of an equity REIT because it primarily excludes the assumption that the value of the real estate assets diminishes predictably over time, and because industry analysts have accepted it as a performance measure. The Partnership's computation of FFO may differ from the methodology for calculating FFO used by other equity REITs, and therefore, may not be comparable to such other REITs.

AFFO is a non-GAAP financial measure of operating performance used by many companies in the REIT industry. AFFO adjusts FFO for certain non-cash items that reduce or increase net income in accordance with GAAP. AFFO should not be considered an alternative to net earnings, as an indication of the Partnership's performance or to cash flow as a measure of liquidity or ability to make distributions. Management considers AFFO a useful supplemental measure of the Partnership's performance. The Partnership's computation of AFFO may differ from the methodology for calculating AFFO used by other equity REITs, and therefore, may not be comparable to such other REITs. We calculate AFFO by starting with FFO and adjusting for general and administrative expense reimbursement, acquisition-related expenses, unrealized gain (loss) on derivatives, straight line rent adjustments, unit-based compensation, amortization of deferred loan costs and discount on secured notes, deferred income tax expense, amortization of above and below market rents, loss on early extinguishment of debt, repayments of receivables, adjustments for investment in unconsolidated joint venture, adjustments for drop-down assets and foreign currency transaction gain (loss). The GAAP measures most directly comparable to FFO and AFFO is net income.

EBITDA and Adjusted EBITDA

We define EBITDA as net income before interest, income taxes, depreciation and amortization, and we define Adjusted EBITDA as EBITDA before impairments, acquisition-related expenses, unrealized and realized gains and losses on derivatives, loss on extinguishment of debt, gains and losses on sale of real property interests, unit-based compensation, straight line rental adjustments, amortization of above- and below-market rents plus cash receipts applied toward the repayments of investments in receivable, the deemed capital contribution to fund our general and administrative expense reimbursement and adjustments for investments in unconsolidated joint ventures.

EBITDA and Adjusted EBITDA are non-GAAP supplemental financial measures that management and external users of our financial statements, such as industry analysts, investors, lenders and rating agencies, may use to assess:

- our operating performance as compared to other publicly traded limited partnerships, without regard to historical cost basis or, in the case of Adjusted EBITDA, financing methods;
- the ability of our business to generate sufficient cash to support our decision to make distributions to our unitholders;
- our ability to incur and service debt and fund capital expenditures; and
- the viability of acquisitions and the returns on investment of various investment opportunities.

We believe that the presentation of EBITDA and Adjusted EBITDA in this Quarterly Report on Form 10-Q provides information useful to investors in assessing our financial condition and results of operations. The GAAP measures most directly comparable to EBITDA and Adjusted EBITDA are net income and net cash provided by operating activities. EBITDA and Adjusted EBITDA should not be considered as an alternative to GAAP net income, net cash provided by operating activities or any other measure of financial performance or liquidity presented in accordance with GAAP. Each of EBITDA and Adjusted EBITDA has important limitations as analytical tools because they exclude some, but not all, items that affect net income and net cash provided by operating activities, and these measures may vary from those of other companies. You should not consider EBITDA and Adjusted EBITDA in isolation or as a substitute for analysis of our results as reported under GAAP. As a result, because EBITDA and Adjusted EBITDA may be defined differently by other companies in our industry, EBITDA and Adjusted EBITDA as presented below may not be comparable to similarly titled measures of other companies, thereby diminishing their utility.

Factors Affecting the Comparability of Our Financial Results

Our future results of operations may not be comparable to our historical results of operations for the reasons described below:

COVID-19

We are not aware of any material trends or uncertainties, other than national economic conditions affecting real estate and development generally and those risks listed in Part II, Item 1A of this Quarterly Report on Form 10-Q and in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2019, that may reasonably be expected to have a material impact, favorable or unfavorable, on revenues or income from the acquisition, management and operation of our properties. However, due to the recent outbreak of COVID-19, the Partnership's tenants and their operations may be impacted, including their ability to pay rent. The impact of COVID-19 on our future results could be significant and will largely depend on future developments, which are highly uncertain and cannot be predicted, including new information that may emerge concerning the severity of COVID-19, the success of actions taken to contain or treat COVID-19 and reactions by consumers, companies, governmental entities and capital markets.

Acquisitions and Developments

We have in the past and intend to continue to pursue acquisitions of real property interests and developments of infrastructure. Our significant historical acquisition activity impacts the period to period comparability of our results of operations. During the six months ended June 30, 2020 and for the year ended December 31, 2019, the Partnership acquired seven and 146 tenant sites from third parties for a total consideration of \$1.4 million and \$52.0 million, respectively. During the six months ended June 30, 2020, the Partnership deployed 59 DART kiosks and placed in service other assets for a total of \$9.7 million.

Sales

The Partnership's sales of real property interests impacts the period to period comparability of our results of operations. During the six months ended June 30, 2020, the Partnership completed the sale of its interest in the consolidated joint venture that holds its European outdoor advertising portfolio and recognized a gain on sale of real property interest of \$15.7 million. The operating results of the European outdoor advertising portfolio and the related gain on sale are presented as discontinued operations on the consolidated statements of operations. Accordingly, for all prior periods presented, the related assets and liabilities are presented as assets and liabilities held for sale on the consolidated balance sheets. The Partnership used proceeds from the sale of the European outdoor advertising portfolio and available cash to repay borrowings totaling \$115

million on its revolving credit facility, including the £40.5 million of British pound sterling (“GBP”) denominated borrowings, and terminate USD interest rate swaps with a notional value of \$145 million and a GBP denominated interest rate swap agreement with a notional value of £38 million for approximately \$7.6 million. During the six months ended June 30, 2019, the Partnership completed sales of its real property interests and investments in receivables for total consideration of \$45.3 million and recognized a gain on sale of \$17.5 million.

Secured Notes

On January 15, 2020, certain subsidiaries of the Partnership entered into a master note purchase and participation agreement (“MNPPA”) pursuant to which such subsidiaries issued and sold an initial \$170 million aggregate principal amount of 3.90% series A senior secured notes in a private placement (the “2019 Secured Notes”). The 2019 Secured Notes mature on January 14, 2027 and include an interest-only initial term of three years. The net proceeds were used to repay in full the 2016 Secured Notes by \$108 million and the revolving credit facility by \$59 million. In connection with the issuance of the senior secured notes, the Partnership obtained a standby letter of credit arrangement totaling \$3.4 million.

Derivative Financial Instruments

Historically, we have hedged a portion of the variable interest rates under our secured debt facilities through interest rate swap agreements. We have not applied hedge accounting to these derivative financial instruments which has resulted in the change in the fair value of the interest rate swap agreements to be reflected in income as either a realized or unrealized gain (loss) on derivatives, except for foreign currency changes on interest rate swaps denominated in a foreign currency. In connection with the sale of the European outdoor advertising portfolio, the Partnership used proceeds from the sale to terminate existing USD interest rate swaps with a notional value of \$145 million and a GBP denominated interest rate swap agreement with a notional value of £38 million for approximately \$7.6 million.

General and Administrative Expenses

Under the Partnership’s Fourth Amended and Restated Agreement of Limited Partnership of Landmark Infrastructure Partners LP dated April 2, 2018 (the “Amended Partnership Agreement”), we are required to reimburse our general partner and its affiliates for all costs and expenses that they incur on our behalf for managing and controlling our business and operations. Except to the extent specified under our amended Omnibus Agreement with Landmark (“Omnibus Agreement”), which was amended on January 30, 2019, our general partner determines the amount of these expenses and such determinations must be made in good faith under the terms of the Amended Partnership Agreement. Under the Omnibus Agreement, we agreed to reimburse Landmark for expenses related to certain general and administrative services that Landmark will provide to us in support of our business, subject to a quarterly cap equal to 3% of our revenue during the current calendar quarter. This cap on expenses will last until the earlier to occur of: (i) the date on which our revenue for the immediately preceding four consecutive fiscal quarters exceeded \$120 million and (ii) November 19, 2021. The full amount of our general and administrative expenses incurred will be reflected on our income statements, and to the extent such general and administrative expenses exceed the cap amount, the amount of such excess will be reflected in our financial statements as a capital contribution from Landmark rather than as a reduction of our general and administrative expenses, except for expenses that would otherwise be allocated to us, which are not included in the amount of general and administrative expenses.

Factors That May Influence Future Results of Operations

COVID-19

We are not aware of any material trends or uncertainties, other than national economic conditions affecting real estate and development generally and those risks listed in Part II. Item 1A. “Risk Factors,” of this Quarterly Report on Form 10-Q, that may reasonably be expected to have a material impact, favorable or unfavorable, on revenues or income from the acquisition, management and operation of our properties. However, due to the recent outbreak of COVID-19, the Partnership’s tenants and their operations may be impacted, including their ability to pay rent. The impact of COVID-19 on our future results could be significant and will largely depend on future developments, which are highly uncertain and cannot be predicted, including new information that may emerge concerning the severity of COVID-19, the success of actions taken to contain or treat COVID-19 and reactions by consumers, companies, governmental entities and capital markets.

Acquisitions and Developments

We intend to pursue acquisitions of real property interests from third parties, utilizing the expertise of our management and other Landmark employees to identify and assess potential acquisitions, for which we may pay Landmark mutually agreed reasonable fees. When acquiring real property interests, we will target infrastructure locations that are essential to the ongoing operations and profitability of our tenants, which we expect will result in continued high tenant occupancy and enhance our cash flow stability. We expect the vast majority of our acquisitions will include leases with our Tier 1 tenants or tenants whose sub-tenants are Tier 1 companies. Additionally, we will focus on infrastructure locations with characteristics that are difficult to replicate in their respective markets, and those with tenant assets that cannot be easily moved to nearby alternative sites or replaced by new construction. Although our initial portfolio is focused on wireless communication, outdoor advertising and renewable power generation assets in the United States, we intend to grow our initial portfolio of real property interests into other fragmented infrastructure asset classes and expect to continue to pursue acquisitions internationally. The impact of COVID-19 may restrict access to construction materials and delay development projects.

During 2017, the Partnership started developing an ecosystem of technologies that provides smart enabled infrastructure including smart poles and digital outdoor advertising kiosks across North America. Smart poles are self-contained, neutral-host poles designed for wireless carrier and other wireless operator collocation. The smart poles are designed for macro, mini macro and small cell deployments and will support Internet of Things (IoT), carrier densification needs, private LTE networks and other wireless solutions.

During the fourth quarter of fiscal year 2018, the Partnership entered into an agreement with Dallas Area Rapid Transit “DART” to develop a smart media and communications platform which will include the deployment of content-rich kiosks and the Partnership’s smart enabled infrastructure ecosystem solution on strategic high-traffic DART locations.

During the six months ended June 30, 2020 the Partnership deployed 59 DART kiosks and placed in service other assets for a total of \$9.7 million. As we deploy these infrastructure assets, we may incur additional operating expenses associated with ground lease payments and other operating expenses to maintain our infrastructure assets. Additionally, the Partnership may pursue further development opportunities in the future.

Sales

During the six months ended June 30, 2020, the Partnership completed the sale of its interest in the consolidated joint venture that holds its European outdoor advertising portfolio and recognized a gain on sale of real property interest of \$15.7 million in discontinued operations. The Partnership used proceeds from the sale of the European outdoor advertising portfolio and available cash to repay borrowings totaling \$115 million on its revolving credit facility, including the £40.5 million of GBP denominated borrowings, and terminate USD interest rate swaps with a notional value of \$145 million and a GBP denominated interest rate swap agreement with a notional value of £38 million for approximately \$7.6 million.

Mergers

Significant consolidation among our tenants in the wireless communication industry (or our tenants’ sub-lessees) may result in the decommissioning of certain existing communications sites, because certain portions of these tenants’ (or their sub-lessees’) networks may be redundant. The loss of any one of our large customers as a result of joint ventures, mergers, acquisitions or other cooperative agreements may result in a material decrease in our revenue. On April 1, 2020, T-Mobile and Sprint completed their merger. For the three months ended June 30, 2020, T-Mobile represented approximately 15.1% of rental revenue.

Secured Notes

On January 15, 2020, certain subsidiaries of the Partnership entered into a master note purchase and participation agreement (“MNPPA”) pursuant to which such subsidiaries issued and sold an initial \$170 million aggregate principal amount of 3.90% series A senior secured notes in a private placement (the “2019 Secured Notes”). The 2019 Secured Notes mature on January 14, 2027 and include an interest-only initial term of three years. The net proceeds were used to repay in full the 2016 Secured Notes by \$108 million and the revolving credit facility by \$59 million. In connection with the issuance of the senior secured notes, the Partnership obtained a standby letter of credit arrangement totaling \$3.4 million.

Changing Interest Rates and Foreign Currency Exchange Rates

Interest rates have been at or near historic lows in recent years. If interest rates rise, this may impact the availability and terms of debt financing, our interest expense associated with existing and future debt or our ability to make accretive acquisitions. Additionally, fluctuations in foreign currencies in which the Partnership operates may impact asset valuation, revenue, the availability and terms of debt financing, our interest expense associated with existing and future debt or our ability to make accretive acquisitions.

LIBOR Phase Out

In July 2017, the FCA, which regulates LIBOR, announced it intends to stop compelling banks to submit rates for the calculation of LIBOR after 2021. As a result, the Federal Reserve Board and the Federal Reserve Bank of New York organized the ARRC which identified the SOFR as its preferred alternative to USD-LIBOR in derivatives and other financial contracts. The Partnership is not able to predict when LIBOR will cease to be available or when there will be sufficient liquidity in the SOFR markets. Any changes adopted by FCA or other governing bodies in the method used for determining LIBOR may result in a sudden or prolonged increase or decrease in reported LIBOR. If that were to occur, our interest payments could change. In addition, uncertainty about the extent and manner of future changes may result in interest rates and/or payments that are higher or lower than if LIBOR were to remain available in its current form.

The Partnership has agreements that are indexed to LIBOR and is monitoring and evaluating the related risks, which include interest on loans and valuation of derivative instruments. These risks arise in connection with transitioning contracts to a new alternative rate, including any resulting value transfer that may occur. The value of loans or derivative instruments tied to LIBOR could also be impacted if LIBOR is limited or discontinued. For some instruments, the method of transitioning to an alternative rate may be challenging, as they may require negotiation with the respective counterparty.

If a contract is not transitioned to an alternative rate and LIBOR is discontinued, the impact on our contracts is likely to vary by contract. If LIBOR is discontinued or if the methods of calculating LIBOR change from their current form, interest rates on our current or future indebtedness may be adversely affected.

While we expect LIBOR to be available in substantially its current form until the end of 2021, it is possible that LIBOR will become unavailable prior to that point. This could result, for example, if sufficient banks decline to make submissions to the LIBOR administrator. In that case, the risks associated with the transition to an alternative reference rate will be accelerated and magnified. We will continue to monitor the potential impact of LIBOR changes on our business.

Critical Accounting Policies

The preparation of financial statements in conformity with generally accepted accounting principles in the United States (“GAAP”) requires management to use judgment in the application of accounting policies, including making estimates and assumptions. We base estimates on the best information available to us at the time, our experience and on various other assumptions believed to be reasonable under the circumstances. These estimates affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting periods. If our judgment or interpretation of the facts and circumstances relating to various transactions or other matters had been different, it is possible that different accounting would have been applied, resulting in a different presentation of our consolidated financial statements. From time to time, we re-evaluate our estimates and assumptions. In the event estimates or assumptions prove to be different from actual results, adjustments are made in subsequent periods to reflect more current estimates and assumptions about matters that are inherently uncertain. A summary of our critical accounting policies is included in our Annual Report on Form 10-K for the year ended December 31, 2019, in “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations.” Our critical accounting policies have not changed during 2020.

Historical Results of Operations of our Partnership

Segments

In connection with the sale of our European outdoor advertising portfolio, an evaluation of segment reporting thresholds resulted in changes in our segment presentation for all prior periods presented. As of June 30, 2020, we conduct business through four reportable business segments: Wireless Communication, Outdoor Advertising, Renewable Power Generation and Digital Infrastructure. Our reportable segments are strategic business units that offer different products and services. They are commonly managed, as all three businesses require similar marketing and business strategies. We evaluate our segments based on revenue because substantially all of our tenant lease arrangements are triple net or effectively triple-net. We believe this measure provides investors relevant and useful information because it is presented on an unlevered basis.

Results of Operations

Our results of operations for all periods presented were affected by the sale of the European outdoor advertising portfolio on June 17, 2020, other asset sales in 2019, and acquisitions made during the year ended December 31, 2019. As of June 30, 2020 and 2019, we had 1,922 and 2,005 available tenant sites with 1,814 and 1,912 leased tenant sites, respectively.

Comparison of Three Months Ended June 30, 2020 to Three Months Ended June 30, 2019

The following table summarizes the consolidated statements of operations of the Partnership for the three months ended June 30, 2020 and 2019 (in thousands):

	Three Months Ended June 30,		
	2020	2019	Change
Revenue			
Rental revenue	\$ 13,844	\$ 13,687	\$ 157
Expenses			
Property operating	354	270	84
General and administrative	1,223	1,455	(232)
Acquisition-related	86	162	(76)
Depreciation and amortization	4,301	3,259	1,042
Impairments	102	—	102
Total expenses	6,066	5,146	920
Other income and expenses			
Interest and other income	96	112	(16)
Interest expense	(4,393)	(4,655)	262
Unrealized loss on derivatives	(481)	(3,570)	3,089
Equity income from unconsolidated joint venture	687	164	523
Gain on sale of real property interests	—	11,673	(11,673)
Total other income and expenses	(4,091)	3,724	(7,815)
Income from continuing operations before income tax expense (benefit)	3,687	12,265	(8,578)
Income tax expense (benefit)	(90)	3,112	(3,202)
Income from continuing operations	3,777	9,153	(5,376)
Income from discontinued operations, net of tax	14,856	112	14,744
Net income	\$ 18,633	\$ 9,265	\$ 9,368

Rental Revenue

Rental revenue increased \$0.2 million primarily due to approximately \$0.4 million increase during the three months ended June 30, 2020 attributable to the full year of rental revenue in 2020 for tenant sites acquired during 2019. Revenue for the three months ended June 30, 2020 includes approximately \$0.3 million of rental revenue as a result of rent escalators, offset by \$0.4 million less of rental revenue related to assets sold in 2019. Revenue generated from our wireless communication, outdoor advertising, renewable power generation and digital infrastructure segments was \$6.3 million, \$3.8 million, \$2.2 million and \$1.6 million or, 46% , 27%, 16% and 11% of total rental revenue, respectively, during the three months ended June 30, 2020, compared to \$6.4 million, \$3.9 million, \$2.4 million and \$1.0 million, or 47%, 28%, 18% and 7% of total rental revenue, respectively, during the three months ended June 30, 2019. The occupancy rates in our wireless communication, outdoor advertising, renewable power generation digital infrastructure segments were 92%, 97%, 100% and 100% respectively, at June 30, 2020 compared to 93%, 98%, 100% and 100%, respectively, at June 30, 2019. Additionally, our effective monthly rental rates per tenant site for wireless communication, outdoor advertising renewable power generation and digital infrastructure segments were \$1,991, \$1,799, \$10,259 and \$85,776 respectively, during the three months ended June 30, 2020 compared to \$1,943, \$1,957, \$9,713 and \$81,427 respectively, during the three months ended June 30, 2019. The Partnership's rental revenue for three months ended June 30, 2020 was not significantly impacted by COVID-19; however, due the economic uncertainty caused by the outbreak of COVID-19, the Partnership's outdoor advertising tenants and their operations may be impacted, including their ability to pay rent in future periods resulting in a possible reduction in rental income.

Property Operating

Property operating expenses increased \$0.1 million during the three months ended June 30, 2020 compared to the three months ended June 30, 2019 primarily due to an increase in rent expense on assets subject to a ground lease payment and property taxes as a result of an increase in fee simple properties that are not leased under a triple net lease structure. Substantially all of our tenant sites are subject to triple net or effectively triple net lease arrangements, which require the tenant or the underlying property owner to pay all utilities, property taxes, insurance and repair and maintenance costs. As we deploy our smart enabled infrastructure solution and other projects, we may incur additional operating expenses associated with ground lease payments and other operating expenses.

General and Administrative

General and administrative expenses decreased \$0.2 million during the three months ended June 30, 2020 compared to the three months ended June 30, 2019, primarily due to a decrease in legal and tax related expenses offset by a slight increase in accounting related expenses. Under our Amended Partnership Agreement, we are required to reimburse our general partner and its affiliates for all costs and expenses that they incur on our behalf for managing and controlling our business and operations. Except to the extent specified under our Omnibus Agreement, our general partner determines the amount of these expenses and such determinations must be made in good faith under the terms of the Amended Partnership Agreement. Under our omnibus agreement, we are required to reimburse Landmark for expenses related to certain general and administrative services Landmark provides to us in support of our business, subject to a quarterly cap equal to the greater of \$162,500 and 3% of our revenue during the preceding calendar quarter. On January 30, 2019, we amended the Omnibus Agreement and we agreed to reimburse Landmark for expenses related to certain general and administrative services that Landmark will provide to us in support of our business, subject to a quarterly cap equal to 3% of our revenue during the current calendar quarter. Under the amended Omnibus Agreement, this cap on expenses will last until the earlier to occur of: (i) the date on which our revenue for the immediately preceding four consecutive fiscal quarters exceeded \$120 million and (ii) November 19, 2021. The full amount of general and administrative expenses incurred is reflected on our income statements and the amount in excess of the cap that is reimbursed is reflected on our financial statements as a capital contribution from Landmark rather than as a reduction of our general and administrative expenses, except for expenses that would otherwise be allocated to us, which are not included in the amount of general and administrative expenses. For the three months ended June 30, 2020 and 2019, Landmark reimbursed us \$0.9 million and \$1.0 million, respectively, for expenses related to certain general and administrative services expenses that exceeded the cap. During the three months ended June 30, 2020 and 2019, less than \$0.1 million and \$0.1 million, respectively, of management fees related to our unconsolidated joint venture that is not subject to the cap and is treated as a capital contribution from Sponsor.

Acquisition-Related

Acquisition-related expenses are third party fees and expenses related to acquiring an asset and include survey, title, legal and other items as well as legal and financial advisor expenses associated with business acquisitions or unsuccessful asset acquisitions.

Depreciation and Amortization

Depreciation and amortization expense increased \$1.0 million during the three months ended June 30, 2020 compared to the three months ended June 30, 2019 primarily as a result of the deployment of 59 DART kiosks and other assets placed in service subsequent to June 30, 2019.

Impairments

Impairments increased \$0.1 million during the three months ended June 30, 2020 compared to the three months ended June 30, 2019, primarily due to one lease termination and one expiring lease in our wireless and outdoor advertising segments for \$0.1 million during the three months ended June 30, 2020. There was no impairment during the three months ended June 30, 2019.

Interest Expense

Interest expense decreased \$0.3 million during the three months ended June 30, 2020 compared to the three months ended June 30, 2019, primarily due to a lower average debt balance of approximately \$377.2 million for the three months ended June 30, 2020 compared to an average debt balance of approximately \$392.3 million during the three months ended June 30, 2019.

Unrealized Loss on Derivative Financial Instruments

We mitigated exposure to fluctuations in interest rates on existing variable rate debt by entering into swap contracts that fixed the floating LIBOR rate. These interest rate swap agreements extend through and beyond the term of the Partnership's existing credit facility. The swap contracts are adjusted to fair value at each period end. The unrealized loss recorded for the three months ended June 30, 2020 and 2019 reflect the change in fair value of these contracts during those periods. In connection with the sale of the European outdoor advertising portfolio, the Partnership used proceeds from the sale to terminate existing swaps including the GBP interest rate swap agreement for a total of approximately \$7.6 million.

Equity Income from Unconsolidated Joint Venture

Equity income from unconsolidated joint venture increased \$0.5 million during the three months ended June 30, 2020 compared to the three months ended June 30, 2019. Under the equity method, the investment is initially recorded at fair value and subsequently adjusted for additional distributions and the Partnership's proportionate share of equity in the JV's income or loss. The Partnership recognizes its proportionate share of the ongoing income or loss of the unconsolidated JV as equity income or loss from unconsolidated JV on the consolidated statements of operations.

Gain on Sale of Real Property Interests

During the three months ended June 30, 2019, the Partnership recognized a gain on sale of real property interests of \$11.7 million related to the sale of real property interests and investments in receivables to a third party.

Income Tax Expense (Benefit)

During the three months ended June 30, 2020, the Partnership recorded a net tax benefit of \$0.1 million as a result of an increase to deferred tax assets related to a higher US state effective tax rate. During the three months ended June 30, 2019, the Partnership recorded a gain on sale of assets in our taxable subsidiary of \$11.7 million, resulting in a \$3.1 million income tax expense related to the gain.

Income (Loss) from Discontinued Operations, Net of Tax

On June 17, 2020, the Partnership sold its European outdoor advertising portfolio for a purchase price of £95 million and recognized a gain on sale of \$15.7 million. The sale of the European outdoor advertising portfolio met the criteria as discontinued operations in June 2020. As a result, we reclassified the operating results of the European outdoor advertising portfolio and the gain on sale to discontinued operations and excluded these amounts from income from continuing operations for all periods presented on the consolidated statements of operations.

Comparison of Six Months Ended June 30, 2020 to Six Months Ended June 30, 2019

The following table summarizes the consolidated statements of operations of the Partnership for the six months ended June 30, 2020 and 2019 (in thousands):

	Six Months Ended June 30,		
	2020	2019	Change
Revenue			
Rental revenue	\$ 27,665	\$ 26,902	\$ 763
Expenses			
Property operating	863	856	7
General and administrative	2,711	2,924	(213)
Acquisition-related	91	204	(113)
Depreciation and amortization	7,903	6,615	1,288
Impairments	184	204	(20)
Total expenses	<u>11,752</u>	<u>10,803</u>	<u>949</u>
Other income and expenses			
Interest and other income	271	446	(175)
Interest expense	(8,691)	(9,142)	451
Loss on early extinguishment of debt	(2,231)	—	(2,231)
Unrealized loss on derivatives	(6,684)	(5,728)	(956)
Equity income from unconsolidated joint venture	837	109	728
Gain on sale of real property interests	—	17,535	(17,535)
Total other income and expenses	<u>(16,498)</u>	<u>3,220</u>	<u>(19,718)</u>
Income from continuing operations before income tax expense (benefit)	(585)	19,319	(19,904)
Income tax expense (benefit)	<u>(335)</u>	<u>3,122</u>	<u>(3,457)</u>
Income from continuing operations	(250)	16,197	(16,447)
Income from discontinued operations, net of tax	<u>17,511</u>	<u>278</u>	<u>17,233</u>
Net income	<u>\$ 17,261</u>	<u>\$ 16,475</u>	<u>\$ 786</u>

Rental Revenue

Rental revenue increased \$0.8 million primarily due to \$1.0 million increase during the six months ended June 30, 2020 attributable to the full year of rental revenue in 2020 for tenant sites acquired during 2019. Revenue for the six months ended June 30, 2020 includes approximately \$0.5 million of rental revenue as a result of rent escalators, offset by \$0.7 million less of rental revenue related to assets sold in 2019. Revenue generated from our wireless communication, outdoor advertising, renewable power generation and digital infrastructure segments was \$12.7 million, \$7.8 million, \$4.1 million and \$3.1 million, or 46%, 28%, 15% and 11% of total rental revenue, respectively, during the six months ended June 30, 2020, compared to \$12.8 million, \$7.8 million, \$4.5 million and \$1.8 million or 49%, 29%, 16% and 7% of total rental revenue, respectively, during the six months ended June 30, 2019. The occupancy rates in our wireless communication, outdoor advertising, renewable power generation and digital infrastructure segments were 92%, 97%, 100% and 100% respectively, at June 30, 2020 compared to 93%, 98%, 100% and 100%, respectively, at June 30, 2019. Additionally, our effective monthly rental rates per tenant site for wireless communication, outdoor advertising, renewable power generation and digital infrastructure segments were \$1,991, \$1,894, \$9,703 and \$85,750 respectively, during the six months ended June 30, 2020 compared to \$1,932, \$1,959, \$9,359 and \$75,600, respectively, during the six months ended June 30, 2019. The Partnership's rental revenue for six months ended June 30, 2020 was not significantly impacted by COVID-19; however, due the economic uncertainty caused by the outbreak of COVID-19, the Partnership's outdoor advertising tenants and their operations may be impacted, including their ability to pay rent in future periods resulting in a possible reduction in rental income.

General and Administrative

General and administrative expenses decreased \$0.2 million during the six months ended June 30, 2020 compared to the six months ended June 30, 2019, primarily due to an decrease in legal and tax related expenses. Under our Amended Partnership Agreement, we are required to reimburse our general partner and its affiliates for all costs and expenses that they incur on our behalf for managing and controlling our business and operations. Except to the extent specified under our Omnibus Agreement, our general partner determines the amount of these expenses and such determinations must be made in good faith under the terms of the Amended Partnership Agreement. Under our omnibus agreement, we are required to reimburse Landmark for expenses related to certain general and administrative services Landmark provides to us in support of our business, subject to a quarterly cap equal to the greater of \$162,500 and 3% of our revenue during the preceding calendar quarter. On January 30, 2019, we amended the Omnibus Agreement and we agreed to reimburse Landmark for expenses related to certain general and administrative services that Landmark will provide to us in support of our business, subject to a quarterly cap equal to 3% of our revenue during the current calendar quarter. Under the amended Omnibus Agreement, this cap on expenses will last until the earlier to occur of: (i) the date on which our revenue for the immediately preceding four consecutive fiscal quarters exceeded \$120 million and (ii) November 19, 2021. The full amount of general and administrative expenses incurred is reflected on our income statements and the amount in excess of the cap that is reimbursed is reflected on our financial statements as a capital contribution from Landmark rather than as a reduction of our general and administrative expenses, except for expenses that would otherwise be allocated to us, which are not included in the amount of general and administrative expenses. For the six months ended June 30, 2020 and 2019, Landmark reimbursed us \$1.9 million and \$2.0 million, respectively, for expenses related to certain general and administrative services expenses that exceeded the cap. During the six months ended June 30, 2020 and 2019, \$0.1 million, respectively, of management fees related to our unconsolidated joint venture that is not subject to the cap and is treated as a capital contribution from Sponsor.

Acquisition-Related

Acquisition-related expenses are third party fees and expenses related to acquiring an asset and include survey, title, legal and other items as well as legal and financial advisor expenses associated with business acquisitions or unsuccessful asset acquisitions.

Depreciation and Amortization

Depreciation and amortization expense increased \$1.3 million during the six months ended June 30, 2020 compared to the six months ended June 30, 2019 primarily as a result of the deployment of 59 DART kiosks placed in service subsequent to June 30, 2019.

Impairments

Impairments decreased less than \$0.1 million during the six months ended June 30, 2020 compared to the six months ended June 30, 2019, due to three lease terminations and one expiring lease in our wireless and outdoor advertising segments for \$0.2 million during the six months ended June 30, 2020, compared to two lease terminations in our outdoor advertising segment for \$0.2 million for the six months ended June 30, 2019.

Interest and Other Income

Interest and other income decreased \$0.2 million during the six months ended June 30, 2020 compared to the six months ended June 30, 2019, as a result of the sale of investments in receivables of \$8.3 million in 2019. Interest income on receivables is generated from our wireless communication, outdoor advertising, and renewable power generation segments.

Interest Expense

Interest expense decreased \$0.5 million during the six months ended June 30, 2020 compared to the six months ended June 30, 2019, primarily due to a lower average debt balance of approximately \$372.4 million for the six months ended June 30, 2020 compared to an average debt balance of approximately \$388 million during the six months ended June 30, 2019.

Loss on Early Extinguishment of Debt

In connection with the issuance of the 2019 Secured Notes, the Partnership repaid in full the 2016 Secured Notes by \$108 million. The unamortized balance of the deferred loan costs totaling \$1.2 million and a \$1.0 million make-whole payment were recorded as a loss on extinguishment of debt during the six months ended June 30, 2020.

Unrealized Loss on Derivative Financial Instruments

We mitigated exposure to fluctuations in interest rates on existing variable rate debt by entering into swap contracts that fixed the floating LIBOR rate. These interest rate swap agreements extend through and beyond the term of the Partnership's existing credit facility. The swap contracts are adjusted to fair value at each period end. The unrealized loss recorded for the six months ended June 30, 2020 and 2019 reflect the change in fair value of these contracts during those periods. In connection with the sale of the European outdoor advertising portfolio, the Partnership used proceeds from the sale to terminate existing swaps including the GBP interest rate swap agreement for a total of approximately \$7.6 million.

Equity Income from Unconsolidated Joint Venture

Equity income from unconsolidated joint venture increased \$0.7 million during the six months ended June 30, 2020 compared to the six months ended June 30, 2019. Under the equity method, the investment is initially recorded at fair value and subsequently adjusted for additional distributions and the Partnership's proportionate share of equity in the JV's income or loss. The Partnership recognizes its proportionate share of the ongoing income or loss of the unconsolidated JV as equity income or loss from unconsolidated JV on the consolidated statements of operations.

Gain on Sale of Real Property Interests

During the six months ended June 30, 2019, the Partnership recognized a gain on sale of real property interests of \$17.5 million primarily related to the sale of real property interests and investments in receivables to a third party.

Income Tax Expense

During the six months ended June 30, 2020, the Partnership recorded a net tax benefit of \$0.3 million as a result of an increase to deferred tax assets related to a higher US state effective tax rate. During the six months ended June 30, 2019, the Partnership recorded a gain on sale of assets in our taxable subsidiary of \$11.7 million, resulting in a \$3.1 million income tax expense related to the gain.

Income (Loss) from Discontinued Operations, Net of Tax

On June 17, 2020, the Partnership sold its European outdoor advertising portfolio for a purchase price of £95 million and recognized a gain on sale of \$15.7 million. The sale of the European outdoor advertising portfolio met the criteria as discontinued operations in June 2020. As a result, we reclassified the operating results of the European outdoor advertising portfolio and gain on sale to discontinued operations and excluded these amounts from income from continuing operations for all periods presented on the consolidated statements of operations.

Non-GAAP Financial Measures

The following table sets forth a reconciliation of our historical EBITDA and Adjusted EBITDA for the periods presented to net cash provided by operating activities and net income (loss) (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Net cash provided by operating activities	\$ 10,633	\$ 8,716	\$ 20,096	\$ 16,883
Unit-based compensation	—	—	(120)	(130)
Unrealized loss on derivatives	(1,192)	(4,013)	(8,483)	(6,775)
Loss on early extinguishment of debt	—	—	(2,231)	—
Depreciation and amortization expense	(4,547)	(3,456)	(8,439)	(6,973)
Amortization of above- and below-market rents, net	245	214	481	438
Amortization of deferred loan costs	(523)	(677)	(1,020)	(1,342)
Amortization of discount on secured notes	(93)	(93)	(185)	(186)
Receivables interest accretion	—	3	—	6
Impairments	(102)	—	(184)	(204)
Gain on sale of real property interests	15,723	11,673	15,723	17,535
Adjustment for uncollectible accounts	(68)	—	(150)	(5)
Equity income from unconsolidated joint venture	687	164	837	109
Distributions of earnings from unconsolidated joint venture	(250)	(1,101)	(925)	(2,583)
Foreign currency transaction gain (loss)	(728)	(47)	2,635	(68)
Working capital changes	(1,152)	(2,118)	(774)	(230)
Net income	<u>\$ 18,633</u>	<u>\$ 9,265</u>	<u>\$ 17,261</u>	<u>\$ 16,475</u>
Interest expense	4,631	4,692	9,332	9,180
Depreciation and amortization expense	4,547	3,456	8,439	6,973
Income tax expense	160	3,285	103	3,407
EBITDA	<u>\$ 27,971</u>	<u>\$ 20,698</u>	<u>\$ 35,135</u>	<u>\$ 36,035</u>
Impairments	102	—	184	204
Acquisition-related	117	368	432	495
Unrealized loss on derivatives	1,192	4,013	8,483	6,775
Loss on early extinguishment of debt	—	—	2,231	—
Gain on sale of real property interests	(15,723)	(11,673)	(15,723)	(17,535)
Unit-based compensation	—	—	120	130
Straight line rent adjustments	208	159	377	269
Amortization of above- and below-market rents, net	(245)	(214)	(481)	(438)
Repayments of investments in receivables	101	124	243	274
Adjustments for investment in unconsolidated joint venture	996	1,461	2,490	3,144
Foreign currency transaction (gain) loss	728	47	(2,635)	68
Deemed capital contribution due to cap on general and administrative expense reimbursement	929	1,134	2,030	2,128
Adjusted EBITDA	<u>\$ 16,376</u>	<u>\$ 16,117</u>	<u>\$ 32,886</u>	<u>\$ 31,549</u>

The following table sets forth a reconciliation of FFO and AFFO for the periods presented (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Net income	\$ 18,633	\$ 9,265	\$ 17,261	\$ 16,475
Adjustments:				
Depreciation and amortization expense	4,547	3,456	8,439	6,973
Impairments	102	—	184	204
Gain on sale of real property interests, net of income taxes	(15,723)	(8,620)	(15,723)	(14,482)
Adjustments for investment in unconsolidated joint venture	292	797	1,083	1,777
Distributions to preferred unitholders	(3,037)	(3,021)	(6,097)	(5,915)
Distributions to noncontrolling interests	(8)	(8)	(16)	(16)
FFO attributable to common unitholders	\$ 4,806	\$ 1,869	\$ 5,131	\$ 5,016
Adjustments:				
General and administrative expense reimbursement	929	1,134	2,030	2,128
Acquisition-related expenses	117	368	432	495
Unrealized loss on derivatives	1,192	4,013	8,483	6,775
Straight line rent adjustments	208	159	377	269
Unit-based compensation	—	—	120	130
Amortization of deferred loan costs and discount on secured notes	616	770	1,205	1,528
Amortization of above- and below-market rents, net	(245)	(214)	(481)	(438)
Deferred income tax expense (benefit)	(9)	53	(308)	53
Loss on early extinguishment of debt	—	—	2,231	—
Repayments of receivables	101	124	243	274
Adjustments for investment in unconsolidated joint venture	39	(12)	77	25
Foreign currency transaction (gain) loss	728	47	(2,635)	68
AFFO attributable to common unitholders	\$ 8,482	\$ 8,311	\$ 16,905	\$ 16,323
FFO per common unit - diluted	\$ 0.19	\$ 0.07	\$ 0.20	\$ 0.20
AFFO per common unit - diluted	\$ 0.33	\$ 0.33	\$ 0.66	\$ 0.64
Weighted average common units outstanding - diluted	25,476	25,339	25,468	25,338

Liquidity and Capital Resources

Our short-term liquidity requirements will consist primarily of funds to pay for operating expenses, acquisitions and developments and other expenditures directly associated with our assets, including:

- interest expense on our revolving credit facility;
- interest expense and principal payments on our secured notes;
- general and administrative expenses;
- acquisitions of real property interests;
- capital expenditures for infrastructure developments; and
- distributions to our common and preferred unitholders.

We intend to satisfy our short-term liquidity requirements primarily through cash flow from operating activities and through borrowings available under our revolving credit facility. We may also satisfy our short-term liquidity requirements through the issuance of additional equity, asset dispositions, formation of joint ventures, amending our existing revolving credit facility to increase the available commitments or refinancing some of the outstanding borrowings under our existing credit facility through securitizations or other long-term debt arrangements. Our ability to access capital on favorable terms as well as to use cash from operations to continue to meet our liquidity needs, all of which are highly uncertain and cannot be predicted, could be affected by various risks and uncertainties, including, but not limited to, the effects of the COVID-19 pandemic and other risks detailed in Part II, Item 1A titled "Risk Factors". Access to capital markets impacts our cost of capital and ability to refinance indebtedness, as well as our ability to fund future acquisitions and development through the issuance of additional securities or secured debt. Credit ratings impact our ability to access capital and directly impact our cost of capital as well.

The Partnership has a universal shelf registration statement on file with the SEC, effective January 30, 2020, under which we have the ability to issue and sell common and preferred units representing limited partner interests in us and debt securities up to an aggregate amount of \$750.0 million.

On July 24, 2020, the General Partner's board of directors approved a quarterly distribution of \$0.20 per common unit for the quarter ended June 30, 2020. The current quarter distribution equates to approximately \$5.1 million per quarter, or \$20.4 million per year in the aggregate, based on the number of common units outstanding as of August 3, 2020. This distribution amount represents on an annualized basis \$17.0 million of additional cash available to strengthen our balance sheet and enhance our long term financial flexibility. As a result of the unprecedented economic conditions, we will focus on repaying borrowings under our revolving credit facility, preserving liquidity and capital for any potential impact to our business and positioning the Partnership to take advantage of any prospective market opportunities. We do not have a legal obligation to pay this distribution or any other distribution except to the extent we have available cash as defined in our Amended Partnership Agreement.

We intend to pay a quarterly Series A and Series B Preferred Unit distribution of 8.0% and 7.9%, respectively, which equates to approximately \$2.2 million per quarter, or approximately \$8.7 million per year in the aggregate based on the number of Series A and Series B Preferred Units outstanding as of April 1, 2020 and May 1, 2020, respectively. We intend to pay a quarterly Series C Preferred Units distribution of a rate equal to the greater of (i) 7.00% per annum, and (ii) the sum of (a) three-month LIBOR as calculated on each applicable date of determination and (b) 4.698% per annum, based on the \$25.00 liquidation preference per Series C Preferred Unit. As of June 30, 2020, there were 1,982,700 Series C Preferred Units outstanding. The Preferred Unit distributions are cumulative from the date of original issuance and will be payable quarterly in arrears.

The amount of future distributions to unitholders will depend on our results of operations, financial condition, capital requirements and will be determined by the General Partner's Board of Directors on a quarterly basis. The Partnership expects to rely on external financing sources, including equity and debt issuances, to fund expansion capital expenditures and future acquisitions. However, the Partnership may use operating cash flows to fund expansion capital expenditures or acquisitions, which could result in subsequent borrowings under the revolving credit facility to pay distributions or fund other short-term working capital requirements.

The table below summarizes the quarterly distribution related to our financial results:

Quarter Ended	Distribution Per Unit	Total Cash Distribution (in thousands)	Distribution Date
Common Units and IDRs			
June 30, 2019 ⁽¹⁾	\$ 0.3675	\$ 9,312	August 14, 2019
September 30, 2019 ⁽¹⁾	0.3675	9,317	November 14, 2019
December 31, 2019 ⁽¹⁾	0.3675	9,360	February 14, 2020
March 31, 2020	0.2000	5,096	May 15, 2020
June 30, 2020	0.2000	5,096	August 14, 2020
Series A Preferred Units			
June 30, 2019	\$ 0.5000	\$ 828	July 15, 2019
September 30, 2019	0.5000	837	October 15, 2019
December 31, 2019	0.5000	861	January 15, 2020
March 31, 2020	0.5000	873	April 15, 2020
June 30, 2020	0.5000	873	July 15, 2020
Series B Preferred Units			
June 30, 2019	\$ 0.4938	\$ 1,257	August 15, 2019
September 30, 2019	0.4938	1,257	November 15, 2019
December 31, 2019	0.4938	1,298	February 18, 2020
March 31, 2020	0.4938	1,298	May 15, 2020
June 30, 2020	0.4938	1,298	August 17, 2020
Series C Preferred Units			
June 30, 2019	\$ 0.4510	\$ 902	August 15, 2019
September 30, 2019	0.4375	870	November 15, 2019
December 31, 2019	0.4375	870	February 18, 2020
March 31, 2020	0.4375	867	May 15, 2020
June 30, 2020	0.4375	867	August 17, 2020

(1) The General Partner irrevocably waived its right to receive the incentive distribution and incentive allocations for the respective quarterly distribution.

As of June 30, 2020, we had \$336.4 million of total outstanding indebtedness. As of August 3, 2020, the Partnership had \$58 million of outstanding borrowings on our revolving credit facility, and we had \$392 million of undrawn borrowing capacity (including standby letter of credit arrangement of \$5.8 million), subject to compliance with certain covenants, under our revolving credit facility.

Our long-term liquidity needs consist primarily of funds necessary to pay for acquisitions, developments and scheduled debt maturities. We intend to satisfy our long-term liquidity needs through cash flow from operations, joint ventures, and through the issuance of additional equity and debt.

Cash Flows

The following table summarizes the historical cash flow of the Partnership for the six months ended June 30, 2020 and 2019 (in thousands):

	Six Months Ended June 30,	
	2020	2019
Net cash provided by operating activities	\$ 20,096	\$ 16,883
Net cash provided by investing activities	112,964	3,242
Net cash used in financing activities	(136,012)	(11,750)

Comparison of Six Months Ended June 30, 2020 to Six Months Ended June 30, 2019

Net cash provided by operating activities. Net cash provided by operating activities increased \$3.2 million to \$20.1 million for the six months ended June 30, 2020 compared to \$16.9 million for the six months ended June 30, 2019. The increase is primarily attributable to asset acquisitions and the timing of prepaid expenses, other assets and payments of accounts payable and accrued liabilities, which is partially offset by a reduction in return on investment in the unconsolidated joint venture.

Net cash provided by investing activities. Net cash provided by investing activities was \$113.0 million for the six months ended June 30, 2020 compared to net cash provided by investing activities of \$3.2 million for the six months ended June 30, 2019. The change in net cash provided by investing activities was primarily due to the proceeds received from the sale of the European outdoor advertising portfolio during the six months ended June 30, 2020 compared to the proceeds received from the sale of real property interests in 2019, partially offset by cash used for asset acquisitions and development activities during the six months ended June 30, 2019 and 2020.

Net cash used in financing activities. Net cash used in financing activities was \$136 million for the six months ended June 30, 2020 compared to net cash used in financing activities of \$11.8 million for the six months ended June 30, 2019. The change in net cash used in financing activities was primarily attributable to \$120.4 million in net payments on the revolving credit facility and secured notes. The change in net cash used in financing activities was also attributable to \$7.6 million of payments on the settlement of derivatives and \$1.7 million of cash used for deferred loan costs offset by \$1.3 million in proceeds from equity offerings and a \$4.2 million decrease in distributions.

Revolving Credit Facility

Our revolving credit facility will mature on November 15, 2023 and is available for working capital, capital expenditures, permitted acquisitions and general corporate purposes, including distributions. On November 15, 2018, the Partnership completed its Third Amended and Restated Credit Facility and obtained commitments from a syndicate of banks with initial borrowing commitments of \$450.0 million for five-years. Additionally, borrowings up to \$75.0 million may be denominated in GBP, Euro, Australian dollar and Canadian dollar. In June 2020, the Partnership used proceeds from the sale of the European outdoor advertising portfolio and available cash to repay borrowings totaling \$115 million on its revolving credit facility, including the £40.5 million of GBP denominated borrowings. Substantially all of our assets, excluding equity in and assets of certain joint ventures and unrestricted subsidiaries is pledged as collateral under our revolving credit facility.

Our revolving credit facility contains various covenants and restrictive provisions that limit our ability (as well as the ability of our restricted subsidiaries) to, among other things:

- incur or guarantee additional debt;
- make distributions on or redeem or repurchase equity;
- make certain investments and acquisitions;
- incur or permit to exist certain liens;
- enter into certain types of transactions with affiliates;
- merge or consolidate with another company;
- transfer, sell or otherwise dispose of assets or enter into certain sale-leaseback transactions; and
- enter into certain restrictive agreements or amend or terminate certain material agreements.

Our revolving credit facility also requires compliance with certain financial covenants as follows:

- a leverage ratio of not more than 8.0 to 1.0; and
- an interest coverage ratio of not less than 2.0 to 1.0.

In addition, our revolving credit facility contains events of default including, but not limited to (i) event of default resulting from our failure or the failure of our restricted subsidiaries to comply with covenants and financial ratios, (ii) the occurrence of a change of control (as defined in the credit agreement), (iii) the institution of insolvency or similar proceedings against us or our restricted subsidiaries, (iv) the occurrence of a default under any other material indebtedness (as defined in the credit agreement) we or our restricted subsidiaries may have and (v) any one or more collateral documents ceasing to create a valid and perfected lien on collateral (as defined in the credit agreement). Upon the occurrence and during the continuation of an event of default, subject to the terms and conditions of the credit agreement, the lenders may declare any outstanding principal of our revolving credit facility debt, together with accrued and unpaid interest, to be immediately due and payable and may exercise the other remedies set forth or referred to in the credit agreement and the other loan documents.

Loans under the revolving credit facility bear interest at a rate equal to LIBOR, plus a spread ranging from 1.75% to 2.25% (determined based on leverage levels). As of June 30, 2020, the applicable spread was 2.25%.

Additionally, under the revolving credit facility we will be subject to an annual commitment fee (determined based on leverage levels) associated with the available undrawn capacity subject to certain restrictions. As of June 30, 2020, the applicable annual commitment rate used was 0.125%.

As of June 30, 2020, we had \$58 million of total outstanding indebtedness under our revolving credit facility with \$392 million available under the revolving credit facility (including standby letter of credit arrangements of \$5.8 million), subject to compliance with certain covenants. As of June 30, 2020, the Partnership was in compliance with all financial covenants required under the revolving credit facility. As of August 3, 2020, the Partnership had \$58 million of outstanding borrowings on our revolving credit facility, and we had \$392 million of undrawn borrowing capacity (including standby letter of credit arrangements of \$5.8 million), subject to compliance with certain covenants, under our revolving credit facility.

Secured Notes

On January 15, 2020, certain subsidiaries of the Partnership entered into a master note purchase and participation agreement (“MNPPA”) pursuant to which such subsidiaries issued and sold an initial \$170 million aggregate principal amount of 3.90% series A senior secured notes in a private placement (the “2019 Secured Notes”). The 2019 Secured Notes mature on January 14, 2027 and include an interest-only initial term of three years. The net proceeds were used to repay in full the 2016 Secured Notes by \$108 million and the revolving credit facility by \$59 million. In connection with the issuance of the senior secured notes, the Partnership obtained a standby letter of credit arrangement totaling \$3.4 million.

On April 24, 2018, the Partnership entered into a note purchase and private shelf agreement pursuant to which the Partnership agreed to sell an initial \$43.7 million aggregate principal amount of 4.38% Senior Secured Notes, in a private placement, and may from time to time issue and sell additional senior secured notes, in an aggregate principal amount when aggregated with the initial principal amount of up to \$225 million. The 4.38% Senior Secured Notes are obligations of certain special purpose subsidiaries of the Partnership, including the issuer of the 4.38% Senior Secured Notes, LMRK PropCo SO LLC (the “4.38% Senior Secured Notes Issuer”), and are not obligations of the Partnership or any of its other subsidiaries (including the obligors with respect to the 4.38% Senior Secured Notes). The assets and credit of such obligors are not available to satisfy the debts and obligations of the Partnership or any of its other affiliates (other than the obligors with respect to the 4.38% Senior Secured Notes).

On November 30, 2017, the Partnership completed the 2017 Securitization involving certain outdoor advertising sites and related property interests owned by certain special purpose subsidiaries of the Partnership, through the issuance of the 2017 Secured Notes, in an aggregate principal amount of \$80.0 million. The 2017 Secured Notes are obligations of certain special purpose subsidiaries of the Partnership, including the issuer of the 2017 Secured Notes, LMRK Issuer Co. 2 LLC (the “2017 Securitization Issuer”), and are not obligations of the Partnership or any of its other subsidiaries (including the obligors with respect to the 2016 and 2019 Secured Notes). The assets and credit of such obligors are not available to satisfy the debts and obligations of the Partnership or any of its other affiliates (other than the obligors with respect to the 2017 Secured Notes).

The secured notes described above were issued in separate classes as indicated in the table below. The Class B notes of the Series 2017-1 are subordinated in right of payment to the Class A notes of such series.

Class	Initial Principal Balance (in thousands)	Note Rate	Anticipated Repayment Date
4.38% senior secured notes	\$ 43,702	4.38%	June 30, 2036
Series 2019-1 Class A	\$ 170,000	3.90%	January 14, 2027
Series 2017-1 Class A	\$ 62,000	4.10%	November 15, 2022
Series 2017-1 Class B	\$ 18,000	3.81%	November 15, 2022

The Secured Notes are each secured by (1) mortgages and deeds of trust on substantially all of the tenant sites and their operating cash flows, (2) a security interest in substantially all of the personal property of the obligors (as defined in the applicable indenture), and (3) the rights of the obligors under a management agreement. Under the terms of the applicable indenture, the obligors will be permitted to issue additional notes under certain circumstances, including so long as the debt service coverage ratio (“DSCR”) of the issuer is at least 1.5 to 1.0 for the 2019 Secured Notes, 2.0 to 1.0 for the 2017 Secured Notes and at least 1.1 to 1.0 for the 4.38% Senior Secured Notes.

Under the terms of the applicable indenture, amounts due under Secured Notes, as applicable, will be paid solely from the cash flows generated from the operation of the Secured Tenant Site Assets, as applicable, which must be deposited into reserve accounts, and thereafter distributed solely pursuant to the terms of the applicable indenture. On a monthly basis, after payment of all required amounts under the applicable indenture, subject to the conditions described in Note 9, *Debt*, the excess cash flows generated from the operation of such assets are released to the Partnership. As of June 30, 2020, \$3.1 million was held in such reserve accounts which are classified as Restricted Cash on the accompanying consolidated balance sheets.

Certain information with respect to the Secured Notes is set forth in Note 9, *Debt*. The DSCR is generally calculated as the ratio of annualized net cash flow (as defined in the applicable indenture) to the amount of interest, servicing fees and trustee fees required to be paid over the succeeding 12 months on the principal amount of the Secured Notes, as applicable, that will be outstanding on the payment date following such date of determination.

Each indenture includes covenants customary for notes issued in rated securitizations. Among other things, the related obligors are prohibited from incurring other indebtedness for borrowed money or further encumbering their assets (as defined in the applicable agreement) and the organizational documents of the related obligors were amended to contain certain provisions consistent with rating agency securitization criteria for special purposes entities, including that the applicable issuer and guarantor maintain independent directors. As of June 30, 2020, the applicable obligors were in compliance with all financial covenants under the Secured Notes.

Shelf Registrations

On December 4, 2019, the Partnership filed a universal shelf registration statement on Form S-3 with the SEC. The shelf registration statement was declared effective by the SEC on January 30, 2020 and permits us to issue and sell, from time to time, common and preferred units representing limited partner interests in us, and debt securities up to an aggregate amount of \$750.0 million.

ATM Programs

On February 28, 2020, the Partnership replaced the 2019 Common Unit ATM Program and established a new Common Unit at-the-market offering program (the “2020 Common Unit ATM Program”) pursuant to which we may sell, from time to time, Common Units having an aggregate offering price of up to \$50.0 million pursuant to our previously filed and effective registration statement on Form S-3. On February 28, 2020, the Partnership replaced the 2019 Series A ATM Program and established a new Series A Preferred Unit at-the-market offering program (the “2020 Series A ATM Program”) pursuant to which we may sell, from time to time, Series A Preferred Units having an aggregate offering price of up to \$50.0 million pursuant to our previously filed and effective registration statement on Form S-3. On February 28, 2020, the Partnership replaced the Series B ATM Program and established a new Series B Preferred Unit at-the-market offering program (the “2020 Series B ATM Program”) pursuant to which we may sell, from time to time, Series B Preferred Units having an aggregate offering price of up to \$50.0 million pursuant to our previously filed and effective registration statement on Form S-3. We intend to use the net proceeds from any sales pursuant to the ATM Programs for general partnership purposes, which may include, among other things, the repayment of indebtedness and to potentially fund future acquisitions.

During the six months ended June 30, 2020, the Partnership issued a total of 109,724 Common Units, 23,287 Series A Preferred Units and 84,139 Series B Preferred Units under the existing ATM Programs generating total proceeds of approximately \$4.5 million before issuance costs. There were no Common Units or Preferred Units issued under the 2020 ATM programs.

Off Balance Sheet Arrangements

In connection with the issuance of the 4.38% Senior Secured Notes, the Partnership has a standby letter of credit arrangement totaling \$2.4 million. In connection with the issuance of the 2019 Secured Notes, the Partnership has a standby letter of credit arrangement totaling \$3.4 million. As of June 30, 2020, there were no amounts drawn on the standby letters of credit.

As of June 30, 2020, the Partnership does not have any other off balance sheet arrangements.

Inflation

The majority of our tenant lease arrangements are triple net or effectively triple net and provide for fixed-rate escalators or rent escalators tied to increases in the consumer price index. We believe that inflationary increases may be at least partially offset by the contractual rent increases and our tenants' (or the underlying property owners') obligations to pay taxes and expenses under our triple net and effectively triple net lease arrangements. We do not believe that inflation has had a material impact on our historical financial position or results of operations.

Newly Issued Accounting Standards

See *Note 2, Basis of Presentation and Summary of Significant Accounting Policies*, to the Consolidated Financial Statements for the impact of new accounting standards.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Our future income, cash flow and fair values relevant to financial instruments are impacted by prevailing market interest rates. Market risk refers to the risk of loss from adverse changes in market prices and interest rates. In the future, we may continue to use derivative financial instruments to manage, or hedge, interest rate risks related to our borrowings. Our primary market risk exposure will be interest rate risk with respect to our expected indebtedness. The outbreak of COVID-19 has significantly adversely impacted global economic activity and has contributed to significant volatility and negative pressure in financial markets and added market risk. The impacts of a potential worsening of global economic conditions and the continued disruptions to, and volatility in, the credit and financial markets, consumer spending as well as other unanticipated consequences remain unknown.

Interest Rate Risk

We are exposed to risks arising from rising interest rates. As of June 30, 2020, our revolving credit facility had an outstanding balance of \$58 million. As of June 30, 2020, we have hedged \$50 million of the LIBOR rate on our revolving credit facility through interest rate swap agreements. Additional borrowings under our revolving credit facility will have variable LIBOR-based rates and will fluctuate based on the underlying LIBOR rate. On November 15, 2018, the Partnership completed its Third Amended and Restated Credit Facility that allows for borrowings in GBP LIBOR, subject to certain limitations. In connection with the sale of the European outdoor advertising portfolio, the Partnership used proceeds from the sale and available cash to repay borrowings totaling \$115 million on the revolving credit facility, including the £40.5 million of GBP denominated borrowings, and terminate USD interest rate swaps with a notional value of \$145 million and a GBP denominated interest rate swap agreement with a notional value of £38 million for approximately \$7.6 million.

The distributions on the Series C Preferred Units are based on a rate equal to the greater of (i) 7.00% per annum, and (ii) the sum of (a) three-month LIBOR as calculated on each applicable date of determination and (b) 4.698% per annum, based on the \$25.00 liquidation preference per Series C Preferred Unit. As of June 30, 2020, there were 1,982,700 Series C Preferred Units outstanding.

Interest risk amounts represent our management's estimates and were determined by considering the effect of hypothetical interest rates on our financial instruments. These analyses do not consider the effect of any change in overall economic activity that could occur in that environment. Further, in the event of a change of that magnitude, we may take actions to further mitigate our exposure to the change. However, due to the uncertainty of the specific actions that would be taken and their possible effects, these analyses assume no changes in our financial structure.

Rising interest rates could limit our ability to refinance our debt when it matures or cause us to pay higher interest rates upon refinancing and increase interest expense on refinanced indebtedness. We intend to hedge interest rate risks related to a portion of our borrowings over time by means of interest rate swap agreements or other arrangements.

Foreign Currency Risk

As we expand to international markets, we are exposed to market risk from changes in foreign currency exchange rates. Approximately 2% and 3% of rental revenue from continuing operations was denominated in foreign currencies for the three months ended June 30, 2020 and 2019, respectively. In the future, we may utilize derivative instruments, or borrow in local currencies, to manage the risk of fluctuations in foreign currency rates.

Item 4. Controls and Procedures

Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our reports under the Exchange Act, is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and that such information is accumulated and communicated to our management to allow for timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

Our management has evaluated, with the participation of our principal executive officer and principal financial officer, the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act) as of the end of the period covered by this report, and has concluded that our disclosure controls and procedures were effective as of June 30, 2020.

Changes in Internal Control over Financial Reporting

There has been no change in our internal control over financial reporting that occurred during our last fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting. In response to the COVID-19 pandemic, in mid-March, Landmark shifted its corporate office functions to work remotely. Management has taken measures to ensure that the Partnership's internal control over financial reporting are materially unchanged during this period.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

Although we may, from time to time, be involved in litigation and claims arising out of our operations in the normal course of business, we are not a party to any litigation or governmental or other proceeding that we believe will have a material adverse impact on our financial condition or results of operations. In addition, pursuant to the terms of the various agreements under which we acquired assets from Landmark and affiliates, Landmark and affiliates will indemnify us for certain losses resulting from any breach of their representations, warranties or covenants contained in the various agreements, subject to certain limitations and survival periods.

Item 1A. Risk Factors

Except as set forth below, as of the date of this report, there have been no material changes to the risk factors previously disclosed in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2019.

The current pandemic of the novel coronavirus, or COVID-19, and the future outbreak of other highly infectious or contagious diseases, could materially and adversely impact or disrupt our financial condition, results of operations, cash flows and performance.

An epidemic, pandemic or similar serious public health issue, and the measures undertaken by governmental authorities to address it, could significantly disrupt or prevent us from operating our business in the ordinary course for an extended period, and could have a material adverse impact on our consolidated financial statements.

On March 11, 2020, the World Health Organization characterized the outbreak of COVID-19 as a global pandemic and recommended containment and mitigation measures. On March 13, 2020, the United States declared a national emergency concerning the outbreak, and several states and municipalities have declared public health emergencies. Along with these declarations, there have been extraordinary and wide-ranging actions taken by international, federal, state and local public health and governmental authorities to contain and combat the outbreak and spread of COVID-19 in regions across the United States and the world, including quarantines, and “stay-at-home” orders and similar mandates for many individuals to substantially restrict daily activities and for many businesses to curtail or cease normal operations.

As a result, the COVID-19 pandemic is negatively impacting almost every industry directly or indirectly, including industries in which our tenants operate. A number of our tenants have requested rent deferral or rent abatement during this pandemic. In addition, in response to these steps, in mid-March, our Sponsor and manager shifted its corporate office functions to work remotely. The effects of the executive order, including an extended period of remote work arrangements, could strain business continuity plans, introduce operational risk, including but not limited to cybersecurity risks, and impair the ability to manage our business. The COVID-19 pandemic, or a future pandemic, could also have material and adverse effects on our ability to successfully operate and on our financial condition, results of operations and cash flows due to, among other factors:

- the reduced economic activity severely impacts our tenants’ businesses, financial condition and liquidity and may cause one or more of our tenants to be unable to meet their obligations to us in full, or at all, or to otherwise seek modifications of such obligations;
- failure to pay real property taxes by the property owner or tenant could result in our real property interest being impaired or extinguished, or we may be forced to incur costs and pay the real property tax liability to avoid impairment of our assets;
- in the absence of a non-disturbance agreement, if the underlying property owner fails to comply with or make payments under debt arrangements senior to us, an event of default or foreclosure may result, which could have a material adverse effect on our results of operations and distributable cash flow;
- the reduced economic activity could result in a prolonged recession, which could negatively impact consumer discretionary spending;
- difficulty accessing debt and equity capital on attractive terms, or at all, impacts to our credit ratings, and a severe disruption and instability in the global financial markets or deteriorations in credit and financing conditions may affect our access to capital necessary to fund business operations or address maturing liabilities on a timely basis and our tenants’ ability to fund their business operations and meet their obligations to us;

- the financial impact of the COVID-19 pandemic could negatively impact our future compliance with financial covenants of our credit facility and other debt agreements and result in a default and potentially an acceleration of indebtedness, which non-compliance could negatively impact our ability to make additional borrowings under our revolving credit facility and pay distributions;
- the potential negative impact on the health of our personnel, particularly if a significant number of them are impacted, could result in a deterioration in our ability to ensure business continuity during this disruption.

The extent to which the COVID-19 pandemic impacts our operations and those of our tenants will depend on future developments, which are highly uncertain and cannot be predicted with confidence, including the scope, severity and duration of the pandemic, the actions taken to contain the pandemic or mitigate its impact, and the direct and indirect economic effects of the pandemic and containment measures, among others. Additional closures of our tenants' businesses and early terminations by our tenants of their leases could reduce our cash flows, which could impact our ability to continue paying distributions to our unitholders at expected levels or at all.

The rapid development and fluidity of this situation precludes any prediction as to the full adverse impact of the COVID-19 pandemic. Nevertheless, the COVID-19 pandemic presents material uncertainty and risk with respect to our financial condition, results of operations, cash flows and performance. Moreover, many risk factors set forth in our 2019 Annual Report on Form 10-K should be interpreted as heightened risks as a result of the impact of the COVID-19 pandemic.

Item 6. Exhibits

Exhibit number	Description
1.1	<u>At-the-Market Issuance Sales Agreement, dated as of February 28, 2020, by and among Landmark Infrastructure Partners LP, Landmark Infrastructure Partners GP LLC, Landmark Infrastructure Inc., Landmark Infrastructure Operating Company LLC and B. Riley FBR Inc. (Common Units), (incorporated by reference to Exhibit 1.1 of our Current Report on Form 8-K filed on February 28, 2020).</u>
1.2	<u>At-the-Market Issuance Sales Agreement, dated as of February 28, 2020, by and among Landmark Infrastructure Partners LP, Landmark Infrastructure Partners GP LLC, Landmark Infrastructure Inc., Landmark Infrastructure Operating Company LLC and B. Riley FBR Inc. (Series A Preferred), (incorporated by reference to Exhibit 1.2 of our Current Report on Form 8-K filed on February 28, 2020).</u>
1.3	<u>At-the-Market Issuance Sales Agreement, dated as of February 28, 2020, by and among Landmark Infrastructure Partners LP, Landmark Infrastructure Partners GP LLC, Landmark Infrastructure Inc., Landmark Infrastructure Operating Company LLC and B. Riley FBR Inc. (Series B Preferred), (incorporated by reference to Exhibit 1.2 of our Current Report on Form 8-K filed on February 28, 2020).</u>
1.4	<u>At-the-Market Issuance Sales Agreement, dated as of May 3, 2019, by and among Landmark Infrastructure Partners LP, Landmark Infrastructure Partners GP LLC, Landmark Infrastructure Inc., Landmark Infrastructure Operating Company LLC and B. Riley FBR Inc (incorporated by reference to Exhibit 1.1 of our Current Report on Form 8-K filed on May 3, 2019).</u>
1.5	<u>At-the-Market Issuance Sales Agreement, dated as of May 3, 2019, by and among Landmark Infrastructure Partners LP, Landmark Infrastructure Partners GP LLC, Landmark Infrastructure Inc., Landmark Infrastructure Operating Company LLC and B. Riley FBR Inc (incorporated by reference to Exhibit 1.2 of our Current Report on Form 8-K filed on May 3, 2019).</u>
2.1	<u>Sale and Purchase Agreement, dated as of June 17, 2020, by and among GWR Partners LP LLC, Cyclone Acquisitions Limited and Landmark Infrastructure Inc (incorporated by reference to Exhibit 2.1 of our Current Report on Form 8-K filed on June 23, 2020).</u>
3.1	<u>Certificate of Limited Partnership of Landmark Infrastructure Partners LP (incorporated by reference to Exhibit 3.1 of our Registration Statement on Form S-11 (Registration No. 333-199221), initially filed on October 8, 2014, as amended).</u>
3.2	<u>First Amended and Restated Agreement of Limited Partnership of Landmark Infrastructure Partners LP (incorporated by reference to Exhibit 3.1 of our Current Report on Form 8-K filed on November 25, 2014).</u>
3.3	<u>Second Amended and Restated Agreement of Limited Partnership of Landmark Infrastructure Partners LP (incorporated by reference to Exhibit 3.1 of our Current Report on Form 8-K filed on April 4, 2016).</u>
3.4	<u>Third Amended and Restated Agreement of Limited Partnership of Landmark Infrastructure Partners LP (incorporated by reference to Exhibit 3.1 of our Current Report on Form 8-K filed on August 8, 2016).</u>
3.5	<u>Amendment No. 1 to the Third Amended and Restated Agreement of Limited Partnership of Landmark Infrastructure Partners LP, dated July 31, 2017 (incorporated by reference to Exhibit 3.1 of our Current Report on Form 8-K filed on August 3, 2017).</u>
3.6	<u>Fourth Amended and Restated Agreement of Limited Partnership of Landmark Infrastructure Partners LP (incorporated by reference to Exhibit 3.1 of our Current Report on Form 8-K filed on April 2, 2018).</u>
31.1*	<u>Rule 13a-14(a) Certification (under Section 302 of the Sarbanes-Oxley Act of 2002) of principal executive officer.</u>
31.2*	<u>Rule 13a-14(a) Certification (under Section 302 of the Sarbanes-Oxley Act of 2002) of principal financial officer.</u>
32.1*	<u>Section 1350 Certifications (as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002).</u>
101.INS*	XBRL Instance Document.
101.SCH*	Inline XBRL Schema Document
101.CAL*	Inline XBRL Calculation Linkbase Document.
101.LAB*	Inline XBRL Labels Linkbase Document.
101.PRE*	Inline XBRL Presentation Linkbase Document.
101.DEF*	Inline XBRL Definition Linkbase Document.
104 *	Cover Page Interactive Data File (embedded within the Inline XBRL).

* Filed herewith.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of El Segundo, State of California, on August 6, 2020.

Landmark Infrastructure Partners LP

By: Landmark Infrastructure Partners GP LLC, its General Partner

By: /s/ George P. Doyle

Name: George P. Doyle

Title: Chief Financial Officer and Treasurer

**CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002**

I, Arthur P. Brazy, Jr., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Landmark Infrastructure Partners LP;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 6, 2020

/s/ Arthur P. Brazy, Jr.

Arthur P. Brazy, Jr.
Director and Chief Executive Officer,
Landmark Infrastructure Partners GP LLC
(the general partner of Landmark Infrastructure Partners LP)

**CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002**

I, George P. Doyle, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Landmark Infrastructure Partners LP;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 6, 2020

/s/ George P. Doyle

George P. Doyle
Chief Financial Officer and Treasurer,
Landmark Infrastructure Partners GP LLC
(the general partner of Landmark Infrastructure Partners LP)

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Landmark Infrastructure Partners LP (the Company) on Form 10-Q for the period ended June 30, 2020, as filed with the Securities and Exchange Commission on the date hereof (the Report), the undersigned hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Arthur P. Brazy, Jr.

Arthur P. Brazy, Jr.
Director and Chief Executive Officer,
Landmark Infrastructure Partners GP LLC
(the general partner of Landmark Infrastructure Partners LP)
August 6, 2020

A signed original of the written statement required by Section 906 has been provided to Landmark Infrastructure Partners LP and will be retained by Landmark Infrastructure Partners LP and furnished to the Securities and Exchange Commission or its staff upon request.

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Landmark Infrastructure Partners LP (the Company) on Form 10-Q for the period ended June 30, 2020, as filed with the Securities and Exchange Commission on the date hereof (the Report), the undersigned hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ George P. Doyle

George P. Doyle
Chief Financial Officer and Treasurer,
Landmark Infrastructure Partners GP LLC
(the general partner of Landmark Infrastructure Partners LP)
August 6, 2020

A signed original of the written statement required by Section 906 has been provided to Landmark Infrastructure Partners LP and will be retained by Landmark Infrastructure Partners LP and furnished to the Securities and Exchange Commission or its staff upon request.