

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2018

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	Name of Each Exchange on which Registered
Common Units, Representing Limited Partner Interests	NASDAQ Global Market
8.0% Series A Cumulative Redeemable Preferred Units, \$25.00 par value	NASDAQ Global Market
7.9% Series B Cumulative Redeemable Preferred Units, \$25.00 par value	NASDAQ Global Market
Series C Floating-to-Fixed Rate Cumulative Redeemable Perpetual Convertible Preferred Units, \$25.00 par value	NASDAQ Global Market

Securities Registered Pursuant to Section 12(g) of the Act: None

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

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

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

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

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

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 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 aggregate market value of the equity held by non-affiliates of the registrant on June 29, 2018, the last business day of the registrant's most recently completed second fiscal quarter, based on the closing price on that date of \$13.85, was approximately \$341 million.

The registrant had 25,338,432 common units outstanding at February 15, 2019.

DOCUMENTS INCORPORATED BY REFERENCE

None

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Unless the context otherwise requires, references in this report to "our partnership," "we," "our," "us," or like terms refer to Landmark Infrastructure Partners LP. References to "our general partner" refer to Landmark Infrastructure Partners GP LLC.

Some of the information in this Annual Report on Form 10-K 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. 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 in this Annual Report on Form 10-K. 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 this Annual Report on Form 10-K 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 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 interests 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;
- mergers or consolidation among wireless carriers;
- restrictions in our revolving credit facility on our ability to issue additional debt or equity or pay distributions;
- performance of our joint ventures; and
- certain factors discussed elsewhere in this Annual Report on Form 10-K.

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

PART I

ITEM 1. Business and Properties

Overview

We are a growth-oriented partnership formed by Landmark Dividend LLC (“Landmark” or “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 and renewable power generation 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”). Our common units are listed on the NASDAQ Global Market under the symbol “LMRK”. The Partnership holds substantially all of its assets in a wholly owned subsidiary, Landmark Infrastructure Inc., a Delaware corporation (“REIT Subsidiary”), which elected to be taxed as a real estate investment trust (“REIT”) under the Internal Revenue Code of 1986, as amended (the “Code”) commencing with its taxable year ending December 31, 2017. We intend to continue to own and operate substantially all of our assets through the REIT Subsidiary. Our legal structure substantially eliminates 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.

Our real property interests underlie our tenants’ infrastructure assets, which include freestanding cellular towers and rooftop wireless sites, billboards, wind turbines and solar arrays. These assets are essential to the operations and profitability of our tenants. We seek to acquire real property interests subject to triple net or effectively triple net lease arrangements containing contractual rent increase clauses, or “rent escalators,” which we believe provide us with stable, predictable and growing cash flow.

Our real property interests consist of a diversified portfolio of long-term and perpetual easements, tenant lease assignments and fee simple properties located primarily in the United States. These real property interests entitle us to receive rental payments from leases on our 1,920 tenant sites. Approximately 79% of our leased tenant sites are leased to large, publicly traded companies (or their affiliates) that have a national footprint and for our renewable power generation segment includes tenants with power purchase agreements with subsidiaries or affiliates of high credit rated utilities or high quality offtakers. These tenants, which we refer to as our “Tier 1” tenants, are comprised of AT&T Mobility, Sprint, T-Mobile and Verizon in the wireless carrier industry, American Tower, Crown Castle and SBA Communications in the cellular tower industry, Outfront Media, Clear Channel Outdoor and Lamar Advertising in the outdoor advertising industry and Southern California Edison and Duke Energy in the renewable power generation industry.

We believe the terms of our tenant lease arrangements provide us with stable, predictable and growing cash flow that will support 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 contractually responsible for property-level operating expenses, including maintenance capital expenditures, property taxes and insurance. Over 90% of our tenant leases have contractual rent escalators, and some of our tenant leases contain revenue-sharing provisions in addition to the base monthly or annual rental payments. In addition, we believe the physical infrastructure assets at our tenant sites are essential to the ongoing operations and profitability of our tenants. When combined with the challenges and costs of relocating these infrastructure assets and the key strategic locations of our real property interests, we expect continued high tenant retention and occupancy rates. As of December 31, 2018, we had a 95% occupancy rate, with 1,831 of our 1,920 total available tenant sites leased.

We benefit significantly from our relationship with Landmark, our Sponsor. Landmark, a private company formed in 2010, is one of the largest acquirers of real property interests underlying the operationally essential infrastructure assets in the wireless communication, outdoor advertising and renewable power generation industries. We believe Landmark’s asset acquisition and management platform will benefit us by providing us with acquisitions and development opportunities. Please read “Our Relationship with Landmark” and “Infrastructure Development”.

We conduct business through three reportable business segments: Wireless Communication, Outdoor Advertising and Renewable Power Generation. Our reportable segments are strategic business units that offer different products and services. They are commonly managed, as all of these 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 with relevant and useful information because it is presented on an unlevered basis. See Notes to the Consolidated and Combined Financial Statements for additional information on our business segments.

Our Portfolio of Real Property Interests

Our portfolio of property interests consists primarily of (i) long-term and perpetual easements combined with lease assignment contracts (which we refer to as our “lease assignments”) (ii) lease assignments without easements and (iii) properties we own in fee simple. In connection with each real property interest, we have also acquired the rights to receive payment under pre-existing ground leases from property owners, which we refer to as our “tenant leases.” Under our easements, property owners have granted us the right to use and lease the space occupied by our tenants, and when we have not been granted easements, we have acquired economic rights under lease assignments that are substantially similar to the economic rights granted under our easements, including the right to re-lease the same space if the tenant lease expires or terminates.

The table below provides an overview of our portfolio of real property interests as of December 31, 2018.

Our Real Property Interests

Real Property Interest	Number of Infrastructure Locations ⁽¹⁾	Available Tenant Sites ⁽¹⁾		Leased Tenant Sites		Tenant Site Occupancy Rate ⁽³⁾⁽⁴⁾	Average Monthly Effective Rent Per Tenant Site ⁽⁴⁾⁽⁵⁾	Quarterly Rental Revenue (in thousands) ⁽⁶⁾	Percentage of Quarterly Rental Revenue ⁽⁶⁾	
		Number	Average Remaining Property Interest (Years)	Number	Average Remaining Lease Term (Years) ⁽²⁾					
Tenant Lease Assignment with Underlying Easement										
Wireless Communication	726	918	72.7 ⁽⁷⁾	864	27.8			\$ 5,156	35%	
Outdoor Advertising	531	631	80.5 ⁽⁷⁾	615	17.6			4,150	28%	
Renewable Power Generation	24	56	28.6 ⁽⁷⁾	56	29.3			432	3%	
Subtotal	1,281	1,605	78.6 ⁽⁷⁾	1,535	23.8			\$ 9,738	66%	
Tenant Lease Assignment only⁽⁸⁾										
Wireless Communication	122	176	48.2	158	17.8			\$ 994	7%	
Outdoor Advertising	32	35	63.1	34	14.2			225	2%	
Renewable Power Generation	6	6	48.6	6	27.6			57	—%	
Subtotal	160	217	50.8	198	17.5			\$ 1,276	9%	
Tenant Lease on Fee Simple										
Wireless Communication	19	29	99.0 ⁽⁷⁾	29	18.7			\$ 1,213	8%	
Outdoor Advertising	50	54	99.0 ⁽⁷⁾	54	7.8			906	6%	
Renewable Power Generation	13	15	99.0 ⁽⁷⁾	15	30.9			1,581	11%	
Subtotal	82	98	99.0 ⁽⁷⁾	98	14.4			\$ 3,700	25%	
Total	1,523	1,920	72.9 ⁽⁹⁾	1,831	22.6			\$ 14,714	100%	
Aggregate Portfolio										
Wireless Communication	867	1,123	68.8	1,051	26.0	94%	\$ 1,927	7,363	50%	
Outdoor Advertising	613	720	80.8	703	16.7	98%	2,535	5,281	36%	
Renewable Power Generation	43	77	37.3	77	29.6	100%	8,960	2,070	14%	
Total	1,523	1,920	72.9 ⁽⁹⁾	1,831	22.6	95%	\$ 2,458	\$ 14,714	100%	

- (1) “Available Tenant Sites” means the number of individual sites that could be leased. For example, if we have an easement on a single rooftop, on which three different tenants can lease space from us, this would be counted as three “tenant sites,” and all three tenant sites would be at a single infrastructure location with the same address.
- (2) Assumes the exercise of all remaining renewal options of tenant leases. Assuming no exercise of renewal options, the average remaining lease terms for our wireless communication, outdoor advertising, renewable power generation and total portfolios as of December 31, 2018 were 3.8, 8.5, 17.6 and 5.9 years, respectively.
- (3) Represents number of leased tenant sites divided by number of available tenant sites.
- (4) Occupancy and average monthly effective rent per tenant site are shown only on an aggregate portfolio basis by industry.
- (5) Represents total monthly revenue excluding the impact of amortization of above and below market lease intangibles divided by the number of leased tenant sites.
- (6) Represents GAAP rental revenue recognized under existing tenant leases for the three months ended December 31, 2018. Excludes interest income on receivables.
- (7) Fee simple ownership and perpetual easements are shown as having a term of 99 years for purposes of calculating the average remaining term.
- (8) Reflects “springing lease agreements” whereby the cancellation or nonrenewal of a tenant lease entitles us to enter into a new ground lease with the property owner (up to the full property interest term) and a replacement tenant lease. The remaining lease assignment term is, therefore, equal to or longer than the remaining lease term. Also represents properties for which the “springing lease” feature has been exercised and has been replaced by a lease for the remaining lease term.
- (9) Excluding perpetual ownership rights, the average remaining property interest term on our tenant sites is approximately 64 years.

Our real property interests entitle us to receive rental payments from tenant leases in the wireless communication, outdoor advertising and renewable power generation industries. The table below summarizes our Tier 1 tenants which comprised approximately 79% of our tenants as of December 31, 2018.

Our Tier 1 Tenants by Industry

Wireless Communication				Outdoor Advertising		Renewable Power Generation	
Wireless Carriers		Tower Companies					
	% of Total Leased		% of Total Leased		% of Total Leased		% of Total Leased
Tenant	Tenant Sites	Tenant	Tenant Sites	Tenant	Tenant Sites	Offtaker	Tenant Sites
T-Mobile	10%	Crown Castle	9%	Lamar Advertising	9%	Southern California Edison	2%
AT&T Mobility	8%	American Tower	8%	Outfront Media	9%	Duke Energy	1%
		SBA		Clear Channel			
Verizon	7%	Communications	1%	Outdoor	8%		
Sprint	7%						
Total	32%	Total	18%	Total	26%	Total	3%

Our real property interests underlie a diverse range of tenant structures. We evaluate assets based on a variety of attributes, including, but not limited to, the marketability of the underlying title, the stability of the rental cash flow stream and opportunity for rent increases, tenant quality, the desirability of the structure's geographic location, the importance of the structure to the ongoing operations and profitability of our tenants and the challenge and costs associated with tenants vacating sites. In certain instances, we lease a tenant site for our tenant's base station and equipment, but not the tenant's antenna array located on infrastructure owned by a third party. We refer to this type of arrangement as an "equipment only" lease. Within the wireless communication industry, our tenants' structure types include rooftop sites, wireless towers (including monopoles, self-supporting towers, stealth towers and guyed towers), other structures (including, for example, water towers and church steeples or commercial properties) and equipment only sites. In the outdoor advertising industry, our tenants' structure types include both static and digital billboards. Our real property interests in the renewable power generation industry currently underlie wind turbines and solar arrays.

The table below presents an overview of the structures underlying our real property interests, as of December 31, 2018:

Our Real Property Interests by Structure Type

Structure Type	Available Tenant Sites ⁽¹⁾			Leased Tenant Sites			Quarterly Rental Revenue (in thousands) ⁽⁴⁾	Percentage of Quarterly Rental Revenue ⁽⁴⁾
	Number of Infrastructure Locations ⁽¹⁾	Average Remaining Property Interest		Number	Average Remaining Lease Term			
		Number	(Years) ⁽²⁾		(Years) ⁽³⁾			
Rooftops	312	422	60.3	376	13.1	\$ 2,707	18%	
Towers	418	461	76.3	451	34.4	2,423	16%	
Billboards	613	720	80.8	703	16.7	5,281	36%	
Other structures	107	127	75.3	123	34.7	1,669	11%	
Equipment only ⁽⁵⁾	32	116	62.9	104	13.7	573	4%	
Wind turbines	16	47	32.9	47	35.1	365	3%	
Solar	25	27	58.7	27	26.9	1,696	12%	
Total	1,523	1,920	72.9 ⁽⁶⁾	1,831	22.6	\$ 14,714	100%	

- (1) "Available Tenant Sites" means the number of individual sites that could be leased. For example, if we have an easement on a single rooftop, on which three different tenants can lease space from us, this would be counted as three "tenant sites," and all three tenant sites would be at a single infrastructure location with the same address.
- (2) Fee simple ownership and perpetual easements are indicated as having a term of 99 years for purposes of calculating the average remaining term. Also includes "springing lease agreements" whereby the cancellation or nonrenewal of a tenant lease entitles us to enter into a new ground lease with the property owner (up to the full term) and a replacement tenant lease. The remaining lease assignment term is, therefore, in many cases, higher than the remaining tenant lease term.
- (3) Assumes the exercise of all remaining renewal options. Assuming no exercise of renewal options, the average remaining lease terms for our wireless communication, outdoor advertising, renewable power generation and total portfolio as of December 31, 2018 were 3.8, 8.5, 17.6 and 5.9 years, respectively.
- (4) Represents GAAP rental revenue recognized under existing tenant leases for the three months ended December 31, 2018. Excludes interest income on receivables.
- (5) In certain instances, we lease our tenant site for our tenant's base station and equipment, but the tenant's antenna array and related hardware are located on infrastructure owned by a third party. We refer to this type of arrangement as an "equipment only" lease. At 58 infrastructure locations, we have leased space for equipment together with other structures.
- (6) Excluding perpetual ownership rights, the average remaining property interest term on our tenant sites is approximately 64 years.

We are geographically diversified with assets primarily located throughout the United States, and no single state accounted for more than 11% of our tenant sites as of December 31, 2018. Additionally, the majority of our wireless communication and outdoor advertising assets are located in major cities, significant intersections, and traffic arteries in the United States that benefit from high urban density, favorable demographic trends, strong traffic counts and strict zoning restrictions with legacy zoning rights (commonly referred to as "grandfather clauses.") These attributes enhance the long-term value of our real property interests, as our wireless communication and outdoor advertising tenants are focused on placing their assets in dense areas with large populations and along high-traffic corridors. Additionally, local zoning regulations often restrict the construction of new cellular towers, rooftop wireless structures and outdoor advertising and billboard structures, creating barriers to entry and a supply shortage. We believe this leads to improved value of our assets and further increases the likelihood for continued high occupancy.

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The table below summarizes our real property interests by state as of December 31, 2018.

Our Real Property Interests by State

	Wireless Communication		Outdoor Advertising		Renewable Power Generation		Total		
	Number of Available Tenant	Quarterly Rental Revenue	Number of Available Tenant	Quarterly Rental Revenue	Number of Available Tenant	Quarterly Rental Revenue	Number of Available Tenant	Quarterly Rental Revenue	Percentage of Quarterly Rental Revenue
	Sites	(in thousands)(1)	Sites	(in thousands)(1)	Sites	(in thousands)(1)	Sites	(in thousands)(1)	Revenue
United States									
Alaska	2	\$ 6	—	\$ —	—	\$ —	2	\$ 6	0.0%
Alabama	6	19	8	28	—	—	14	47	0.3%
Arkansas	11	31	4	7	—	—	15	38	0.3%
Arizona	35	155	20	97	—	—	55	252	1.7%
California	151	909	26	1,168	41	1,540	218	3,617	24.6%
Colorado	30	189	6	58	—	—	36	247	1.7%
Connecticut	21	145	10	71	—	—	31	216	1.5%
District of Columbia	1	7	—	—	—	—	1	7	0.0%
Florida	54	390	73	316	1	14	128	720	4.9%
Georgia	13	65	80	310	—	—	93	375	2.4%
Hawaii	1	6	—	—	1	40	2	46	0.3%
Iowa	3	7	3	4	—	—	6	11	0.1%
Idaho	1	1	—	—	—	—	1	1	0.0%
Illinois	74	680	48	237	2	63	124	980	6.7%
Indiana	5	27	25	60	1	1	31	88	0.6%
Kansas	14	63	4	5	4	8	22	76	0.5%
Kentucky	5	20	3	9	—	—	8	29	0.2%
Louisiana	10	27	4	5	—	—	14	32	0.2%
Massachusetts	40	112	6	127	1	23	47	262	1.8%
Maryland	7	68	6	21	—	—	13	89	0.6%
Michigan	17	85	41	86	1	2	59	173	1.2%
Minnesota	12	83	25	140	—	—	37	223	1.5%
Missouri	21	108	45	209	—	—	66	317	2.2%
Mississippi	10	25	12	3	—	—	22	28	0.2%
Montana	2	6	—	—	—	—	2	6	0.0%
North Carolina	11	59	19	47	12	115	42	221	1.5%
North Dakota	5	9	1	3	—	—	6	12	0.1%
Nebraska	3	302	4	11	—	—	7	313	2.1%
New Hampshire	3	74	1	3	—	—	4	77	0.5%
New Jersey	104	778	5	26	4	199	113	1,003	6.8%
New Mexico	6	35	2	3	—	—	8	38	0.3%
Nevada	35	107	11	102	2	8	48	217	1.5%
New York	124	975	6	48	—	—	130	1,023	7.0%
Ohio	25	122	17	41	—	—	42	163	1.1%
Oklahoma	11	39	5	10	2	17	18	66	0.4%
Oregon	23	133	3	28	—	—	26	161	1.1%
Pennsylvania	33	150	14	57	1	3	48	210	1.4%
Rhode Island	3	20	1	4	—	—	4	24	0.2%
South Carolina	6	40	11	13	—	—	17	53	0.4%
South Dakota	8	13	—	—	—	—	8	13	0.1%
Tennessee	8	31	25	88	—	—	33	119	0.8%
Texas	82	382	59	203	2	29	143	614	4.2%
Utah	13	44	18	20	—	—	31	64	0.4%
Virginia	7	31	3	9	—	—	10	40	0.3%
Vermont	3	50	—	—	—	—	3	50	0.3%
Washington	16	105	4	11	—	—	20	116	0.8%
West Virginia	1	3	8	12	—	—	9	15	0.1%
Wisconsin	20	540	4	34	1	3	25	577	3.9%
Wyoming	1	4	2	2	1	5	4	11	0.1%
Total US	1,097	\$ 7,280	672	\$ 3,736	77	\$ 2,070	1,846	\$ 13,086	88.9%
International	26	83	48	1,545	—	—	74	1,628	11.1%
Total	1,123	\$ 7,363	720	\$ 5,281	77	\$ 2,070	1,920	\$ 14,714	100.0%

(1) Represents GAAP rental revenue recognized under existing tenant leases for the three months ended December 31, 2018. Excludes interest income on receivables.

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Approximately 68% and 80% of our tenant sites are located in Top-50 and Top-100 ranked Basic Trading Areas (“BTA”), respectively, including New York, Los Angeles and Chicago. We believe our locations in major metropolitan population centers are highly desirable for our tenants in the wireless communication and outdoor advertising industries seeking to reach a large customer base.

The table below summarizes our real property interests by BTA rank as of December 31, 2018.

Our Real Property Interests Ranked by Basic Trading Area (1)

BTA Rank	Wireless Communication		Outdoor Advertising		Total(2)		
	Number of Tenant Sites	Quarterly Rental Revenue (in thousands)(3)	Number of Tenant Sites	Quarterly Rental Revenue (in thousands)(3)	Number of Tenant Sites	Quarterly Rental Revenue (in thousands)(3)	Percentage of Quarterly Rental Revenue
1 - 5	415	\$ 3,087	86	\$ 1,510	501	\$ 4,597	42%
6 - 10	65	324	115	472	180	796	7%
11 - 20	144	771	88	619	232	1,389	12%
21 - 50	142	1,261	154	630	296	1,891	17%
51 - 100	112	877	98	295	210	1,172	11%
Subtotal (Top 100)	878	6,320	541	3,526	1,419	9,845	89%
101+	225	961	131	210	356	1,172	11%
Total	1,103	\$ 7,281	672	\$ 3,736	1,775	\$ 11,017	100%

(1) Ranked by population.

(2) Excludes tenant sites in the renewable power generation industry and international locations. BTA rank is not a relevant metric for the renewable power generation industry.

(3) Represents GAAP rental revenue recognized under existing tenant leases for the three months ended December 31, 2018. Excludes interest income on receivables.

Easements and Lease Assignments

In most locations, our tenant leases were acquired together with an easement granted by the property owner in favor of Landmark, granting us the rights to the tenant site occupied by the tenant under the lease. For our tenant sites that were not accompanied by an easement or purchased in fee, our lease assignments provide us with economic rights that are substantially similar to the economic rights granted under our easements, including the right to re-lease the same space if the tenant lease expires or terminates. In limited circumstances, we lease the sites from property owners and then sub-lease those spaces to our tenants.

The terms of our easements and lease assignments generally range from 15 years to 99 years with certain assets having perpetual easement terms. The average remaining term of our easements and lease assignments is approximately 72 years (assuming perpetual easements, which comprise approximately 35% of our total easements, have a term of 99 years). When we acquire an easement or lease assignment in connection with a property subject to a mortgage, we generally also enter into a non-disturbance agreement with the mortgage lender in order to protect us against potential foreclosure on the property owner at the infrastructure location, which foreclosure could, absent a non-disturbance agreement, extinguish our easement or lease assignment. In some instances where we obtain non-disturbance agreements, we still remain subordinated to some indebtedness. As of December 31, 2018, approximately 85% of our tenant sites were either subject to non-disturbance agreements or had been otherwise recorded in local real estate records in senior positions to any mortgages.

Our easements and lease assignments strengthen and protect our real property interests in any given infrastructure location by allowing us to control the use of the tenant site after the expiration of the primary lease term (plus extension options) and to prevent a property owner from interfering with the operations of our tenants.

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Additionally, we believe that our easements and lease assignments have been and will continue to be acquired and structured in a manner that mitigates additional risks in many ways, including the following:

- We record our easements and lease assignments in local real property records, giving constructive notice of our real property interest to all successor property owners and other parties of interest (such as future lenders).
- We perform a title search prior to the acquisition of the easement or lease assignment and obtain title insurance on the easement or lease assignment except where doing so would not be economic or otherwise feasible, and all material exceptions to title are typically addressed prior to purchase.
- Our possessory use rights to the underlying property mitigate our liability exposure, and we are typically indemnified by the property owners or our tenants for environmental liability, if any, relating to the property. In addition, general liability insurance is typically provided by our tenants.
- Our easements and lease assignments, together with our non-disturbance agreements, generally protect our real property interest in case of a foreclosure against the property owner.
- The property owner is generally contractually responsible for their property-level operating expenses, including maintenance capital expenditures, taxes and insurance.

Finally, in the event that one of our tenant leases expires without renewal or is terminated, all of our easements and substantially all of our lease assignments allow us to enter into a new lease of the same space for the same use. For some of our easement or lease assignments, if we do not enter into a new lease during the tenant replacement period (typically three to five years), in the case of an easement, the easement terminates and control of the space reverts back to the property owner, or in the case of a lease assignment, we forfeit our right to re-lease the space.

In limited circumstances, we have granted a landowner the right to re-acquire our real property interest at a purchase price which we believe makes us economically whole for the loss of an asset.

Fee Simple Properties

Our portfolio of real property interests includes 82 properties owned in fee simple. These properties have associated tenant leases in the wireless communication, outdoor advertising and renewable power generation industries. Generally, these property leases are subject to triple net or effectively triple net lease arrangements, meaning that our tenants are contractually responsible for property-level operating expenses, including maintenance capital expenditures, taxes and insurance. For the year ended December 31, 2018, we received \$13.0 million in rental revenue related to these properties, representing 20% of rental revenue.

The table below provides an overview of the remaining term and quarterly rental revenue under our easements, lease assignments and fee simple properties as of December 31, 2018.

Our Real Property Interests by Remaining Term

Remaining Term of Real Property Interest ⁽¹⁾	Number of Infrastructure Locations	Leased Tenant Sites ⁽²⁾		Average Remaining Lease Term (years) ⁽³⁾	Quarterly Rental Revenue (in thousands) ⁽⁴⁾	Percentage of Quarterly Rental Revenue ⁽⁴⁾
		Number	Number			
Wireless Communication						
Less than or equal to 20 years	28	38	18.8	\$ 329	2%	
20 to 29 years	55	63	16.5	412	3%	
30 to 39 years	103	132	19.1	888	6%	
40 to 49 years	92	132	18.2	1,021	7%	
50 to 99 years	302	332	30.2	1,740	12%	
Perpetual ⁽⁵⁾	287	354	30.8	2,973	20%	
Subtotal	867	1,051	26.0	\$ 7,363	50%	
Outdoor Advertising						
Less than or equal to 20 years	32	38	12.4	\$ 452	3%	
20 to 29 years	21	23	15.8	1,045	7%	
30 to 39 years	40	42	19.8	275	2%	
40 to 49 years	29	39	16.0	684	5%	
50 to 99 years	260	288	17.5	1,156	8%	
Perpetual ⁽⁵⁾	231	273	16.1	1,669	11%	
Subtotal	613	703	16.7	\$ 5,281	36%	
Renewable Power Generation						
Less than or equal to 20 years	5	5	43.9	\$ 50	—%	
20 to 29 years	11	13	24.4	93	1%	
30 to 39 years	10	11	29.1	48	—%	
40 to 49 years	2	31	35.6	290	2%	
50 to 99 years	3	3	6.1	51	—%	
Perpetual ⁽⁵⁾	12	14	31.0	1,538	11%	
Subtotal	43	77	29.6	\$ 2,070	14%	
Aggregate Portfolio						
Less than or equal to 20 years	65	81	17.0	\$ 831	5%	
20 to 29 years	87	99	17.7	1,550	11%	
30 to 39 years	153	185	19.8	1,211	8%	
40 to 49 years	123	202	17.9	1,995	14%	
50 to 99 years	565	623	24.4	2,947	20%	
Perpetual ⁽⁵⁾	530	641	24.7	6,180	42%	
Total	1,523	1,831	22.6	\$ 14,714	100%	

- (1) Remaining term of real property interest is based on the assumption that the site is not vacant for a period longer than our tenant replacement period. This assumption is not used in calculating the remaining tenant lease terms and is inapplicable to the remaining term of real property interest of our fee simple properties.
- (2) "Leased Tenant Sites" means the number of individual sites that are leased. For example, if we have an easement on a single rooftop, on which three different tenants lease space from us, this would be counted as three "tenant sites," and all three tenant sites would be at a single infrastructure location with the same address.
- (3) Assumes the exercise of all remaining renewal options of tenant leases. Assuming no exercise of renewal options, the average remaining lease terms for our wireless communication, outdoor advertising, renewable power generation and total portfolios as of December 31, 2018 were 3.8, 8.5, 17.6 and 5.9 years, respectively.
- (4) Represents GAAP rental revenue recognized under existing tenant leases for the three months ended December 31, 2018. Excludes interest income on receivables. Totals may not sum due to rounding.
- (5) Includes both fee simple and perpetual easement interests.

Other Assets

While we generate substantially all of our revenue from our ownership and leasing of real property interests, we also generate a small amount of revenue from other assets including financing arrangements. 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. Our other assets 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. These cash flow financing arrangements are accounted for as receivables in our financial statements.

Tenant Leases

The majority of our tenant leases were acquired from property owners, who assigned to us all of the property owner's rights, title and interest in and pursuant to (but generally excluding obligations under) a pre-existing lease between the property owner and a third-party tenant, such as a wireless carrier, cellular tower operator, billboard owner or renewable power producer. Generally, we do not assume all of the landlord's obligations under the tenant lease, such as the obligation to provide quiet enjoyment of the property or to pay property taxes. These leases previously provided the property owner with a stream of rental payments, typically paid monthly or annually, and were assigned to us in exchange for an up-front lump sum payment.

Generally, our leased tenant sites are subject to triple net or effectively triple net lease arrangements, meaning that our tenants or the underlying property owners are contractually responsible for property-level operating expenses, including maintenance capital expenditures, taxes and insurance. For this reason, we expect to have minimal ongoing expenses relating to our assets. For the years ended December 31, 2018, 2017 and 2016, our property operating and maintenance expenses and maintenance capital expenditures were less than 1% of revenue.

We believe our triple net and effectively triple net lease arrangements support a stable, consistent and predictable cash flow profile due to the following characteristics:

- no equipment maintenance costs or obligations (tenant is responsible for all maintenance and Landmark's role is limited to billing, collections and managing the ground lease);
- no property-level maintenance capital expenditures; and
- no property tax or insurance obligations (tenant or property owner is responsible for these costs).

Our tenant leases are typically structured with five-year, ten-year or twenty-year initial terms and four additional, successive five-year renewal terms. The average remaining lease term of our tenant leases is 23 years including renewal terms, and the average remaining lease term of our tenant leases is six years excluding renewal terms. Our tenant leases produce an average of approximately \$2,000 per month in GAAP rental payments, but can range from as low as \$30 per month to as much as \$0.4 million per month. In addition, most of our tenant leases include built-in rent escalators, which are typically structured as fixed amount increases, fixed percentage increases, or CPI-based increases and increase rent annually or on the renewal of the lease term. Furthermore, 312 of our tenant leases, primarily in the outdoor advertising industry, contain revenue sharing provisions. As of December 31, 2018, over 90% of our tenant leases contained contractual rent escalators, 82% of which were fixed-rate (with an average annual escalation rate of approximately 2.3%) and 8% of which were tied to CPI.

Though our tenant leases are typically structured as long-term leases with fixed rents and rent escalators, our wireless communication and outdoor advertising tenants generally may cancel their leases upon 30 to 180 days' notice. However, occupancy rates under our tenant leases have historically been very high. As of December 31, 2018, we had 1,831 tenant sites leased and 89 tenant sites available for lease. We believe the infrastructure improvements and operations of the tenant assets located on our real property interests are essential to the ongoing operations and profitability of our tenants. We believe that by focusing on high-quality real property interests we increase the likelihood that our tenants will renew their leases upon expiration. We believe that the importance of these assets, combined with the challenges and costs of relocating these infrastructure improvements, make it likely that we will continue to enjoy high tenant retention and occupancy rates. We believe the location of our available sites, the importance of these infrastructure assets, wireless network densification and difficulties in site acquisition provide additional collocation and releasing opportunities.

We monitor tenant credit quality on an ongoing basis by reviewing, where available, the publicly filed financial reports, press releases and other publicly available industry information regarding the parent entities of our tenants. In addition, we monitor payment history data for all of our tenants. We are otherwise generally not entitled to financial results or other credit-related data from our tenants.

The tables below summarize the remaining lease terms under our tenant leases as of December 31, 2018.

Our Tenant Sites by Remaining Tenant Lease Terms
(assuming full exercise of remaining renewal terms)

Remaining Lease Term	Number of Leased Tenant Sites	Quarterly Rental Revenue (in thousands)(1)	Percentage of Quarterly Rental Revenue(1)
Less than or equal to 5 years	355	\$ 1,902	13%
5 to 9 years	253	1,597	11%
10 to 14 years	329	2,596	18%
15 years or more	894	8,619	58%
Total	1,831	\$ 14,714	100%

(1) Represents GAAP rental revenue recognized under existing tenant leases for the three months ended December 31, 2018. Excludes interest income on receivables.

Our Tenant Sites by Remaining Tenant Lease Terms
(assuming no exercise of remaining renewal terms)

Remaining Lease Term	Number of Leased Tenant Sites	Quarterly Rental Revenue (in thousands)(1)	Percentage of Quarterly Rental Revenue(1)
Less than 1 year	346	\$ 2,339	16%
1 to 2 years	272	1,467	10%
2 to 5 years	748	4,260	29%
5 years or more	465	6,648	45%
Total	1,831	\$ 14,714	100%

(1) Represents GAAP rental revenue recognized under existing tenant leases for the three months ended December 31, 2018. Excludes interest income on receivables.

Our Tenants

Our tenants operate in the wireless communication, outdoor advertising and renewable power generation industries. They are generally large, publicly traded companies (or their affiliates) with a national footprint. Approximately 78% of our rental revenue for the three months ended December 31, 2018 was derived from our Tier 1 tenants. In the course of evaluating acquisition opportunities, we assess the desirability of an infrastructure location to our tenants and factors impacting demand of their customers.

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Below is a summary of our tenants as of December 31, 2018.

Our Tenants By Industry

Tenant(1)	Number of Leased Tenant Sites	% of Total	Quarterly Rental Revenue (in thousands)(2)	% of Total
Wireless Communication (Carriers)				
T-Mobile	176	10%	\$ 1,117	8%
AT&T Mobility	145	8%	1,087	7%
Sprint	120	7%	780	5%
Verizon	131	7%	872	6%
Others	140	7%	1,661	11%
Wireless Communication (Carriers) Subtotal	712	39%	\$ 5,517	37%
Wireless Communication (Tower Companies)				
Crown Castle	168	9%	\$ 840	6%
American Tower	138	8%	795	6%
SBA Communications	28	1%	180	1%
Others	5	—%	31	0%
Wireless Communication (Tower Companies) Subtotal	339	18%	\$ 1,846	13%
Outdoor Advertising				
Outfront Media (formerly CBS Outdoor)	164	9%	\$ 913	6%
Clear Channel Outdoor	153	8%	1,900	13%
Lamar Advertising	161	9%	480	3%
Others	225	12%	1,988	14%
Outdoor Advertising Subtotal	703	38%	\$ 5,281	36%
Renewable Power Generation				
Southern California Edison	34	2%	\$ 1,052	7%
Duke Energy	11	1%	108	1%
Others	32	2%	910	6%
Renewable Power Generation Subtotal	77	5%	\$ 2,070	14%
Total	1,831	100%	\$ 14,714	100%

(1) Includes affiliates and subsidiaries.

(2) Represents GAAP rental revenue recognized under existing tenant leases for the three months ended December 31, 2018. Excludes interest income on receivables.

Wireless Communication

Our wireless communication tenants consist primarily of wireless carriers (and their affiliates), such as AT&T Mobility, Sprint, T-Mobile and Verizon, and tower companies (and their affiliates) such as American Tower, Crown Castle and SBA Communications. These tenants generally lease from us space underlying their cellular towers, antennas, radios and other electronic communications equipment.

We have strong renewal rates among our wireless communication tenants. We believe that this trend will continue because the decommissioning and repositioning of a current site in an existing carrier's network is expensive and often requires the reconfiguration of several other sites within the carrier's network, which may impact the carrier's network quality and coverage. In addition, zoning restrictions may significantly delay, hinder or prevent entirely the construction of new sites. Construction, decommissioning and relocation of a current site may also require the carrier to obtain additional governmental permits, further increasing the cost of non-renewal of a lease with us. In addition, as thousands of new tenant sites are constructed each year, many of these sites will be co-located on towers and other structures located on our real property interests. We believe each of these attributes helps us achieve stable, consistent and predictable cash flow, which will lead to consistent distributions for our unitholders.

Rental rates associated with wireless communication assets are tied to various factors, including:

- infrastructure location;
- amount, type and function of the tenant's equipment on the infrastructure location;
- ground space necessary for the tenant's base station and other infrastructure required for the transmission and reception of signal;
- remaining capacity at the infrastructure location;

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- shared back-up power availability;
- type of structure (e.g., stealth tower, rooftop, water tower); and
- location of the customer's antennas on the infrastructure location.

Outdoor Advertising

Our outdoor advertising tenants include companies (and their affiliates) that own and manage billboards, such as Clear Channel Outdoor, Lamar Advertising and Outfront Media. These tenants generally lease space from us underlying billboards, typically along highly trafficked freeways and intersections.

We have strong renewal rates among our outdoor advertising tenants. We believe that this trend will continue because billboards are the primary revenue generating assets of our outdoor advertising tenants. The outdoor advertising market is characterized by strict local regulations and zoning laws, which have made it extremely difficult to erect new billboards in many markets. Additionally, many existing sites are "non-conforming" with regard to current zoning standards but have been "grandfathered" in (and therefore not required to be removed) as they have been in place for long periods of time prior to the change in zoning standards. As such, there is typically a very high rate of lease renewal among our outdoor advertising tenants, and we believe that these renewals will continue to provide stable, growing revenue.

Rental rates associated with outdoor advertising assets are tied to various factors, including:

- infrastructure location;
- illumination for night-time visibility;
- display and face size;
- roadside position with respect to traffic flow;
- angle to the road for maximum visibility;
- street type (e.g., highway, interstate, cross-section);
- traffic count;
- viewer traffic metrics;
- type of display (e.g., static face, digital billboard, tri-vision); and
- height above ground level.

Renewable Power Generation

Our renewable power generation tenants currently lease space from us underlying wind turbines or solar arrays. Our renewable power generation tenants' counterparties consist primarily of subsidiaries or affiliates of credit rated utilities or high quality offtakers, such as Southern California Edison and Duke Energy.

We believe we will have strong renewal rates among our renewable power generation tenants. The renewable power generation industry is characterized by long development periods and projects of significant scale, typically requiring large capital commitments and several years of due diligence by the project operator to ensure suitability of the project location prior to commencement of project construction. In the case of wind turbines, a three-year wind study is typically completed by the developer to study the wind patterns at the proposed project location. Similarly, prior to the construction of a commercial solar project, the developer will typically complete a review of historical weather patterns to evaluate the amount of uninterrupted access to sunlight at the project location. Developers must also consider accessibility to transmission infrastructure and power connects when selecting a project site, significantly restricting the ability to relocate a renewable power project.

We intend to target renewable power projects that have been developed within the last five years, have the most current and efficient equipment with the longest useful life. When seeking real property interests in this industry, we will seek assets that have a power purchase agreement in place between the owner of the project and a utility or other high credit quality offtaker. The power purchase agreement defines the terms between the counterparties and sets the sales price of the power generated for an extended period of time, typically twenty years. We believe these attributes lead to a very high rate of lease renewal and will help us achieve stable cash flow from the renewable power generation industry.

Rental rates associated with renewable power generation assets are tied to various factors, including:

- Infrastructure location;
- Ground space necessary for the project;
- Interconnecting power grid infrastructure;
- Proximity and access to transmission lines;
- Value of underlying real estate;
- Project profit (typical rental rates represent a low percentage of the project estimated earnings);
- Location's geographical and meteorological characteristics which expect to yield the highest energy production; and
- Competition by multiple developers for the same property.

Our Relationship with Landmark

One of our principal strengths and greatest competitive advantages is our relationship with Landmark. Landmark is one of the largest and most active acquirers of real property interests underlying infrastructure assets in the wireless communication, outdoor advertising and renewable power generation industries. Landmark, headquartered in Los Angeles, California, has approximately 160 employees and has offices and acquisition and development team members who work across the United States and Australia. Landmark has stated that it intends to continue to identify additional acquisitions and development opportunities.

As of December 31, 2018, Landmark and affiliates owns our general partner, all of the incentive distribution rights and a 13.5% limited partner interest in us. Given its substantial cash investment and significant ownership in us, we believe Landmark will promote and support the successful execution of our business strategies. On January 30, 2019, the Partnership amended the Omnibus Agreement with Landmark to extend the general and administrative expense reimbursement to 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. While we believe Landmark is incentivized to support us, there are no restrictions on the ability of Landmark or its affiliates, including new private funds that Landmark may form, to compete with us, including for the acquisition of future real property interests. Please read "Risk Factors – Risks Related to Our Business – If we are unable to make accretive acquisitions of real property interests or pursue new development opportunities, our growth could be limited" and "Conflicts of Interest."

Drop-down Acquisitions

During the years ended December 31, 2018, 2017 and 2016, the Partnership completed one, four and five drop-down acquisitions of 127, 155 and 539 tenant sites and related real property interests, respectively, and zero, two and 14 investment in receivables, respectively, from the Sponsor and affiliates in exchange for total consideration of \$59.9 million, \$118.3 million and \$205.7 million, respectively (the "Drop-down Acquisitions" or "Drop-down Assets"). The 2016 Drop-down Acquisitions were deemed to be transactions between entities under common control, which, prior to the adoption of ASU No. 2017-01, on April 1, 2017, as described below, required the assets and liabilities transferred be reflected at the historical cost of the parent of the entities, with prior periods retroactively adjusted to furnish comparative information. Drop-down acquisitions that occurred after the adoption of ASU No. 2017-01 are a transfer of net assets accounted for prospectively in the period. See Notes to Consolidated and Combined Financial Statements.

Landmark's Acquisition Platform

Landmark's senior management team has an established track record and deep domain expertise across all aspects of the business including sourcing, underwriting, acquisition, financing and asset management.

The real property interests Landmark seeks to acquire generally range in value from \$50,000 to \$500,000. As a result, Landmark must assemble large pools of assets to achieve portfolio critical mass and diversification. To accomplish this, specialized teams within Landmark use custom information technology systems and processes developed over the past decade to manage workflow while providing management with the ability to monitor and direct activity. Through these proprietary processes, Landmark efficiently evaluates assets to ensure they meet Landmark's stringent underwriting criteria. Landmark believes that the small individual asset size, together with the expertise and discipline required to close high acquisition volumes, creates a significant barrier to entry for prospective competitors. We expect to benefit greatly from Landmark's acquisition platform, which we believe will continue to facilitate the acquisition of attractive assets for our business.

Asset Life Cycle through the Acquisition Platform

The Landmark process has been specifically designed to be as seamless and efficient for the owner (and, in doing so, more efficient for Landmark as well). Landmark has customized its processes and documentation for its specific business, emphasizing customer interaction and delivering a high-quality transaction experience. In addition, documentation is requested from the property owner in a concise, straightforward manner and expectations and timing are discussed with the owner, making the transaction process transparent to the property owner. In this way, the property owner is engaged, there are limited surprises and the closing process is more of a joint exercise between Landmark and the property owner, resulting in a better customer experience.

Landmark's high volume, small balance real property acquisition and asset management platform has four primary phases which include: (1) Lead Generation; (2) Origination; (3) Underwriting and Closing; and (4) Asset Management.

Lead Generation

Landmark developed a proprietary lead-generation system that expedites the identification of small balance real property interests in fragmented real property ownership industries. This system, used by its employees to identify asset prospects, facilitates the aggregation of directly-sourced field data. Once an infrastructure location prospect has been identified, Landmark's team leverages a variety of proven data and technology resources and strategies to obtain preliminary contact information for the property owner, referred to as a "lead". Leads are qualified by a dedicated team that validates data directly with the owner of the infrastructure location. Once the property owner's address and contact information is confirmed, an account is created and an appointment is arranged.

Origination

The origination process begins with a meeting between a Landmark acquisition professional and the property owner. Landmark's acquisition professionals engage in meetings with property owners to establish a relationship, discuss the owner's needs and objectives, and educate the owner on the value of Landmark's proposed transaction. During these meetings, acquisition professionals evaluate the appropriateness of Landmark's proposed transaction for the property owner and their interest level in selling their real property interest. Once Landmark obtains a copy of the lease from the property owner, relevant data is input into Landmark's proprietary asset evaluation system to generate an acquisition agreement. The acquisition agreement terms are negotiated with the property owner and, upon acceptance of the agreement, Landmark uploads the executed agreement and necessary documentation to its proprietary technology platform for further diligence by the dedicated underwriting and closing team.

Underwriting and Closing

After Landmark's proposal has been accepted by the property owner and an acquisition agreement has been executed, the transaction is moved to Landmark's dedicated underwriting and closing team. The account enters a comprehensive due diligence process to ensure consistent quality across Landmark's portfolio of asset acquisitions. Curative measures are taken to clear title on the real property interest (for example, an outstanding creditor's lien) simultaneous with the underwriting and due diligence process. Given its considerable experience, depth of resources, and proven processes, Landmark is able to perform a comprehensive and efficient underwriting of the risk and value assessment on its high-volume acquisition pipeline. We believe this is one of Landmark's greatest strengths and competitive advantages and is driven by (i) Landmark's extensive database of comparable transactions and leases, and (ii) its thorough understanding of applicable underwriting factors (such as which intersections or highways tend to have the most traffic, applicable zoning regulations and the availability of nearby wireless or advertising sites). In the underwriting stage, Landmark reviews various transaction materials and documents for compliance with Landmark's underwriting criteria, including, but not limited to, the following:

- current industry macro and micro risks;
- tenant counterparty risk;
- lease economics;
- lease terms;
- "seasoning," or whether the property has a proven track record of tenant lease payments, and the details of that track record;
- evaluation of real estate and infrastructure based in part on site visits and surveys;
- site demographics;
- competitive landscape analysis; and
- rent analysis based on Landmark's proprietary database of comparative rents in the target area.

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Once a transaction is deemed to meet Landmark's due diligence and underwriting standards, it proceeds to Landmark's investment committee for approval of the acquisition. Pending approval, legal closing documents are prepared, executed and delivered. Due to its streamlined proprietary acquisition process, Landmark has the ability to quickly close acquisitions. We expect to continue to benefit from Landmark's high acquisition volumes and more efficient, scalable processes.

Asset Management

After funding, tenants are notified of the acquisition and notarized payment re-direction letters are sent advising the tenant to redirect rental payments to Landmark. All post-closing items are revisited, the lease data is re-verified and moved to Landmark's asset management, where compliance is monitored on an ongoing basis. The tenant management phase includes collections, tenant payment conversion, tenant relations, and tenant contact management. The asset management phase also includes the negotiation of lease renewals, modifications, cancellations, reductions, document and consent requests, landlord and tenant complaints and new leasing of available tenant sites.

Direct Third-Party Acquisitions

The Partnership completed direct third-party acquisitions of real property interests in the wireless communication, outdoor advertising and renewable power industries in domestic and international locations. During the years ended December 31, 2018, 2017 and 2016, the Partnership acquired 104 tenant sites, 63 tenant sites and one investment in receivables and 40 tenant sites from third parties for total consideration of \$75.8 million, \$41.0 million and \$85.7 million, respectively. See Note 3, *Acquisitions*, to the Consolidated and Combined Financial Statements for additional information.

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 other European countries. The Partnership consolidates the joint venture. Our venture partner provides acquisition opportunities and asset management services to the consolidated joint venture. As of December 31, 2018, the consolidated joint venture had 34 tenant sites and one investment in receivables with total net book value of \$43.5 million. During the year ended December 31, 2018 and 2017 the consolidated joint venture generated rental revenue of \$3.4 million and \$0.8 million, respectively. No revenue was generated during the year ended December 31, 2016.

Unconsolidated Joint Venture

On September 24, 2018, the Partnership completed the formation of an unconsolidated joint venture. The Partnership contributed 545 tenant site assets to the unconsolidated joint venture that secured the Partnership's \$125.4 million Series 2018-1 secured notes, in exchange for a 50.01% membership interest in the unconsolidated JV and \$65.5 million in cash. The Partnership does not control the unconsolidated joint venture and therefore, accounts for its investment in the unconsolidated joint venture using the equity method of accounting prospectively upon formation of the unconsolidated joint venture. From September 24, 2018 through December 31, 2018, the joint venture generated rental revenue of \$3.7 million. See Note 8, *Investment in Unconsolidated Joint Venture*, to the Consolidated and Combined Financial Statements for additional information.

Infrastructure Development

During 2017, the Partnership started developing an ecosystem of technologies that provides smart enabled infrastructure ("FlexGrid™") including smart poles and digital outdoor advertising kiosks across North America. The 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. As of December 31, 2018 and 2017, the Partnership's \$29.6 million and \$7.6 million, respectively, of construction in progress balance primarily related to the FlexGrid™ solution. During the year ended December 31, 2018, the Partnership deployed four FlexGrid™ infrastructure sites. 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.

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 FlexGrid™ ecosystem solution on strategic high-traffic DART locations.

Regulation

Environmental Matters

Laws and regulations governing the discharge of materials into the environment or otherwise relating to the protection of the environment are applicable to our business and operations, and also to the businesses and operations of our lessees, property owners and other surface owners or operators. Federal, state and local government agencies issue regulations that often require difficult and costly compliance measures that carry substantial administrative, civil and criminal penalties and that may result in injunctive obligations for non-compliance. These laws and regulations often require permits before operations commence, restrict the types, quantities and concentrations of various substances that can be released into the environment, require remediation of released substances, and limit or prohibit construction or operations on certain lands (e.g. wetlands). We do not conduct any operations on our properties, but we or our tenants may maintain small quantities of materials that, if released, would be subject to certain environmental laws. Similarly, our property owners, lessees and other surface interest owners may have liability or responsibility under these laws which could have an indirect impact on our business. These laws include but are not limited to the federal Resource Conservation and Recovery Act (“RCRA”), and comparable state statutes and regulations promulgated thereunder (which impose requirements on the generation, transportation, treatment, storage, disposal and cleanup of hazardous and non-hazardous wastes) and the Comprehensive Environmental Response, Compensation and Liability Act (“CERCLA”), and analogous state laws which generally impose liability, without regard to fault or legality of the original conduct, on classes of persons who are considered to be responsible for the release of hazardous substances into the environment, including the current and former owners or operators of a site. It is not uncommon for neighboring property owners and other third-parties to file claims for personal injury and property damage allegedly caused by the hazardous substances released into the environment. Therefore, governmental agencies or third parties may seek to hold us, our lessees, property owners and other surface interest owners responsible under CERCLA and comparable state statutes for all or part of the costs to cleanup sites at which hazardous substances have been released. Our agreements with our lessees, property owners and other surface owners generally include environmental representations, warranties, and indemnities to minimize the extent to which we may be financially responsible for liabilities arising under these laws.

Seasonality

We receive fixed rental payments under our tenant leases that are typically paid on a monthly basis, and we expect to experience some seasonal effect on our cash flow due to rents paid annually. Additionally, we have revenue sharing provisions under a portion of our tenant leases, which may result in some seasonal effect on our cash flow.

Competition

We face competition in the acquisition, development and leasing of our infrastructure assets in each of our target industries. Some of the competitors are larger than us and include public entities with greater access to capital and scale of operations than us. In addition, Landmark and its affiliates will compete with us for acquisitions, development and the leasing of real property interests. Please read “Risk Factors – Risks Inherent in an Investment in Us – Landmark may compete with us, and Landmark, as owner of our general partner, will decide when, if and how we complete acquisitions.”

In the acquisition of real property interests underlying our tenants’ infrastructure, our principal competitors include our tenants and private independent acquirers focused on individual industries. In the wireless communication industry, the principal competitors include tower companies such as American Tower, Crown Castle International and SBA Communications and private independent acquirers such as Melody Wireless Infrastructure. In the outdoor advertising industry, the outdoor advertising tenants (such as Lamar) and smaller regional private investors would be our principal competitor. In the renewable power generation industry, the principal competitor is Hannon Armstrong Sustainable Infrastructure Capital, Inc. We believe the most significant factors affecting the competitive environment in the acquisition of real property interest underlying our tenant’s infrastructure include the relationship with the property owner, price offered, structure and terms of the acquisition, time to closing and surety of closing.

In the leasing of real property interests in the wireless communication industry, our principal competitors include our tenants, private property owners, REITs (including the tower companies) and the government. In the wireless communication industry, our principal competitors include wireless carriers that own their own tower networks, tower companies such as American Tower Corporation, Crown Castle and SBA Communications, private independent owners of portfolios of real property interest such as Melody Wireless Infrastructure, real estate owners, REITs, utilities, municipalities and other companies that provide structures upon which wireless communication equipment may be installed. In the outdoor advertising industry, the principal competitors include private real estate owners, REITs and municipalities. In the renewable power generation industry, the principal competitors include private real estate owners, REITs and municipalities. We believe the most significant factors affecting the competitive environment in the leasing of real property interest underlying our tenant’s infrastructure include site location and capacity, quality of service, density within a geographic market and, to a lesser extent, price.

Employees

We are managed and operated by the board of directors and executive officers of Landmark Infrastructure Partners GP LLC, our general partner. Neither we nor our subsidiaries have any employees. Our general partner has the sole responsibility for providing the employees and other personnel necessary to conduct our operations. All of the employees that conduct our business are employed by affiliates of our general partner. As of December 31, 2018, our general partner and its affiliates have approximately 35 employees performing services for our operations. We believe that our general partner and its affiliates have a satisfactory relationship with those employees.

Available Information

Our website address is www.landmarkmlp.com. Information on our website is not part of this report. Our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and any amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (the "Exchange Act") are available on our website, free of charge, as soon as reasonably practicable after we electronically file such materials with, or furnish them to, the United States ("U.S.") Securities and Exchange Commission ("SEC"). The SEC maintains a website that contains our reports, proxy and information statements, and our other SEC filings. The address of that site is www.sec.gov.

ITEM 1A. Risk Factors

You should carefully consider the risks described below with all of the other information included in this Annual Report on Form 10-K. Limited partner interests are inherently different from the capital stock of a corporation, although many of the business risks to which we are subject are similar to those that would be faced by a corporation engaged in a similar business. If any of the following risks actually occur, they may materially harm our business, results of operations and distributable cash flow, as well as adversely affect the value of an investment in our common units.

Risks Related to Our Business

We may not generate sufficient distributable cash flow to support the payment of the minimum quarterly distribution to our unitholders.

In order to support the payment of the minimum quarterly distribution of \$0.2875 per unit per quarter, or \$1.15 per unit on an annualized basis, we must generate distributable cash flow of approximately \$7.3 million per quarter, or approximately \$29.1 million per year, based on the number of common units outstanding as of December 31, 2018. We may not generate sufficient distributable cash flow each quarter to support the payment of the minimum quarterly distribution. The amount of cash we can distribute on our units principally depends upon the amount of cash we generate from our tenant leases, which may fluctuate from quarter to quarter based on, among other things:

- any cancellations under our tenant leases, which are typically cancelable with 30 to 180 days' prior written notice;
- our lease renewal rate and the turnover rate in our tenant base;
- our ability to identify and secure suitable tenants for sites that may become available for lease;
- the amount and timing of rental payments under our tenant leases, including leases where rent is not paid monthly (such as leases where rent is paid annually);
- our ability to maintain or increase rents on our tenant leases;
- damage to our real property interests and/or our tenants' assets caused by hurricanes, earthquakes, floods, fires, severe weather, explosions and other natural disasters and acts of terrorism; and
- prevailing economic and market conditions in the wireless communication, outdoor advertising and renewable power generation industries, as well as in the broader economy.

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In addition, the actual amount of distributable cash flow we generate will also depend on other factors, some of which are beyond our control, including:

- the amount of our operating expenses and general and administrative expenses, including reimbursements to Landmark, some of which are not subject to any caps or other limits, in respect of those expenses;
- the level of capital expenditures we make;
- the cost of acquisitions, if any;
- our debt service requirements and other liabilities;
- changes in interest rates;
- fluctuations in our working capital needs;
- our ability to borrow funds and access capital markets;
- restrictions contained in our revolving credit facility and other debt service requirements;
- the amount of cash reserves established by our general partner; and
- other business risks affecting our cash levels.

The amount of cash we will have available for distribution to unitholders depends primarily on our cash flow rather than on our profitability, which may prevent us from making distributions, even during periods in which we record net income.

The amount of cash we have available for distribution depends primarily on our cash flow and not solely on profitability, which will be affected by non-cash items. As a result, we may make cash distributions during periods when we record losses for financial accounting purposes and may not make cash distributions during periods when we record net earnings for financial accounting purposes.

Our growth strategy requires access to new capital; unfavorable capital markets could impair our ability to grow.

We continuously consider and enter into discussions regarding potential acquisitions or growth capital expenditures. Any limitations on our access to new capital will impair our ability to execute this strategy. If the cost of capital becomes too expensive, our ability to develop or acquire strategic and accretive assets will be limited. We may not be able to raise the necessary funds on satisfactory terms, if at all. The primary factors that influence our cost of equity include market conditions, including our then current unit price, fees we pay to underwriters and other offering costs, which include amounts we pay for legal and accounting services. Weak economic conditions and volatility and disruption in the financial markets could increase the cost of raising money in the debt and equity capital markets substantially while diminishing the availability of funds from those markets.

If we are unable to make accretive acquisitions of real property interests or deploy accretive development infrastructure, our growth could be limited.

We are experiencing increased competition for the types of real property interests we contemplate acquiring and developing. Weak economic conditions and competition for such acquisitions or developments could limit our ability to fully execute our growth strategy. Additionally, Landmark is not restricted from competing with us and has no obligation or duty to present us with acquisition opportunities. It may acquire and sell future real property interests to funds that it may sponsor in the future or other third parties. Please read “Conflicts of Interest.”

If we are unable to make accretive acquisitions from Landmark or third-parties, because, among other reasons, (i) Landmark does not offer other acquisition opportunities to us, (ii) we are unable to identify attractive third-party acquisition opportunities, (iv) we are unable to negotiate acceptable purchase contracts with Landmark or third parties, (v) we are unable to deploy accretive infrastructure developments, (vi) we are unable to obtain financing for these acquisitions on economically acceptable terms, (vii) we are outbid by competitors or (viii) we are unable to obtain necessary governmental or third-party consents, then our future growth and ability to increase distributions will be limited. Furthermore, even if we do make acquisitions and infrastructure developments that we believe will be accretive, these acquisitions and infrastructure developments may nevertheless result in a decrease in the cash generated from operations on a per unit basis. Any acquisition or infrastructure development involves potential risk, including, among other things:

- mistaken assumptions about revenue and costs, including potential growth;
- an inability to secure adequate tenant commitments to lease the acquired properties;
- an inability to integrate successfully the assets we acquire;

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- the assumption of unknown liabilities for which we are not indemnified or for which our indemnity is inadequate;
- the diversion of management's and employees' attention from other business concerns; and
- unforeseen difficulties of operating in new geographic areas or industries.

We are dependent on Landmark for acquisitions and our ability to expand may be limited if Landmark's business does not grow as expected.

A major component of our growth strategy is dependent on acquisitions from Landmark and its affiliates and third parties. We do not have any employees and will rely on Landmark to offer us acquisition opportunities and to provide acquisition services including identifying, underwriting and closing on acquisitions from third parties. If Landmark is unsuccessful in completing acquisitions for us, our growth will be limited.

Furthermore, our growth strategy depends on the growth of Landmark's business. If Landmark focuses on other growth areas or does not or cannot make acquisitions of real property interests in our target industries, we may not be able to fully execute our growth strategy.

We have limited experience acquiring real property interests associated with assets in the renewable power generation industry and other fragmented industries and international real property interests.

Although we believe we will be able to effectively expand into new markets (in particular the renewable power generation industry), our experience in acquiring real property interests in the renewable power generation industry and other fragmented industries, as well as real property interests internationally, is limited. As a result, we may encounter unforeseen difficulties in our efforts to identify essential assets, assess and underwrite the risk levels associated with such assets, negotiate favorable terms with property owners, negotiate favorable terms with operators of these assets, and comply with applicable laws and regulations.

If we are unable to correctly predict rental rates, cancellation rates, demand, consolidation trends and growth trends in these industries, a material adverse impact on our results of operations and distributable cash flow could result. If we are unable to effectively expand internationally or into the renewable power generation industry and other fragmented industries, our growth rate may be adversely impacted.

Renewable power generation, including wind and solar power generation, is still in the early stages of its formation, and as such, widespread use of wind and solar generation assets may not develop. Weak growth in the renewable power generation industry could hamper our growth prospects.

Renewable power generation is only beginning to be implemented in the United States and, as such, renewable power sources such as wind turbines and solar arrays are not widespread. Part of our growth strategy is to continue to acquire real property interests in this industry, and a failure of the renewable power generation industry to grow quickly enough in the United States could negatively impact our future growth and negatively impact our future revenue.

We have limited experience developing real property interests associated with assets in the wireless communication and outdoor advertising industry.

Although we believe we will be able to effectively expand into new infrastructure developments, our experience in infrastructure developments within the wireless communication and outdoor advertising industries is limited. As a result, we may encounter unforeseen difficulties in our efforts to develop essential assets, assess and underwrite the risk levels associated with such assets, and comply with applicable laws and regulations.

If we are unable to correctly predict infrastructure development costs, rental rates, cancellation rates, demand, consolidation trends and growth trends in these industries, a material adverse impact on our results of operations and distributable cash flow could result. If we are unable to effectively deploy infrastructure developments, our growth rate may be adversely impacted.

Increases in interest rates could adversely impact the price of our common units, our ability to issue equity or incur debt for acquisitions or other purposes and our ability to make cash distributions at our intended levels.

Interest rates on future credit facilities and debt offerings could be higher than current levels, causing our financing costs to increase accordingly. As with other yield-oriented securities, our unit price will be impacted by our level of our cash distributions and our implied distribution yield. The distribution yield is often used by investors to compare and rank yield-oriented securities for investment decision-making purposes. As a result, changes in interest rates, either positive or negative, may affect the yield requirements of investors who invest in our units, and a rising interest rate environment could have an adverse impact on the price of our common units, our ability to issue equity or incur debt for acquisitions or other purposes and our ability to make cash distributions at our intended levels.

Our debt service payments will reduce our net income. Moreover, we may not be able to meet our debt service obligations and, to the extent that we cannot, we risk the loss of some or all of our assets to foreclosure or sale to satisfy our debt obligations.

We may not be able to access financing sources on favorable terms, or at all, which could adversely affect our ability to execute our business plan.

We intend to finance all or a portion of our acquisitions of real property interests through the issuance of debt, credit facility borrowings and a variety of other means. Our ability to access sources of financing will depend on various conditions in the markets for financing in this manner which are beyond our control, including lack of liquidity and greater credit spreads, prevailing interest rates and other factors. We cannot assure prospective investors that any sources of debt financing markets will become or remain an efficient and cost-effective source of long-term financing for our assets. If our current debt financing strategy is not viable, we will have to find alternative forms of financing for our acquisitions. This could require us to incur costlier financing which could result in a material adverse effect on our results of operations and distributable cash flow.

Our hedging strategy may be ineffective in reducing the impact of interest rate volatility on our cash flows, which could result in financial losses and adversely impact our distributable cash flow.

To achieve more predictable cash flow and to reduce our exposure to fluctuations in prevailing market interest rates, 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. To the extent that these derivative instruments are ineffective, fluctuations in market interest rates could result in financial losses and adversely impact our distributable cash flow.

If we are unable to borrow at favorable rates, we may not be able to acquire and develop new real property interests, which could reduce our income and our ability to make cash distributions to our unitholders.

If we are unable to borrow money at favorable rates, we may be unable to acquire and develop additional real property interests or refinance loans at maturity. Further, we will amend and restate the secured debt facilities as a new secured revolving credit facility and may enter into other credit arrangements that require us to pay interest on amounts we borrow at variable or “adjustable” rates. Increases in interest rates increase our interest costs. If interest rates are higher when we refinance our loans, our expenses will increase and we may not be able to pass on this added cost in the form of increased rents, thereby reducing our cash flow and the amount available for distribution to you. Further, during periods of rising interest rates, we may be forced to sell one or more of our real property interests in order to repay existing loans, which may not permit us to maximize the return on the particular real property interests being sold.

Landmark’s level of indebtedness, the terms of its borrowings and any future credit ratings could adversely affect our ability to grow our business, our ability to make cash distributions to our unitholders, and our ability to obtain debt financing.

If the level of Landmark’s indebtedness increases significantly in the future, it would increase the risk that Landmark may default on its obligations to us under our omnibus agreement, including its agreement to cap the amount of our reimbursement for general and administrative expenses. The terms of Landmark’s indebtedness may limit its ability to borrow additional funds and may impact our operations in a similar manner. If Landmark were to default under its debt obligations, Landmark’s creditors could attempt to assert claims against our assets during the litigation of their claims against Landmark. The defense of any such claims could be costly and could materially impact our financial condition, absent any adverse determination. If these claims were successful, our ability to meet our obligations to our creditors, make distributions, and finance our operations could be materially adversely affected.

The industries in which our tenants and their sub-lessees operate could experience further consolidation, which may put one or more of our tenants or our tenants’ sub-lessees at risk of going out of business or significantly changing its operations.

Existing and potential tenants may enter into joint ventures, mergers, acquisitions or other cooperative agreements with other of our tenants. Such industry consolidation can potentially reduce the diversity of our tenant base and give tenants greater leverage over us, as their landlord, due to overlapping coverage, ability to increase co-location on nearby existing sites and through aggressive lease negotiations on multiple sites. Such actions have the potential to reduce our revenue in the future. 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. 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. In April 2018, T-Mobile and Sprint announced a proposed merger. The loss of any one of our large customers as a result of joint ventures, mergers, acquisitions or other cooperative agreements may result in (1) a material decrease in our revenue, (2) an impairment of the value of our real property interests, or (3) other adverse effects to our business. In addition, certain combined companies have undergone or are currently undergoing a modernization of their networks, and these and other tenants and/or sub-lessees could determine not to renew leases with us (or our tenants) as a result. Our future results may be negatively impacted if a significant number of these leases are terminated, and our ongoing contractual revenue would be reduced as a result.

In addition, certain of our real property interests are rooftop wireless communication sites. Unlike a cellular tower, which will often accommodate multiple tenants through co-location, rooftop wireless communication sites are often rented to only one tenant. A cancellation by a tenant of its lease on a rooftop wireless site will therefore have a much greater effect on that real property interest than a cancellation by one tenant (of several co-located tenants) of its lease on a cellular tower.

Our business depends significantly on the demand for wireless communication and related wireless infrastructure, and we may be adversely affected by any slowdown in such demand. Additionally, a reduction in wireless carrier network investment may materially and adversely affect our business (including reducing demand for new tenant additions or network services).

We derive a significant amount of our revenue from our real property interests associated with wireless communication and related wireless infrastructure. This infrastructure ultimately depends on the demand for wireless voice and data services by consumers. The willingness of consumers to utilize the existing wireless infrastructure, and the willingness of our tenants to renew or extend existing leases, is affected by numerous factors, including:

- a decrease in consumer demand for wireless services due to general economic conditions or other factors;
- the financial condition of wireless carriers and/or cellular tower operators;
- the ability and willingness of wireless carriers and/or cellular tower operators to maintain or increase capital expenditures on network infrastructure;
- the growth rate of the wireless communication industry or of a particular industry segment;
- mergers or consolidations among wireless carriers and/or cellular tower operators;
- increased use of network sharing, roaming or resale arrangements by wireless carriers;
- delays or changes in the deployment of next generation wireless technologies;
- zoning, environmental, health or other government regulations or changes in the application and enforcement thereof; and
- unforeseen technological changes.

A slowdown in demand for wireless communication or wireless infrastructure may negatively impact our growth or otherwise have a material adverse effect on our results of operations and distributable cash flow.

New technologies may significantly reduce demand for our wireless infrastructure or negatively impact our revenue.

Improvements in the efficiency of wireless networks could reduce the demand for our tenants' wireless infrastructure. For example, signal combining technologies that permit one antenna to service multiple frequencies and, thereby, multiple customers may reduce the need for our tenants' wireless infrastructure. In addition, other technologies, such as Wi-Fi, femtocells, other small cells, or satellite (such as low earth orbiting) and mesh transmission systems may, in the future, serve as substitutes for, or alternatives to, leasing that might otherwise be anticipated on wireless infrastructure had such technologies not existed. Any significant reduction in wireless infrastructure leasing demand resulting from the previously mentioned technologies or other technologies may negatively impact our revenue or otherwise have a material adverse effect on us.

Our business depends significantly on the demand for outdoor advertising, and we may be adversely affected by any slowdown in such demand. Additionally, a change in advertising strategies and/or zoning regulations may materially and adversely affect our business (including reducing demand for outdoor advertising space).

We derive a significant amount of our revenue from our real property interests associated with the outdoor advertising industry. The value of these real property interests ultimately depends on the demand for outdoor advertising space and the market rates for advertising. The willingness of advertisers to utilize and willingness of billboard owners to upgrade existing bulletin boards, and the willingness of our tenants to renew or extend existing leases, is affected by numerous factors, including:

- a decrease in advertisers' budgets due to general economic conditions or other factors;
- the financial condition of outdoor advertising companies and/or their customers;
- the ability and willingness of outdoor advertising companies to maintain or increase capital expenditures on upgrading bulletin billboards to digital billboards;
- mergers or consolidations among outdoor advertising companies;
- zoning, environmental, health or other government regulations or changes in the application and enforcement thereof; and
- unforeseen technological changes.

A slowdown in demand for outdoor advertising may negatively impact our growth or otherwise have a material adverse effect on our results of operations and distributable cash flow.

Due to the long-term expectations of revenue from tenant leases, our results are sensitive to the creditworthiness and financial strength of our tenants and their sub-lessees.

Due to the long-term nature of our tenant leases and their sub-leases, our performance is dependent on the continued financial strength of our tenants and their sub-lessees, many of whom operate with substantial leverage. Many tenants and potential tenants rely on capital raising activities to fund their operations and capital expenditures, and downturns in the economy or disruptions in the financial and credit markets may make it more difficult and more expensive to raise capital. If our tenants or sub-lessees (or potential tenants or sub-lessees) are unable to raise adequate capital to fund their business plans, they may reduce their spending, which could materially and adversely affect demand for our sites and equipment upgrades. If, as a result of a prolonged economic downturn or otherwise, one or more of our tenants experienced financial difficulties or filed for bankruptcy, it could result in uncollectible accounts receivable and an impairment of our deferred rent asset. In addition, it could result in the loss of significant customers and all or a portion of our anticipated lease revenue from certain tenants, all of which could have a material adverse effect on our business, results of operations and cash flows.

A tenant bankruptcy or insolvency could result in the termination of such tenant's lease, which could reduce revenue.

Upon the bankruptcy of a tenant, typically the tenant would have the right to assume or reject the tenant's lease at its option and we would not be permitted to terminate the tenant's lease solely on the basis of such bankruptcy. The tenant will have until 120 days after the filing of bankruptcy to make a decision on assumption or rejection, subject to further extension of such time period by the bankruptcy court. In addition, contractual restrictions on the assignment of an unexpired lease of a bankrupt tenant are typically not enforceable. If a bankrupt tenant rejects a tenant lease, applicable provisions of the Bankruptcy Code will limit our claim for damages to the greater of any unpaid rent due under the lease on the earlier of (i) the date of filing of the bankruptcy case, or (ii) the date on which the leased property was repossessed or surrendered, plus (a) the "rent reserved" by the rejected lease for one year, or (b) for 15% of the remainder of the lease, not to exceed three years from the commencement of the case or the surrender of the property plus unpaid rent accrued prior to such date. These limitations could substantially reduce the claim we would be entitled to assert against the bankrupt tenant in the event the lease is rejected. Furthermore, even this limited claim for rent may not be fully paid in a bankruptcy proceeding, as such claim would share pro rata in recovery with all other general unsecured claims. Such provisions would result in a loss of significant anticipated lease revenue to us and adversely affect our revenue.

The bankruptcy or insolvency of an underlying property owner could result in the termination of our easement, lease assignment, or other real property interest.

Upon the bankruptcy of an underlying property owner, typically the property owner would have the right to assume or reject, at its option, any executory contracts. If a judge in a bankruptcy proceeding were to find that our real property interests are executory contracts, the underlying property owner would have the right to assume or reject such contracts in accordance with the bankruptcy rules. If a bankruptcy court finds that our real property interests are executory contracts and the underlying property owner rejects our contract, our remedies and claims for damages may be limited under bankruptcy law. Such events could have a material adverse impact on our business, results of operations and distributable cash flows.

Substantially all of our tenant leases may be terminated upon 30 to 180 days' notice by our tenants, and unexpected lease cancellations could materially impact our cash flow from operations.

Most of our tenant leases permit our tenants to cancel the lease at any time with prior written notice. The termination provisions vary from lease to lease, but substantially all of our tenant leases require only 30 to 180 days' advance notification. Cancellations are determined by the tenants themselves in their sole discretion. For instance, both wireless infrastructure and billboard sites are independently assessed by tenants for their ability to provide coverage and/or visibility. This assessment is made prior to construction or installation of the asset and there is no guarantee such coverage will remain static in the future due to independent developments, technological developments, foliage growth or other physical changes in the landscape that are unforeseeable and out of our control. Such results could lead to site removal or relocation to a more suitable location, leading to a reduction in our revenue. Any cancellations will adversely affect our revenue and cash flow, and a significant number of cancellations could materially impact our ability to pay distributions to our unitholders.

Our tenants may be exposed to force majeure events and other unforeseen events for which tenant insurance may not provide adequate coverage. Additionally, local restrictions may prevent or inhibit re-building efforts, particularly with outdoor advertising.

The sites underlying our real property interests are subject to risks associated with natural disasters, such as ice and wind storms, fires, tornadoes, floods, hurricanes and earthquakes, as well as other unforeseen damage. Should such a disaster cause damage to one of our tenant's sites, certain of our tenant leases allow the tenant to either terminate the lease or withhold rent payments until the site is restored to its original condition. While our tenants generally maintain insurance coverage for natural disasters, they may not have adequate insurance to cover the associated costs of repair or reconstruction for a future major event. Further, in the event of any damage to our tenants' assets, federal, state and local regulations may restrict the ability to repair or rebuild damaged assets – especially billboards or other signs, which are subject to significant regulations. If our tenants are unwilling or unable to repair or rebuild due to damage, we may experience losses in revenue due to terminated tenant leases and/or lease payments that are withheld pursuant to the terms of the tenant lease while the site is repaired.

Our tenants may experience equipment failure, which could lead to the termination of our tenant leases.

Our tenants' assets are subject to a risk of equipment failure due to wear and tear, latent defect, design error or operator error, or early obsolescence. Additionally, substantially all of our tenant leases allow our tenants to terminate the lease upon 30 to 180 days' notice. If our tenants choose to terminate their leases with us following an equipment failure, it could have a material adverse effect on our assets, liabilities, results of operations and cash flows.

In the event infrastructure assets associated with certain of our real property interests are removed, replacement costs and governmental regulations may delay, restrict, prohibit, or substantially raise the cost of the installation of a similar infrastructure asset.

Upon the expiration or termination of a tenant's lease, most of our tenants have the right to remove their infrastructure assets associated with our real property interests, which are frequently subject to federal, state and local regulations, such as restrictive zoning. In the event that a tenant exercises its right or fulfills its obligation (as applicable) to remove its equipment, we would be unable to prevent such removal. There could be delays or significant costs associated with replacing the equipment and re-leasing that property, or replacement may be legally impossible. For example, if a legal nonconforming ("grandfathered") billboard is removed, zoning regulations do not allow a replacement billboard to be constructed. Such events could have a material adverse impact on our business, results of operations and distributable cash flows.

Our tenants, as well as their sub-lessees, are subject to governmental regulations, which may restrict their ability to operate.

Our tenants, as well as their sub-lessees, may be subject to numerous federal, state and local regulations. For example, the outdoor advertising industry is subject to numerous restrictions, which has made it increasingly difficult to develop new outdoor advertising structures and sites. Changes in laws and regulations affecting outdoor advertising at any level of government, or increases in the enforcement of regulations could lead to the removal or modification of outdoor advertising structures and sites.

If our tenants are unable to obtain acceptable arrangements or compensation in circumstances in which their advertising structures and sites are subject to removal or modification, it could have an adverse effect on our tenants', and in turn our own, business, results of operations and cash flow. In addition, governmental regulation of advertising displays could limit our tenants' installation of new advertising displays, restrict advertising displays to governmentally controlled sites or permit the installation of advertising displays in a manner that benefits our tenants' competitors disproportionately, any of which could have an adverse effect on our tenants', and in turn our own, business, results of operations and cash flow.

Our other tenants, including those in the cellular tower and renewable power generation industries, are also subject to significant governmental regulations, which may impede or hamper their business operations or ability to grow. As legal requirements frequently change and are subject to interpretation and discretion, we may be unable to predict the ultimate cost of compliance with these requirements or their effect on our operations. Any new law, rule or regulation could require additional expenditure to achieve or maintain compliance or could adversely impact our tenants' ability to generate and deliver energy.

Additionally, some of our tenants or their sub-lessees are required to maintain licenses, permits and governmental approvals for operation. Some of the licenses, permits and governmental approvals necessary to our tenants' operations may contain conditions and restrictions, or may have limited terms. If our tenants or their sub-lessees fail to satisfy the conditions or comply with the restrictions imposed by such licenses, permits and governmental approvals, or the restrictions imposed by any statutory or regulatory requirements, they may become subject to regulatory enforcement action and the operation of their assets could be adversely affected or be subject to fines, penalties or additional costs or revocation of regulatory approvals, permits or licenses. If this were to happen, the ability of these tenants or their sub-lessees to continue to operate under our tenant leases may be jeopardized, which could adversely affect our revenue and cash flow.

A substantial portion of our revenue is derived from a small number of customers, and the loss, consolidation or financial instability of any of our limited number of customers may materially decrease revenue or reduce demand for our wireless infrastructure and network services.

For the year ended December 31, 2018, approximately 55% of our combined revenue was derived from Clear Channel Outdoor, T-Mobile, AT&T Mobility, Sprint, Crown Castle and Verizon (or their affiliates), which represented 12%, 10%, 9%, 8%, 8% and 8%, respectively, of our combined revenue. 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. We cannot guarantee that contracts with our major customers will not be terminated or that these customers will renew their contracts with us. Additionally, our tenant leases with affiliates and subsidiaries of large, nationally-recognized companies may not provide for full recourse to the larger, more creditworthy parent entities affiliated with our lessees. In addition to our four largest customers in the U.S., we also derive a portion of our revenue and anticipated future growth from customers offering or contemplating offering emerging wireless services; such customers are smaller and have less financial resources than our Tier 1 tenants, have business models which may not be successful, or may require additional capital. Please read Note 18 to the Notes to the Consolidated and Combined Financial Statements included elsewhere in this annual report.

Our real property interests currently have significant concentration in a small number of top Basic Trading Areas (“BTAs”).

Real property interests in the top 10 BTAs currently account for approximately 49% of our quarterly rental revenue. The New York BTA and the Los Angeles BTA are our top BTAs and accounted for 15% and 13% of our quarterly rental revenue for the three months ended December 31, 2018, respectively. No other single BTA accounted for more than 10% of our quarterly rental revenue for the three months ended December 31, 2018. We are susceptible to adverse developments in the economy, weather conditions, competition, consumer preferences, demographics, or other factors in these major metropolitan areas. Due to our susceptibility to such adverse developments, there can be no assurance that the current geographic concentration of our business will not have a material adverse effect on our results of operations and distributable cash flow.

If our tenant leases are not renewed with similar terms, rental rates or at all, our future revenue may be materially affected.

Approximately 19% of our tenant leases will be subject to extension over the next 12 months. Our tenants are under no obligation to extend their tenant leases. In addition, there is no assurance that current tenants will renew their current leases with similar terms or rental rates, or even at all. The extension, renewal, or replacement of existing leases depends on a number of factors beyond our control, including the level of existing and new competition in our markets, the macroeconomic factors affecting lease economics for our current and potential customers, the balance of supply and demand, on a short-term, seasonal and long-term basis, in our markets, the extent to which customers in our markets are willing to contract on a long-term basis, and the effects of federal, state or local regulations on the contracting practices of our customers.

Unsuccessful negotiations could potentially reduce revenue generated from the assets and could have a material adverse effect on our results of operations and distributable cash flow.

We may enter into additional credit agreements or mortgage, pledge, hypothecate or grant a security interest in all or substantially all of our assets without prior approval of our unitholders.

We may mortgage, pledge, hypothecate or grant a security interest in all or substantially all of our assets without prior approval of our unitholders. For example, our revolving credit facility is secured by substantially all of our assets. If we were to decide at any time to incur debt and secure our obligations or indebtedness by all or substantially all of our assets, and if we were unable to satisfy such obligations or repay such indebtedness, the lenders could seek to foreclose on our assets. The lenders could also sell all or substantially all of our assets under such foreclosure or other realization upon those encumbrances without prior approval of our unitholders, which would adversely affect the price of our common units. In addition, we may enter into additional credit agreement of other debt arrangements in the future that may be secured by all or substantially all of our assets.

Restrictions in our revolving credit facility could adversely affect our results of operations, distributable cash flow and the value of our units.

We will be dependent upon the earnings and cash flow generated by our operations in order to meet any debt service obligations and to allow us to make cash distributions to our unitholders. The operating and financial restrictions and covenants in our revolving credit facility and any future financing agreements could restrict our ability to finance our future operations or capital needs or to expand or pursue our business activities, which may, in turn, limit our ability to make cash distributions to our unitholders.

The provisions of our revolving credit facility may affect our ability to obtain future financing and pursue attractive business opportunities and our flexibility in planning for, and reacting to, changes in business conditions. In addition, a failure to comply with the provisions of our revolving credit facility could result in an event of default which would enable our lenders to declare the outstanding principal of that debt, together with accrued interest, to be immediately due and payable. If the payment of our debt is accelerated, defaults under our other debt instruments, if any, may be triggered, and our assets may be insufficient to repay such debt in full, and the holders of our units could experience a partial or total loss of their investment. Please read “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Liquidity and Capital Resources” for additional information about our revolving credit facility.

Certain of our real property interests are subordinated to senior debt such as mortgages, which, if we fail to obtain a non-disturbance agreement, could foreclose on our real property interests if the underlying property owner defaults on the mortgage.

While we make an effort to obtain non-disturbance agreements on the real property interests we acquire, sometimes we are unable to do so. Under certain circumstances and 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 may result, which would allow the creditors to foreclose on any of our real property interests associated with that site. Any such default or foreclosure could have a material adverse effect on our results of operations and distributable cash flow.

We expect to incur a significant amount of debt to finance our portfolio which may subject us to an increased risk of loss or adversely affect the return on our investments.

We expect to incur a significant amount of debt to finance our operations. We expect to finance our acquisitions through the issuance of debt, borrowing under credit facilities, and other arrangements. We anticipate that the leverage we employ will vary depending on our ability to sell our debt, obtain credit facilities, the loan-to-value and debt service coverage ratios of our assets, the yield on our assets, the targeted leveraged return we expect from our portfolio and our ability to meet ongoing covenants related to our asset mix and financial performance. Substantially all of our assets are currently pledged as collateral under our revolving credit facility. Our results of operations and distributable cash flow may be adversely affected to the extent that changes in market conditions cause the cost of our financing to increase. In addition to our revolving credit facility, we may enter into additional credit agreements or other debt arrangements in the future.

If we are unable to protect our rights to our real property interests, our business and operating results could be adversely affected.

Our real property interests consist primarily of rights under leases and long-term or perpetual easements. A loss of these interests at a particular site may interfere with our ability to generate revenue. For various reasons, we may not always have the ability to access, analyze and verify all information regarding zoning and other issues prior to completing an acquisition of real property interests, which can affect our rights to access and lease a site. Our inability to protect our rights to our real property interests may have a material adverse effect on our results of operations and distributable cash flow.

The value of our real property interests are affected by a number of factors, including changes in the general economic climate, local conditions (such as an oversupply of, or a reduction in demand for, our real property interest), competition based on rental rates, attractiveness and location of the properties, physical condition of the properties, financial condition of buyers and sellers of properties, and changes in operating costs. If our real property interests do not generate sufficient revenue to meet their operating expenses, including debt service, our cash flow and ability to pay distributions to unitholders will be adversely affected. Real estate values are also affected by such factors as government regulations, interest rate levels, the availability of financing, participation by other investors in the financial markets and potential liability under changing laws. Under eminent domain laws, governments can take real property without the owner’s consent, sometimes for less compensation than the owner believes the property is worth. In addition, the breach of our easement or lease assignment by an underlying property owner or a tenant could interfere with our operations. Any of these factors could have an adverse impact on our business, financial condition, results of operations or distributable cash flow.

We may be subject to unanticipated liabilities as a result of our real property interests.

We own real property interests and are parties to contracts with unrelated parties such as tenants. We may be involved in disputes and other matters with property owners, tenants, their respective employees and agents, and other unrelated parties, such as tort claims related to hazardous conditions, foreclosure actions and access disputes. We cannot assure you that we will not become subject to material litigation or other liabilities. If these liabilities are not adequately covered by insurance, they could have a material adverse impact on our results of operations and distributable cash flow.

Our real property interests generally do not make us contractually responsible for the payment of real property taxes. If the responsible party fails to pay real property taxes, the resulting tax lien could put our real property interest in jeopardy.

Substantially all of our real property interests are subject to triple net or effectively triple net lease arrangements under which we are not responsible for paying real property taxes. If the property owner or tenant fails to pay real property taxes, any lien resulting from such unpaid taxes would be senior to our real property interest in the applicable site. Failure to pay such real property taxes 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.

Our tenant leases generally make our tenants contractually responsible for payment of taxes, maintenance, insurance and other similar expenditures associated with our tenants' infrastructure assets. If our tenants fail to pay these expenses as required, it could result in a material adverse impact on our results of operations and distributable cash flow.

As part of our triple net and effectively triple net lease arrangements, our tenant lease agreements typically make our tenants contractually responsible for payment of taxes, maintenance, insurance and other similar expenditures associated with our tenants' infrastructure assets. If our tenants fail to pay these expenses as required, it could result in a diminution in the value of the infrastructure asset associated with our real property interest and have a material adverse impact on our results of operations and distributable cash flow.

If radio frequency emissions from wireless handsets or equipment on wireless infrastructure are demonstrated to cause negative health effects, potential future claims could adversely affect our tenants' operations, costs or revenue.

The potential connection between radio frequency emissions and certain negative health effects, including some forms of cancer, has been the subject of substantial study by the scientific community in recent years, and numerous health-related lawsuits have been filed against wireless carriers and wireless device manufacturers. We cannot guarantee that claims relating to radio frequency emissions will not arise in the future or that the results of such studies will not be adverse to us or our tenants.

Public perception of possible health risks associated with wireless communication may slow or diminish the growth of wireless carriers, which may in turn impact our revenue. In particular, negative public perception of, and regulations regarding, these perceived health risks may slow or diminish the market acceptance of wireless communication services and increase opposition to the development and expansion of wireless antenna sites. If a scientific study or court decision resulted in a finding that radio frequency emissions posed health risks to consumers, it could negatively impact the market for wireless services, as well as our wireless carrier tenants, which could materially and adversely affect our business, results of operations and distributable cash flow.

If we fail to develop or maintain an effective system of internal controls, we may not be able to report our financial results accurately or prevent fraud, which would likely have a negative impact on the market price of our common units.

We prepare our financial statements in accordance with accounting principles generally accepted in the United States of America ("GAAP"), but our internal accounting controls may not currently meet all standards applicable to companies with publicly traded securities. Effective internal controls are necessary for us to provide reliable financial reports, prevent fraud and to operate successfully as a publicly traded partnership. Our efforts to develop and maintain our internal controls may not be successful, and we may be unable to maintain effective controls over our financial processes and reporting in the future or to comply with our obligations under Section 404 of the Sarbanes-Oxley Act of 2002, which we refer to as Section 404. For example, Section 404 will require us, among other things to annually review and report on, and our independent registered public accounting firm to attest to, the effectiveness of our internal controls over financial reporting. Any failure to develop, implement or maintain effective internal controls or to improve our internal controls could harm our operating results or cause us to fail to meet our reporting obligations. Given the difficulties inherent in the design and operation of internal controls over financial reporting, we can provide no assurance as to our, or our independent registered public accounting firm's, conclusions about the effectiveness of our internal controls, and we may incur significant costs in our efforts to comply with Section 404. Ineffective internal controls will subject us to regulatory scrutiny and a loss of confidence in our reported financial information, which could have an adverse effect on our business and would likely have a negative effect on the trading price of our common units.

For as long as we are an emerging growth company, we will not be required to comply with certain disclosure requirements that apply to other public companies.

In April 2012, President Obama signed into law the Jumpstart Our Business Startups Act, or "JOBS Act." For as long as we remain an "emerging growth company" as defined in the JOBS Act, we may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies, including not being required to provide an auditor's attestation report on management's assessment of the effectiveness of our system of internal controls over financial reporting pursuant to Section 404 of the Sarbanes-Oxley Act and remain an emerging growth company for up to five years, although we will lose that status sooner if we have more than \$1.0 billion of revenue in a fiscal year, have more than \$700.0 million in market value of our limited partner interests held by non-affiliates, or issue more than \$1.0 billion of non-convertible debt over a three-year period.

In addition, the JOBS Act provides that an emerging growth company can delay adopting new or revised accounting standards until such time as those standards apply to private companies. We have irrevocably elected to “opt out” of this exemption and, therefore, are subject to the same new or revised accounting standards as other public companies that are not emerging growth companies.

To the extent that we rely on any of the exemptions available to emerging growth companies, you will receive less information about our executive compensation and internal control over financial reporting than issuers that are not emerging growth companies. If some investors find our common units to be less attractive as a result, there may be a less active trading market for our common units and our trading price may be more volatile.

We may incur asset impairment charges, which could result in a significant reduction to our earnings.

We review our assets annually to determine if any are impaired, or more frequently in the event of circumstances indicating potential impairment. These circumstances could include a decline in our actual or expected future cash flow or income, a significant adverse change in the business climate, a decline in market capitalization, or slower growth rates in our industry, among others. If we determine that an asset is impaired, we may be required to record a non-cash impairment charge which would reduce our earnings and negatively impact our results of operations.

Terrorist or cyber-attacks and threats, or escalation of military activity in response to these attacks, could have a material adverse effect.

Terrorist attacks and threats, cyber-attacks, or escalation of military activity in response to these attacks, may have significant effects on general economic conditions, fluctuations in consumer confidence and spending and market liquidity, each of which could materially and adversely affect our business. Strategic targets, such as communication-related assets and power generation assets, may be at greater risk of future terrorist or cyber-attacks than other targets in the United States. We do not maintain specialized insurance for possible liability or loss resulting from a cyber-attack on our assets that may shut down all or part of our business. It is possible that any of these occurrences, or a combination of them, could have a material adverse effect on our results of operations and distributable cash flow.

While our agreements with our lessees, property owners and other surface owners generally include environmental representations, warranties, and indemnities to minimize the extent to which we may be financially responsible for liabilities arising under environmental laws, unforeseen liabilities under these laws could have a material adverse effect on our results of operations and distributable cash flow.

Laws and regulations governing the discharge of materials into the environment or otherwise relating to the protection of the environment are applicable to our business and operations, and also to the businesses and operations of our lessees, property owners and other surface owners or operators. Federal, state and local government agencies issue regulations that often require difficult and costly compliance measures that carry substantial administrative, civil and criminal penalties and that may result in injunctive obligations for non-compliance. These laws and regulations often require permits before operations commence, restrict the types, quantities and concentrations of various substances that can be released into the environment, require remediation of released substances, and limit or prohibit construction or operations on certain lands (e.g. wetlands). We do not conduct any operations on our properties, but we or our tenants may maintain small quantities of materials that, if released, would be subject to certain environmental laws. Similarly, our property owners, lessees and other surface interest owners may have liability or responsibility under these laws which could have an indirect impact on our business. These laws include but are not limited to the federal Resource Conservation and Recovery Act (“RCRA”), and comparable state statutes and regulations promulgated thereunder (which impose requirements on the generation, transportation, treatment, storage, disposal and cleanup of hazardous and non-hazardous wastes) and the Comprehensive Environmental Response, Compensation and Liability Act (“CERCLA”), and analogous state laws (which generally impose liability, without regard to fault or legality of the original conduct, on classes of persons who are considered to be responsible for the release of hazardous substances into the environment, including the current and former owners or operators of a site. It is not uncommon for neighboring property owners and other third-parties to file claims for personal injury and property damage allegedly caused by the hazardous substances released into the environment. Therefore, governmental agencies or third parties may seek to hold us, our lessees, property owners and other surface interest owners responsible under CERCLA and comparable state statutes for all or part of the costs to cleanup sites at which hazardous substances have been released. Our agreements with our lessees, counterparties and other surface owners generally include environmental representations, warranties, and indemnities to minimize the extent to which we may be financially responsible for liabilities arising under these laws.

Risks Inherent in an Investment in Us

Our general partner and its affiliates, including Landmark, have conflicts of interest with us and limited fiduciary duties to us and our unitholders, and they may favor their own interests to our detriment and that of our unitholders. Additionally, we have no control over the business decisions and operations of Landmark, and Landmark is under no obligation to adopt a business strategy that favors us.

As of December 31, 2018, Landmark and affiliates own a 13.5% limited partner interest in us and own and control our general partner through a non-economic interest in us. Although our general partner has a duty to manage us in a manner that is in the best interests of our partnership and our unitholders, the directors and officers of our general partner also have a duty to manage our general partner in a manner that is in the best interests of its owner, Landmark. Conflicts of interest may arise between Landmark and its affiliates, including our general partner, on the one hand, and us and our unitholders, on the other hand. In resolving these conflicts, the general partner may favor its own interests and the interests of its affiliates, including Landmark, over the interests of our common unitholders. These conflicts include, among others, the following situations:

- neither our partnership agreement nor any other agreement requires Landmark to pursue a business strategy that favors us or utilizes our assets, which could involve decisions by Landmark to pursue and grow particular markets, or undertake acquisition opportunities for itself;
- Landmark may be constrained by the terms of its debt instruments from taking actions, or refraining from taking actions, that may be in our best interests;
- our partnership agreement replaces the fiduciary duties that would otherwise be owed by our general partner with contractual standards governing its duties, limiting our general partner's liabilities and restricting the remedies available to our unitholders for actions that, without the limitations, might constitute breaches of fiduciary duty;
- except in limited circumstances, our general partner has the power and authority to conduct our business without unitholder approval;
- our general partner will determine the amount and timing of asset purchases and sales, borrowings, issuance of additional partnership securities and the creation, reduction or increase of cash reserves, each of which can affect our distributable cash flow;
- our general partner will determine the amount and timing of many of our cash expenditures and whether a cash expenditure is classified as an expansion capital expenditure, which would not reduce operating surplus, or a maintenance capital expenditure, which would reduce our operating surplus. This determination can affect the amount of available cash from operating surplus that is distributed to our unitholders and to our general partner and the amount of adjusted operating surplus generated in any given period;
- our general partner will determine which costs incurred by it are reimbursable by us;
- our general partner may cause us to borrow funds in order to permit the payment of cash distributions, even if the purpose or effect of the borrowing is to make incentive distributions;
- our partnership agreement permits us to classify up to \$10.0 million as operating surplus, even if it is generated from asset sales, non-working capital borrowings or other sources that would otherwise constitute capital surplus. This cash may be used to fund distributions to our general partner in respect of the incentive distribution rights;
- our partnership agreement does not restrict our general partner from causing us to pay it or its affiliates for any services rendered to us or entering into additional contractual arrangements with any of these entities on our behalf;
- our general partner intends to limit its liability regarding our contractual and other obligations;
- our general partner may exercise its right to call and purchase all of the common units not owned by it and its affiliates if it and its affiliates own more than 80% of the common units;
- our general partner controls the enforcement of obligations owed to us by our general partner and its affiliates, including our commercial agreements with Landmark;
- our general partner decides whether to retain separate counsel, accountants or others to perform services for us; and
- our general partner may elect to cause us to issue common units to it in connection with a resetting of the target distribution levels related to our general partner's incentive distribution rights without the approval of the conflicts committee of the board of directors of our general partner (which we refer to as our "conflicts committee"), or our unitholders. This election may result in lower distributions to our common unitholders in certain situations.

Under the terms of our partnership agreement, the doctrine of corporate opportunity, or any analogous doctrine, does not apply to our general partner or any of its affiliates, including Landmark, and their respective executive officers, directors and owners. Any such person or entity that becomes aware of a potential transaction, agreement, arrangement or other matter that may be an opportunity for us will not have any duty to communicate or offer such opportunity to us. Any such person or entity will not be liable to us or to any limited partner for breach of any fiduciary duty or other duty by reason of the fact that such person or entity pursues or acquires such opportunity for itself, directs such opportunity to another person or entity or does not communicate such opportunity or information to us. This may create actual and potential conflicts of interest between us and affiliates of our general partner and result in less than favorable treatment of us and our unitholders. Please read Item 13., “Certain Relationships and Related Transactions, and Director Independence – Agreements Governing the Transactions – Omnibus Agreement” and “Conflicts of Interest.”

Our general partner intends to limit its liability regarding our obligations.

Our general partner intends to limit its liability under contractual arrangements so that the counterparties to such arrangements have recourse only against our assets, and not against our general partner or its assets. Our general partner may therefore cause us to incur indebtedness or other obligations that are nonrecourse to our general partner. Our partnership agreement permits our general partner to limit its liability, even if we could have obtained more favorable terms without the limitation on liability. In addition, we are obligated to reimburse or indemnify our general partner to the extent that it incurs obligations on our behalf. Any such reimbursement or indemnification payments would reduce the amount of cash otherwise available for distribution to our unitholders.

Our management has limited experience in managing a U.S. publicly traded partnership or REIT.

Our executive management team and internal accounting staff have limited experience in managing our business and reporting as a U.S. publicly traded partnership or REIT. As a result, we may not be able to anticipate or respond to material changes or other events in our business as effectively as if our executive management team and accounting staff had such experience. Furthermore, growth projects may place significant strain on our management resources, thereby limiting our ability to execute our day-to-day business activities.

Our partnership agreement requires that we distribute all of our available cash, which could limit our ability to grow and make acquisitions.

Our partnership agreement requires that we distribute all of our available cash to our unitholders. As a result, we expect to rely primarily upon external financing sources, including commercial bank borrowings and the issuance of debt and equity securities, to fund our acquisitions and expansion capital expenditures. Therefore, to the extent we are unable to finance our growth externally, our cash distribution policy will significantly impair our ability to grow. In addition, because we will distribute all of our available cash, our growth may not be as fast as that of businesses that reinvest their available cash to expand ongoing operations. To the extent we issue additional units in connection with any acquisitions or expansion capital expenditures, the payment of distributions on those additional units may increase the risk that we will be unable to maintain or increase our per unit distribution level. There are no limitations in our partnership agreement on our ability to issue additional units, including units ranking senior to our common units as to distributions or in liquidation or that have special voting rights and other rights, and our unitholders will have no preemptive or other rights (solely as a result of their status as unitholders) to purchase any such additional units. The incurrence of additional commercial borrowings or other debt to finance our growth strategy would result in increased interest expense, which, in turn, may reduce the amount of cash that we have available to distribute to our unitholders.

Our partnership agreement replaces our general partner’s fiduciary duties to holders of our common units with contractual standards governing its duties.

Delaware law provides that Delaware limited partnerships may, in their partnership agreements, expand, restrict or eliminate the fiduciary duties otherwise owed by the general partner to limited partners and the partnership, provided that partnership agreements may not eliminate the implied contractual covenant of good faith and fair dealing. This implied covenant is a judicial doctrine utilized by Delaware courts in connection with interpreting ambiguities in partnership agreements and other contracts and does not form the basis of any separate or independent fiduciary duty in addition to the express contractual duties set forth in our partnership agreement. Under the implied contractual covenant of good faith and fair dealing, a court will enforce the reasonable expectations of the parties where the language in the partnership agreement does not provide for a clear course of action.

As permitted by Delaware law, our partnership agreement contains provisions that eliminate the fiduciary standards to which our general partner would otherwise be held by state fiduciary duty law and replaces those duties with several different contractual standards. For example, our partnership agreement permits our general partner to make a number of decisions in its individual capacity, as opposed to in its capacity as our general partner, free of any duties to us and our unitholders. This provision entitles our general partner to consider only the interests and factors that it desires and relieves it of any duty or obligation to give any consideration to any interest of, or factors affecting, us, our affiliates or our limited partners. By purchasing a common unit, a unitholder is treated as having consented to the provisions in our partnership agreement, including the provisions discussed above. Please read “Conflicts of Interest” and “Duties of the General Partner.”

Our partnership agreement restricts the remedies available to holders of our common units for actions taken by our general partner that might otherwise constitute breaches of fiduciary duty.

Our partnership agreement contains provisions that restrict the remedies available to unitholders for actions taken by our general partner that might otherwise constitute breaches of fiduciary duty under state fiduciary duty law. For example, our partnership agreement:

- provides that whenever our general partner makes a determination or takes, or declines to take, any other action in its capacity as our general partner, our general partner is required to make such determination, or take or decline to take such other action, in good faith, meaning that it subjectively believed that the determination or the decision to take or decline to take such action was in the best interests of our partnership, and will not be subject to any other or different standard imposed by our partnership agreement, Delaware law, or any other law, rule or regulation, or at equity;
- provides that our general partner will not have any liability to us or our unitholders for decisions made in its capacity as a general partner so long as it acted in good faith;
- provides that our general partner and its officers and directors will not be liable for monetary damages to us or our limited partners resulting from any act or omission unless there has been a final and non-appealable judgment entered by a court of competent jurisdiction determining that our general partner or its officers and directors, as the case may be, acted in bad faith or engaged in fraud or willful misconduct or, in the case of a criminal matter, acted with knowledge that the conduct was criminal; and
- provides that our general partner will not be in breach of its obligations under our partnership agreement or its fiduciary duties to us or our limited partners if a transaction with an affiliate or the resolution of a conflict of interest is approved in accordance with, or otherwise meets the standards set forth in, our partnership agreement.

In connection with a situation involving a transaction with an affiliate or a conflict of interest, our partnership agreement provides that any determination by our general partner must be made in good faith, and that our conflicts committee and the board of directors of our general partner are entitled to a presumption that they acted in good faith. In any proceeding brought by or on behalf of any limited partner or the partnership, the person bringing or prosecuting such proceeding will have the burden of overcoming such presumption. Please read “Conflicts of Interest.”

Cost reimbursements, which are determined in our general partner’s sole discretion, and fees due to our general partner and its affiliates for services provided will be substantial and will reduce the amount of cash we have available for distribution to you.

Under our 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. Under the omnibus agreement, which was amended on January 30, 2019, we agreed 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. Some of the costs and expenses for which we are required to reimburse our general partner and its affiliates are not subject to any caps or other limits. Payments to our general partner and its affiliates will be substantial and will reduce the amount of cash we have available to distribute to unitholders.

Unitholders have very limited voting rights and, even if they are dissatisfied, they have limited ability to remove our general partner.

Unlike the holders of common stock in a corporation, unitholders have only limited voting rights on matters affecting our business and, therefore, limited ability to influence management’s decisions regarding our business. For example, unlike holders of stock in a public corporation, unitholders do not have “say-on-pay” advisory voting rights. Unitholders did not elect our general partner or the board of directors of our general partner and will have no right to elect our general partner or the board of directors of our general partner on an annual or other continuing basis. The board of directors of our general partner is chosen by the member of our general partner, which is a wholly owned subsidiary of Landmark. Furthermore, if the unitholders are dissatisfied with the performance of our general partner, they will have little ability to remove our general partner. As a result of these limitations, the price at which our common units will trade could be diminished because of the absence or reduction of a takeover premium in the trading price.

The vote of the holders of at least 66 2/3 % of all outstanding common units is required to remove our general partner. As of December 31, 2018, Landmark and its affiliates own 3,415,405 common units, which represents a 13.5% limited partner interest in us.

“Cause” is narrowly defined under our partnership agreement to mean that a court of competent jurisdiction has entered a final, non-appealable judgment finding the general partner liable for actual fraud or willful or wanton misconduct in its capacity as our general partner. Cause does not include most cases of charges of poor management of the business.

Furthermore, unitholders’ voting rights are further restricted by the partnership agreement provision providing that any units held by a person that owns 20% or more of any class of units then outstanding, other than our general partner, its affiliates, their transferees, and persons who acquired such units with the prior approval of the board of directors of our general partner, cannot vote on any matter.

Our partnership agreement also contains provisions limiting the ability of unitholders to call meetings or to acquire information about our operations, as well as other provisions limiting the unitholders’ ability to influence the manner or direction of management.

Control of our general partner may be transferred to a third party without unitholder consent.

Our general partner may transfer its general partner interest to a third party in a merger or in a sale of all or substantially all of its assets without the consent of the unitholders. Furthermore, there is no restriction in our partnership agreement on the ability of Landmark to transfer its membership interest in our general partner to a third party. The new owner of our general partner would then be in a position to replace the board of directors and officers of our general partner with its own choices.

The incentive distribution rights of our general partner may be transferred to a third party without unitholder consent.

Our general partner may transfer its incentive distribution rights to a third party at any time without the consent of our unitholders. If our general partner transfers its incentive distribution rights to a third party, it will have less incentive to grow our partnership and increase distributions. A transfer of incentive distribution rights by our general partner could reduce the likelihood of Landmark selling or contributing additional assets to us, which in turn would impact our ability to grow our asset base.

We may issue additional units without unitholder approval, which would dilute unitholder interests.

At any time, we may issue an unlimited number of general partner interests or limited partner interests of any type without the approval of our unitholders, and our unitholders will have no preemptive or other rights (solely as a result of their status as unitholders) to purchase any such general partner interests or limited partner interests. Further, there are no limitations in our partnership agreement on our ability to issue equity securities that rank equal or senior to our common units as to distributions or in liquidation or that have special voting rights and other rights. The issuance by us of additional common units or other equity securities of equal or senior rank will have the following effects:

- our unitholders’ proportionate ownership interest in us will decrease;
- the amount of cash we have available to distribute on each unit may decrease;
- the ratio of taxable income to distributions may increase;
- the relative voting strength of each previously outstanding unit may be diminished; and
- the market price of our common units may decline.

The issuance by us of additional general partner interests may have the following effects, among others, if such general partner interests are issued to a person who is not an affiliate of Landmark:

- management of our business may no longer reside solely with our current general partner; and
- affiliates of the newly admitted general partner may compete with us, and neither that general partner nor such affiliates will have any obligation to present business opportunities to us.

Landmark and its affiliates may sell units in the public or private markets, and such sales could have an adverse impact on the trading price of the common units.

As of December 31, 2018, Landmark and its affiliates hold 3,415,405 common units. We have agreed to provide Landmark and its affiliates with certain registration rights under applicable securities laws. The sale of these units in the public or private markets could have an adverse impact on the price of the common units or on any trading market that may develop.

Other than the requirement in our partnership agreement to distribute all of our available cash each quarter, we have no legal obligation to make quarterly cash distributions, and our general partner has considerable discretion to establish cash reserves that would reduce the amount of available cash we distribute to unitholders.

Generally, our available cash is comprised of cash on hand at the end of a quarter plus cash-on-hand resulting from any working capital borrowings made after the end of the quarter less cash reserves established by our general partner. Our partnership agreement permits our general partner to establish cash reserves for the proper conduct of our business (including reserves for our future capital expenditures and anticipated future debt service requirements), to comply with applicable law or agreements to which we are a party, or to provide funds for future distributions to unitholders. As a result, even when there is no change in the amount of distributable cash flow that we generate, our general partner has considerable discretion to establish cash reserves, which would result in a reduction of the amount of available cash we distribute to unitholders. Accordingly, there is no guarantee that we will make quarterly cash distributions to our unitholders at our minimum quarterly distribution rate or at any other rate, and we have no legal obligation to do so, except to the extent we have available cash as defined in our partnership agreement.

Landmark may compete with us, and Landmark, as owner of our general partner, will decide when, if, and how we complete acquisitions.

Neither our partnership agreement nor our omnibus agreement prohibit Landmark or any other affiliates of our general partner from owning assets or engaging in businesses that compete directly or indirectly with us. Under the terms of our partnership agreement, the doctrine of corporate opportunity, or any analogous doctrine, does not apply to our general partner or any of its affiliates, including Landmark. Any such entity that becomes aware of a potential transaction, agreement, arrangement or other matter that may be an opportunity for us does not have any duty to communicate or offer such opportunity to us. Consequently, Landmark and other affiliates of our general partner may acquire additional assets in the future without any obligation to offer us the opportunity to purchase any of those assets. As a result, competition from Landmark and other affiliates of our general partner could materially and adversely impact our results of operations and distributable cash flow.

Our general partner has a limited call right that may require you to sell your common units at an undesirable time or price.

If at any time our general partner and its affiliates own more than 80% of our then-outstanding common units, our general partner will have the right, but not the obligation, which it may assign to any of its affiliates or to us, to acquire all, but not less than all, of the common units held by unaffiliated persons at a price not less than their then-current market price. As a result, you may be required to sell your common units at an undesirable time or price and may not receive any return on your investment. You may also incur a tax liability upon a sale of your units.

Your liability may not be limited if a court finds that unitholder action constitutes control of our business.

A general partner of a partnership generally has unlimited liability for the obligations of the partnership, except for those contractual obligations of the partnership that are expressly made without recourse to the general partner. Our partnership is organized under Delaware law, and we conduct business in a number of other states. The limitations on the liability of holders of limited partner interests for the obligations of a limited partnership have not been clearly established in some of the other states in which we do business. You could be liable for any and all of our obligations as if you were a general partner if a court or government agency were to determine that (i) we were conducting business in a state but had not complied with that particular state's partnership statute; or (ii) your right to take certain actions under our partnership agreement constitute "control" of our business. For a discussion of the implications of the limitations of liability on a unitholder, please read "Our Partnership Agreement – Limited Liability."

Unitholders may have to repay distributions that were wrongfully distributed to them.

Under certain circumstances, unitholders may have to repay amounts wrongfully distributed to them. Under Section 17-607 of the Delaware Revised Uniform Limited Partnership Act or "DRULPA," we may not make a distribution to you if the distribution would cause our liabilities to exceed the fair value of our assets. Delaware law provides that for a period of three years from the date of the impermissible distribution, limited partners who received the distribution and who knew at the time of the distribution that it violated Delaware law will be liable to the limited partnership for the distribution amount. Transferees of common units are liable for the obligations of the transferor to make contributions to the partnership that are known to the transferee at the time of the transfer and for unknown obligations if the liabilities could be determined from our partnership agreement. Liabilities to partners on account of their partnership interest and liabilities that are non-recourse to the partnership are not counted for purposes of determining whether a distribution is permitted.

Our general partner, or any transferee holding incentive distribution rights, may elect to cause us to issue common units to it in connection with a resetting of the target distribution levels related to its incentive distribution rights, without the approval of our conflicts committee or the holders of our common units. This could result in lower distributions to holders of our common units.

Our general partner has the right, at any time when there are no subordinated units outstanding and it has received distributions on its incentive distribution rights at the highest level to which it is entitled (50%) for each of the prior four consecutive fiscal quarters, to reset the initial target distribution levels at higher levels based on our distributions at the time of the exercise of the reset election. Following a reset election, the minimum quarterly distribution will be adjusted to equal the reset minimum quarterly distribution, and the target distribution levels will be reset to correspondingly higher levels based on percentage increases above the reset minimum quarterly distribution.

If our general partner elects to reset the target distribution levels, it will be entitled to receive a number of common units. The number of common units to be issued to our general partner will be equal to that number of common units that would have entitled their holder to an average aggregate quarterly cash distribution in the prior two quarters equal to the average of the distributions to our general partner on the incentive distribution rights in such two quarters. We anticipate that our general partner would exercise this reset right in order to facilitate acquisitions or internal growth projects that would not be sufficiently accretive to cash distributions per common unit without such conversion. It is possible, however, that our general partner could exercise this reset election at a time when it is experiencing, or expects to experience, declines in the cash distributions it receives related to its incentive distribution rights and may, therefore, desire to be issued common units rather than retain the right to receive distributions based on the initial target distribution levels. This risk could be elevated if the incentive distribution rights have been transferred to a third party. As a result, a reset election may cause our common unitholders to experience a reduction in the amount of cash distributions that they would have otherwise received had we not issued new common units in connection with resetting the target distribution levels. Additionally, our general partner has the right to transfer all or any portion of the incentive distribution rights at any time, and such transferee shall have the same rights as the general partner relative to resetting target distributions if our general partner concurs that the tests for resetting target distributions have been fulfilled. Please read Item 5., “Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities– Right to Reset Incentive Distribution Levels.”

NASDAQ does not require a publicly traded limited partnership like us to comply with certain of its corporate governance requirements.

Our common units are listed on the NASDAQ Global Market. NASDAQ listing rules do not require a listed limited partnership like us to have a majority of independent directors on our general partner’s board of directors or to establish a compensation committee or a nominating and corporate governance committee. We are, however, required to have an audit committee of at least three members, all of whom are required to meet the independence and experience standards established by NASDAQ and the Exchange Act. Please read Item 10., “Directors, Executive Officers and Corporate Governance – Management of Landmark Infrastructure Partners LP.”

Our partnership agreement includes exclusive forum, venue and jurisdiction provisions and a waiver of the right to a jury trial. By purchasing a common unit, a limited partner is irrevocably consenting to these provisions regarding claims, suits, actions or proceedings, submitting to the exclusive jurisdiction of Delaware courts and waiving a right to a jury trial. Our partnership agreement also provides that any unitholder bringing an unsuccessful action will be obligated to reimburse us for any costs we have incurred in connection with such unsuccessful action.

Our partnership agreement is governed by Delaware law. Our partnership agreement includes exclusive forum, venue and jurisdiction provisions designating Delaware courts as the exclusive venue for most claims, suits, actions and proceedings involving us or our officers, directors and employees. In addition, if any person brings any of the aforementioned claims, suits, actions or proceedings and such person does not obtain a judgment on the merits that substantially achieves, in substance and amount, the full remedy sought, then such person shall be obligated to reimburse us and our affiliates for all fees, costs and expenses of every kind and description, including but not limited to all reasonable attorneys’ fees and other litigation expenses, that the parties may incur in connection with such claim, suit, action or proceeding. Our partnership agreement also includes an irrevocable waiver of the right to trial by jury in all such claims, suits, actions and proceedings. By purchasing a common unit, a limited partner is irrevocably consenting to these limitations and provisions regarding claims, suits, actions or proceedings and submitting to the exclusive jurisdiction of Delaware courts. If a dispute were to arise between a limited partner and us or our officers, directors or employees, the limited partner may be required to pursue its legal remedies in Delaware which may be an inconvenient or distant location and which is considered to be a more corporate-friendly environment. These provisions may have the effect of discouraging lawsuits against us and our general partner’s directors and officers.

We will incur increased costs as a result of being a publicly traded partnership, including the cost of additional finance and accounting systems, procedures and controls in order to satisfy our public company reporting requirements.

We have limited history operating as a publicly traded partnership. As a publicly traded partnership, we will incur significant legal, accounting and other expenses. In addition, the Sarbanes-Oxley Act and related rules implemented by the SEC and NASDAQ have mandated changes in the corporate governance practices of publicly traded companies. We expect these rules and regulations to increase our legal and financial compliance costs and to make our activities more time-consuming and costly. For example, as a result of becoming a publicly traded partnership, we are required to have at least three independent directors, create an audit committee and adopt policies regarding internal controls and disclosure controls and procedures, including the preparation of reports on internal controls over financial reporting. In addition, we will incur additional costs associated with our publicly traded partnership reporting requirements. We also expect these new rules and regulations to make it more difficult and more expensive for our general partner to obtain director and officer liability insurance and possibly to result in our general partner having to accept reduced policy limits and coverage. As a result, it may be more difficult for our general partner to attract and retain qualified persons to serve on its board of directors or as executive officers.

Any failure to achieve and maintain an effective internal control environment could have a material adverse effect on our business and unit price. In addition, we may need to hire additional compliance, accounting and financial staff with appropriate public company experience and technical knowledge, and we may not be able to do so in a timely fashion. As a result, we may need to rely on outside consultants to provide these services for us until qualified personnel are hired. These obligations will increase our operating expenses and could divert our management's attention from our operations.

We will incur increased costs as a result of managing a REIT.

On July 31, 2017, we completed our previously announced reorganization (the "Reorganization") and transferred substantially all of our assets to the REIT Subsidiary, which we intend will qualify as a REIT, under the Code. In order to maintain its qualification as a REIT, the REIT Subsidiary must satisfy a number of requirements, including requirements regarding the ownership of its equity interests, the composition of its assets and the sources of its income. Satisfying these requirements involves monitoring various factual matters, applying highly technical and complex provisions of the Code and meeting ongoing reporting obligations, which will increase our operating expenses and could divert our management's attention from our operations.

We may be adversely affected by fluctuations in currency exchange rates.

We may pursue growth opportunities in international markets where the U.S. dollar is not the denominated currency. The ownership of investments located outside of the United States subjects us to risk from fluctuations in exchange rates between foreign currencies and the U.S. dollar. A significant change in the value of currencies in countries where we have a significant investment may have a materially adverse effect on our financial position, debt covenant ratios, results of operations and cash flow.

We may attempt to manage the impact of foreign currency exchange rate changes through the use of derivative contracts or other methods. However, no amount of hedging activity can fully insulate us from the risks associated with changes in foreign currency exchange rates, and the failure to hedge effectively against foreign currency exchange rate risk, if we choose to engage in such activities, could materially adversely affect our results of operations and financial condition.

Risks Related to Preferred Units

The market price of our Preferred Units may be adversely affected by the future issuance and sale of additional Preferred Units, including pursuant to the sales agreement, or by our announcement that such issuances and sales may occur.

We cannot predict the size of future issuances or sales of our Preferred Units, including those made pursuant to the sales agreement with any of our sales agents or in connection with future acquisitions or capital raising activities, or the effect, if any, that such issuances or sales may have on the market price of our Preferred Units. In addition, the sales agents will not engage in any transactions that stabilize the price of our Preferred Units. The issuance and sale of substantial amounts of Preferred Units, including issuances and sales pursuant to the sales agreement, or announcement that such issuances and sales may occur, could adversely affect the market price of our Preferred Units.

The Preferred Units represent perpetual equity interests in us, and investors should not expect us to redeem the Preferred Units on the date the Preferred Units become redeemable by us or on any particular date afterwards.

The Series A and Series B Preferred Units represent perpetual equity interests in us, and they have no maturity or mandatory redemption date and are not redeemable at the option of investors under any circumstances. As a result, unlike our indebtedness, the Preferred Units will not give rise to a claim for payment of a principal amount at a particular date. Instead, the Series A and Series B Preferred Units may be redeemed by us at our option in the event of a Change of Control or at any time on or after April 4, 2021 for the Series A Preferred Units and on August 8, 2021 for the Series B Preferred Units, in whole or in part, out of funds legally available for such redemption, at a redemption price of \$25.00 per unit plus an amount equal to all accumulated and unpaid distributions thereon to the date of redemption, whether or not declared. Any decision we may make at any time to redeem the Series A and Series B Preferred Units will depend upon, among other things, our evaluation of our capital position and general market conditions at that time.

As a result, holders of the Series A and Series B Preferred Units may be required to bear the financial risks of an investment in the Series A and Series B Preferred Units for an indefinite period of time. The Series A Preferred Units rank in parity to the Series B Preferred Units and Series C Preferred Units with respect to distributions and distributions upon a liquidation event. In addition, the Preferred Units will rank junior to all our current and future indebtedness (including indebtedness outstanding under our revolving credit facility) and other liabilities. The Preferred Units will also rank junior to any other Senior Securities we may issue in the future with respect to assets available to satisfy claims against us.

The Preferred Units have not been rated.

We have not sought to obtain a rating for the Preferred Units, and the Preferred Units may never be rated. It is possible, however, that one or more rating agencies might independently determine to assign a rating to the Preferred Units or that we may elect to obtain a rating of the Preferred Units in the future. In addition, we may elect to issue other securities for which we may seek to obtain a rating. If any ratings are assigned to the Preferred Units in the future or if we issue other securities with a rating, such ratings, if they are lower than market expectations or are subsequently lowered or withdrawn, could adversely affect the market for or the market value of the Preferred Units. Ratings only reflect the views of the issuing rating agency or agencies and such ratings could at any time be revised downward or withdrawn entirely at the discretion of the issuing rating agency. A rating is not a recommendation to purchase, sell or hold any particular security, including the Preferred Units. Ratings do not reflect market prices or suitability of a security for a particular investor and any future rating of the Preferred Units may not reflect all risks related to us and our business, or the structure or market value of the Preferred Units.

We distribute all of our available cash to our common unitholders and are not required to accumulate cash for the purpose of meeting our future obligations to holders of the Preferred Units, which may limit the cash available to make distributions on the Preferred Units.

Our Partnership Agreement requires us to distribute all of our "available cash" each quarter to our common unitholders. "Available cash" is defined in our Partnership Agreement, and it generally means, for each fiscal quarter, all cash and cash equivalents on the date of determination of available cash for that quarter, less the amount of any cash reserves established by our general partner to:

- provide for the proper conduct of our business;
- comply with applicable law, the terms of any of our debt instruments or other agreements;
- provide funds to make payments on the Series A Preferred Units, the Series B Preferred Units or the Series C Preferred Units; or
- provide funds for distributions to our unitholders and to our general partner for any one or more of the next four quarters.

As a result, we do not expect to accumulate significant amounts of cash. Depending on the timing and amount of our cash distributions, these distributions could significantly reduce the cash available to us in subsequent periods to make payments on the Preferred Units.

The Preferred Units are subordinated to our existing and future debt obligations, and your interests could be diluted by the issuance of additional units, including additional Preferred Units, and by other transactions.

The Preferred Units are subordinated to all of our existing and future indebtedness (including indebtedness outstanding under our revolving credit facility). As of December 31, 2018, our total debt was approximately \$379 million, and we had the ability to borrow an additional \$295 million under our revolving credit facility, subject to certain limitations. We may incur additional debt under our revolving credit facility or future debt agreements. The payment of principal and interest on our debt reduces cash available for distribution to us and on our units, including the Preferred Units.

The issuance of additional units on a parity with or senior to the Preferred Units would dilute the interests of the holders of the Preferred Units, and any issuance of Parity Securities or Senior Securities or additional indebtedness could affect our ability to pay distributions on, redeem or pay the liquidation preference on the Preferred Units. Only the Change of Control conversion right relating to the Preferred Units protects the holders of the Preferred Units in the event of a highly leveraged or other transaction, including a merger or the sale, lease or conveyance of all or substantially all our assets or business, which might adversely affect the holders of the Preferred Units.

As a holder of Preferred Units you have extremely limited voting rights.

Your voting rights as a holder of Preferred Units is extremely limited. Our common units are the only class of our partnership interests carrying full voting rights. Holders of the Preferred Units generally have no voting rights.

The lack of a fixed redemption date for the Preferred Units will increase your reliance on the secondary market for liquidity purposes.

Because the Preferred Units have no stated maturity date, investors seeking liquidity will be limited to selling their Preferred Units in the secondary market absent redemption by us. We have listed the Preferred Units on NASDAQ, but an active trading market on the NASDAQ for the Series A, Series B and Series C Preferred Units may not develop or, even if it develops, may not last, in which case the trading price of the Preferred Units could be adversely affected and your ability to transfer your Preferred Units will be limited. If an active trading market does develop on the NASDAQ, the Preferred Units may trade at prices lower than the offering price. The trading price of the Preferred Units depends on many factors, including:

- prevailing interest rates;
- the market for similar securities;
- general economic and financial market conditions;
- our issuance of debt or other preferred equity securities; and
- our financial condition and results of operations.

Market interest rates may adversely affect the value of the Preferred Units.

One of the factors that will influence the price of the Preferred Units will be the distribution yield on the Preferred Units (as a percentage of the price of the Preferred Units) relative to market interest rates. An increase in market interest rates, which are currently at low levels relative to historical rates, may lead prospective purchasers of the Preferred Units to expect a higher distribution yield, and higher interest rates would likely increase our borrowing costs and potentially decrease funds available for distribution. Accordingly, higher market interest rates could cause the market price of the Preferred Units to decrease.

Change of control conversion rights may make it more difficult for a party to acquire us or discourage a party from acquiring us.

The change of control conversion feature of the Preferred Units may have the effect of discouraging a third party from making an acquisition proposal for us or of delaying, deferring or preventing certain of our change of control transactions under circumstances that otherwise could provide the holders of our common units and Preferred Units with the opportunity to realize a premium over the then-current market price of such equity securities or that unitholders may otherwise believe is in their best interests.

Holders of Preferred Units may have liability to repay distributions.

Under certain circumstances, holders of the Preferred Units may have to repay amounts wrongfully returned or distributed to them. Under Section 17-607 of the Delaware Revised Uniform Limited Partnership Act, we may not make a distribution if the distribution would cause our liabilities to exceed the fair value of our assets. Liabilities to partners on account of their partnership interests and liabilities that are non-recourse to the partnership are not counted for purposes of determining whether a distribution is permitted.

Delaware law provides that for a period of three years from the date of an impermissible distribution, limited partners who received the distribution and who knew at the time of the distribution that it violated Delaware law will be liable to the limited partnership for the distribution amount. A purchaser of Preferred Units who becomes a limited partner is liable for the obligations of the transferring limited partner to make contributions to the Partnership that are known to such purchaser of units at the time it became a limited partner and for unknown obligations if the liabilities could be determined from our Partnership Agreement.

The Series C preferred units represent perpetual equity interests in us, and investors should not expect us to redeem the Series C preferred units on the date the Series C preferred units become redeemable by us or on any particular date afterwards.

The Series C Preferred Units represent perpetual equity interests in us, and they have no maturity or mandatory redemption date. As a result, unlike our indebtedness, the Series C Preferred Units will generally not give rise to a claim for payment of a principal amount at a particular date. Instead, the Series C Preferred Units may be redeemed by us at our option at any time on or after May 20, 2025, in whole or in part, out of funds legally available for such redemption, 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, or at the holder's option. In addition, if holders of Series C Preferred Units choose not to exercise the special conversion right in connection with a fundamental change as described above, we will have the option to redeem our Series C Preferred Units, in whole but not in part, within 90 days after the last day of the related fundamental change conversion period for cash at a price of \$25.00 per Series C Preferred Unit, plus accrued and unpaid distributions (whether or not earned or declared) to, but not including, the redemption date. Any decision we may make at any time to redeem the Series C Preferred Units will depend upon, among other things, our evaluation of our capital position and general market conditions at that time.

As a result, holders of the Series C Preferred Units may be required to bear the financial risks of an investment in the Series C Preferred Units for an indefinite period of time, unless they choose to convert their Series C Preferred Unit to common units. The Series C Preferred Units rank in parity to our existing Series A and Series B Preferred Units with respect to distributions and distributions upon a liquidation event. In addition, the Series C Preferred Units will rank junior to all our current and future indebtedness, and other liabilities. The Series C Preferred Units will also rank junior to any other Senior Securities we may issue in the future with respect to assets available to satisfy claims against us.

Until May 15, 2025, the distribution payable on the Series C Preferred Units will vary based on market interest rates.

Until May 15, 2025, the Series C Preferred Units will, subject to the LIBOR floor discussed in clause (i), have a floating distribution rate set each quarterly distribution period at a percentage of the \$25.00 liquidation preference equal to the greater of (i) 7.00% per annum, and (ii) a floating rate of the then-current three-month LIBOR plus a spread of 4.698%. The per annum distribution rate that is determined on the relevant determination date will apply to the entire quarterly distribution period following such determination date even if LIBOR increases during that period. As a result, holders of Series C Preferred Units will be subject to risks associated with fluctuation in interest rates and the possibility that holders will receive distributions that are lower than expected. We have no control over a number of factors, including economic, financial and political events, that impact market fluctuations in interest rates, which have in the past and may in the future experience volatility.

Increased regulatory oversight, changes in the method pursuant to which the LIBOR rates are determined and potential phasing out of LIBOR after 2021 may adversely affect the value of the Series C Preferred Units.

Regulators and law enforcement agencies in the United Kingdom and elsewhere are conducting civil and criminal investigations into whether the banks that contribute to the British Bankers' Association (the "BBA") in connection with the calculation of daily LIBOR may have been under-reporting or otherwise manipulating or attempting to manipulate LIBOR. A number of BBA member banks have entered into settlements with their regulators and law enforcement agencies with respect to this alleged manipulation of LIBOR. On July 27, 2017, the Financial Conduct Authority (the "FCA") announced that it will no longer persuade or compel banks to submit LIBOR rates after 2021 (the "FCA Announcement"). Based on the FCA Announcement, it appears likely that LIBOR will be discontinued or modified by 2021.

Under the terms of the Series C Preferred Units, the floating component of the distribution rate on the Series C Preferred Units for each distribution period during the Floating Rate Period is based on the three-month LIBOR. If the calculation agent is unable to determine the three-month LIBOR based on screen-based reporting of that base rate, and if the calculation agent is also unable to obtain suitable quotations for the three-month LIBOR from reference banks, then the calculation agent will determine the three-month LIBOR after consulting such sources as it deems comparable or reasonable. In addition, if the calculation agent determines that the three-month LIBOR has been discontinued, then the calculation agent will determine whether to calculate the relevant distribution rate using a substitute or successor base rate that it has determined in its sole discretion is most comparable to the three-month LIBOR, provided that if the calculation agent determines there is an industry-accepted successor base rate, the calculation agent will use that successor base rate. In such instances, the calculation agent in its sole discretion may determine what business day convention to use, the definition of business day, the distribution determination date to be used and any other relevant methodology for calculating such substitute or successor base rate, including any adjustment factor needed to make such substitute or successor base rate comparable to the three-month LIBOR, in a manner that is consistent with industry-accepted practices for such substitute or successor base rate, with respect to the calculation of distributions on the Series C Preferred Units during the Floating Rate Period. Any of the foregoing determinations or actions by the calculation agent could result in adverse consequences to the applicable distribution rate on the Series C Preferred Units during the Floating Rate Period, which could adversely affect the return on, value of and market for the Series C Preferred Units.

The increased conversion rate for the Series C Preferred Units triggered by a fundamental change could discourage a potential acquiror.

The increased conversion rate triggered by a fundamental change could discourage a potential acquirer, including potential acquirors that otherwise seek a transaction with us that would be attractive to holders.

A change in control with respect to the Partnership may not constitute a fundamental change for the purpose of the Series C Preferred Units.

The Series C Preferred Units contain no covenants or other provisions to afford protection in the event of a change in control with respect to the Partnership, except upon the occurrence of a fundamental change. However, the term “fundamental change” is limited and may not include every change-in-control event that might cause the market price of the Series C Preferred Units to decline. As a result, rights of holders under the Series C Preferred Units may not preserve the value of the Series C Preferred Units in the event of a change in control with respect to us. In addition, any change in control with respect to the Partnership may negatively affect the liquidity, value or volatility of our common units, negatively impacting the value of the Series C Preferred Units.

The adjustment of the conversion rate for the Series C Preferred Units in respect of conversions during a fundamental change conversion period may not adequately compensate holders of Series C Preferred Units.

If a fundamental change occurs, holders of Series C Preferred Units will have the right to convert some or all of their Series C Preferred Units during the fundamental change conversion period into the greater of:

- a number of common units in our Partnership Agreement; and
- 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 adjustment).

The adjustment to the conversion rate described above may not wholly compensate holders of Series C Preferred Units for the lost option value of their Series C Preferred Units or the lost liquidation preference. Upon a conversion during a fundamental change conversion period, holders of Series C Preferred Units may receive value that is less than the liquidation preference of their Series C Preferred Units.

Our obligation to deliver the make-whole premium or to adjust the conversion rate in respect of conversions during a fundamental change conversion period could be considered a penalty, in which case the enforceability thereof would be subject to general principles of reasonableness, as applied to such payments.

Holders of Series C Preferred Units will have no rights with respect to the underlying common units until they convert their Series C Preferred Units, but holders of Series C Preferred Units may be adversely affected by certain changes made with respect to our common units.

Holders of Series C Preferred Units will have no rights with respect to our common units underlying their Series C Preferred Units, including voting rights, rights to respond to common unit tender offers, if any, and rights to receive distributions or other distributions on our common units, if any (in each case, other than through a conversion rate adjustment), prior to the conversion date with respect to a conversion of Series C Preferred Units, but an investment in our Series C Preferred Units may be negatively affected by these events. Upon conversion, holders of Series C Preferred Units will be entitled to exercise the rights of a holder of common units only as to matters for which the relevant record date occurs on or after the conversion date. For example, in the event that an amendment is proposed to our Partnership Agreement requiring unitholder approval and the record date for determining the unitholders of record entitled to vote on the amendment occurs prior to the conversion date, holders of Series C Preferred Units will not be entitled to vote on the amendment, although they will nevertheless be subject to any changes in the powers, preferences or special rights of our common units.

Future sales of our common units in the public market could lower the market price for our common units and adversely affect the trading price of the Series C Preferred Units.

In the future, we may sell additional common units to raise capital. We cannot predict the size of future issuances or the effect, if any, that they may have on the market price for our common units. The issuance and sale of substantial amounts of common units, or the perception that such issuances and sales may occur, could adversely affect the trading price of the Series C Preferred Units and the market price of our common units and impair our ability to raise capital through the sale of additional equity securities.

The conversion rate of the Series C Preferred Units may not be adjusted for all dilutive events.

The number of common units that holders of Series C Preferred Units are entitled to receive upon conversion of Series C Preferred Units is subject to adjustment for certain specified events, including, but not limited to, the issuance of certain unit distributions on our common units, the issuance of certain rights or warrants, subdivisions, combinations, distributions of equity securities, indebtedness, or assets, certain cash distributions and certain issuer tender or exchange offers. However, the conversion rate may not be adjusted for other events, such as offerings of our common units or securities convertible into common units (other than as set forth in our partnership) for cash or in connection with acquisitions, which may adversely affect the market price of our common units. Further, if any of these other events adversely affects the market price of our common units, we expect it to also adversely affect the market price of the Series C Preferred Units. In addition, the terms of our Series C Preferred Units do not restrict our ability to offer common units or securities convertible into common units in the future or to engage in other transactions that could dilute our common units. We have no obligation to consider the interests of the holders of our Series C Preferred Units in engaging in any such offering or transaction. If we issue additional common units, those issuances may materially and adversely affect the market price of our common units and, in turn, those issuances may adversely affect the trading price of the Series C Preferred Units.

Recent regulatory actions may adversely affect the trading price and liquidity of the Series C Preferred Units.

Holders of Series C Preferred Units may employ, or seek to employ, a convertible arbitrage strategy with respect to the Series C Preferred Units. Holders that employ a convertible arbitrage strategy with respect to convertible securities typically implement that strategy by selling short the security underlying the convertible security (i.e., our common units in the case of the Series C Preferred Units) and dynamically adjusting their short position while they hold the convertible security. Holders may also implement this strategy by entering into swaps on the underlying security in lieu of or in addition to short selling the underlying security. As a result, any specific rules regulating equity swaps or short selling of securities or other governmental action that interferes with the ability of market participants to effect short sales or equity swaps with respect to our common units could adversely affect the ability of holders of the Series C Preferred Units to conduct the convertible arbitrage strategy that we believe they may employ, or seek to employ, with respect to the Series C Preferred Units. This could, in turn, adversely affect the trading price and liquidity of the Series C Preferred Units.

The SEC and other regulatory and self-regulatory authorities have implemented various rules and taken certain actions, and may in the future adopt additional rules and take other actions, that may impact those engaging in short selling activity involving equity securities (including our common units). These rules and actions include Rule 201 of SEC Regulation SHO, the adoption by the Financial Industry Regulatory Authority, Inc. and the national securities exchanges of a "Limit Up-Limit Down" program, the imposition of market-wide circuit breakers that halt trading of securities for certain periods following specific market declines, and the implementation of certain regulatory reforms required by the Dodd-Frank Wall Street Reform and Consumer Protection Act. Any governmental or regulatory action that restricts the ability of holders of the Series C Preferred Units to effect short sales of our common units or enter into swaps on our common units could adversely affect the trading price and the liquidity of the Series C Preferred Units.

In addition, if holders of Series C Preferred Units seeking to employ a convertible arbitrage strategy are unable to borrow or enter into swaps on our common units, in each case on commercially reasonable terms, the trading price and liquidity of the Series C Preferred Units may be adversely affected.

Holders of Series C Preferred Units may have liability to repay distributions.

Under certain circumstances, holders of the Series C Preferred Units may have to repay amounts wrongfully returned or distributed to them. Under Section 17-607 of the Delaware Revised Uniform Limited Partnership Act, we may not make a distribution if the distribution would cause our liabilities to exceed the fair value of our assets. Liabilities to partners on account of their partnership interests and liabilities that are non-recourse to the partnership are not counted for purposes of determining whether a distribution is permitted.

Delaware law provides that for a period of three years from the date of an impermissible distribution, limited partners who received the distribution and who knew at the time of the distribution that it violated Delaware law will be liable to the limited partnership for the distribution amount. A purchaser of Series C Preferred Units who becomes a limited partner is liable for the obligations of the transferring limited partner to make contributions to the Partnership that are known to such purchaser of units at the time it became a limited partner and for unknown obligations if the liabilities could be determined from our Partnership Agreement.

Upon a conversion in connection with a fundamental change under the Series C Preferred Units, holders of Series C Preferred Units may receive consideration worth less than the \$25.00 liquidation preference per Series C Preferred Unit, plus any accumulated and unpaid distributions thereon.

If a “fundamental change” under the Series C Preferred Units occurs and regardless of the price paid (or deemed paid) per common unit in such fundamental change, then holders of the Series C Preferred Units will have the right to convert their units at an adjusted conversion rate that is designed to increase the value of the common units deliverable upon conversion of each Series C Preferred Unit to the \$25.00 liquidation preference per Series C Preferred Unit, plus any accumulated and unpaid distributions thereon. However, if the price paid (or deemed paid) in such fundamental change is less than a certain amount, holders will receive a number of common units worth less than the \$25.00 liquidation preference per Series C Preferred Unit, plus any accumulated and unpaid distributions thereon. Holders of Series C Preferred Units will have no claim against us for the difference between the value of the consideration you receive upon a conversion in connection with a fundamental change and the \$25.00 liquidation preference per Series C Preferred Unit, plus any accumulated and unpaid distributions thereon.

We may be unable to redeem the Series C Preferred Units upon its redemption at the option of the holder.

We are required to redeem a holder’s Series C Preferred Units following the investor’s exercise of its redemption right . If we do not have sufficient funds available to fulfill these obligations, we may be unable to satisfy the holder’s put right.

The Series C Preferred Units may adversely affect the market price of our common units.

The market price of our common units is likely to be influenced by the Series C Preferred Units. For example, the market price of our common units could become more volatile and could be depressed by:

- investors’ anticipation of the potential resale in the market of a substantial number of additional common units received upon conversion of the Series C Preferred Units;
- possible sales of our common units by investors who view the Series C Preferred Units as a more attractive means of equity participation in us than owning our common units; and
- hedging or arbitrage trading activity that may develop involving the Series C Preferred Units and our common units.

Tax Risks

Our tax treatment depends on our status as a partnership for federal income tax purposes. If the Internal Revenue Service (“IRS”) were to treat us as a corporation for federal income tax purposes, which would subject us to entity-level taxation, or if we were otherwise subjected to a material amount of additional entity-level taxation, then our distributable cash flow to our unitholders would be substantially reduced.

The anticipated after-tax economic benefit of an investment in our common units depends largely on our being treated as a partnership for federal income tax purposes. We have not requested a ruling from the IRS with respect to our treatment as a partnership for federal income tax purposes.

Despite the fact that we are a limited partnership under Delaware law, it is possible in certain circumstances for a partnership such as ours to be treated as a corporation for federal income tax purposes. A change in our business, a change in current law or our failure to satisfy the requirements under the Code could cause us to be treated as a corporation for federal income tax purposes or otherwise subject us to taxation as an entity.

If we were treated as a corporation for federal income tax purposes, we would pay federal income tax on our taxable income at the corporate tax rate, which is currently a flat rate of 21% (and a maximum of 35% for our tax years beginning prior to January 1, 2018), and would likely pay state and local income tax at varying rates. Distributions would generally be taxed again as corporate dividends (to the extent of our current and accumulated earnings and profits), and no income, gains, losses, deductions, or credits would flow through to our unitholders. Because a tax would be imposed upon us as a corporation, our distributable cash flow would be substantially reduced and we might need to raise funds to pay such corporate level tax. In addition, changes in current state law may subject us to additional entity-level taxation by individual states. Because of state budget deficits and other reasons, several states are evaluating ways to subject partnerships to entity-level taxation through the imposition of state income, franchise and other forms of taxation. Imposition of any such taxes may substantially reduce the cash available for distribution to our unitholders. Therefore, if we were treated as a corporation for federal income tax purposes or otherwise subjected to a material amount of entity-level taxation, there would be a material reduction in the anticipated cash flow and after-tax return to our unitholders, likely causing a substantial reduction in the value of our common units.

Our partnership agreement provides that, if a law is enacted or existing law is modified or interpreted in a manner that subjects us to taxation as a corporation or otherwise subjects us to entity-level taxation for federal, state or local income tax purposes, the minimum quarterly distribution amount and the target distribution levels may be adjusted to reflect the impact of that law on us.

The tax treatment of REITs, publicly traded partnerships or an investment in our common units could be subject to legislative, judicial or administrative changes and differing interpretations, possibly on a retroactive basis.

As described above, we completed the Reorganization in 2017 and transferred substantially all of our assets to the REIT Subsidiary. Dividends from the REIT Subsidiary will generally be publicly traded partnership qualifying income to us and taxable to our unitholders at ordinary income rates. In October 2016, we also formed Landmark Infrastructure REIT LLC, a Delaware limited liability company, that is now a subsidiary of the REIT Subsidiary. In the future, we may own and operate other assets in the REIT Subsidiary.

The present federal income tax treatment of REITs, publicly traded partnerships, including us, or an investment in our common units may be modified by administrative, legislative or judicial interpretation at any time. For example, members of Congress and the President have periodically considered substantive changes to the existing federal income tax laws that would affect the tax treatment of certain publicly traded partnerships, including the elimination of partnership tax treatment for publicly traded partnerships. Any modification to the federal income tax laws and interpretations thereof may or may not be retroactively applied and could make it more difficult or impossible for us to satisfy the requirements of the exception pursuant to which we are treated as a partnership for federal income tax purposes or for the REIT Subsidiary to qualify as a REIT. We are unable to predict whether any such changes will ultimately be enacted. However, it is possible that a change in law could affect us or the REIT Subsidiary, and any such changes could negatively impact the value of an investment in our common units.

U.S. tax legislation enacted in 2017 (the “TCJA”) has significantly changed certain aspects of the U.S. federal income taxation of U.S. businesses and their owners, including publicly traded partnerships, REITs and their equity holders. Changes made by the TCJA that could affect us, the REIT Subsidiary, and our unitholders include:

- temporarily reducing individual U.S. federal income tax rates on ordinary income; the highest individual U.S. federal income tax rate has been reduced from 39.6% to 37% for taxable years beginning after December 31, 2017 and before January 1, 2026;
- permanently eliminating the progressive corporate tax rate structure, which previously imposed a maximum corporate tax rate of 35%, and replacing it with a flat corporate tax rate of 21%;
- temporarily precluding individuals, as well as certain estates and trusts, from claiming any miscellaneous itemized deductions for taxable years beginning after December 31, 2017 and before January 1, 2026;
- permitting a deduction for certain pass-through business income, including dividends from the REIT Subsidiary received by us that are not designated as capital gain dividends or qualified dividend income, which will allow individual unitholders to deduct up to 20% of such amounts for taxable years beginning after December 31, 2017 and before January 1, 2026;
- limiting a REIT’s deduction for net operating losses arising in taxable years beginning after December 31, 2017 to 80% of its REIT taxable income (prior to the application of the dividends paid deduction);
- generally limiting the deduction for net business interest expense in excess of 30% of a business’s “adjusted taxable income,” except for taxpayers (including the REIT Subsidiary) that engage in certain real estate businesses and elect out of this rule (provided that such electing taxpayers must use an alternative depreciation system with longer depreciation periods); and
- eliminating the corporate alternative minimum tax.

The TCJA is highly complex and subject to interpretation. The presentation of our financial condition and results of operations are based upon our current interpretation of the provisions contained in the TCJA. The Treasury Department and the Internal Revenue Service continue to release regulations relating to and interpretive guidance of the TCJA. Any significant variance of our current interpretation of the TCJA from any future regulations or interpretive guidance could result in a change to the presentation of our financial condition and results of operations and could negatively affect our business. ***Our unitholders’ share of our income is taxable to them for federal income tax purposes even if they do not receive any cash distributions from us.***

Because a unitholder is treated as a partner to whom we allocate taxable income that could be different in amount than the cash we distribute, a unitholder’s allocable share of our taxable income is taxable to it, which may require the payment of federal income taxes and, in some cases, state and local income taxes, on its share of our taxable income even if it receives no cash distributions from us. Our unitholders may not receive cash distributions from us equal to their share of our taxable income or even equal to the actual tax liability that results from that income.

If the IRS contests the federal income tax positions we take, the market for our common units may be adversely impacted and the cost of any IRS contest will reduce our distributable cash flow to our unitholders.

We have not requested a ruling from the IRS with respect to our treatment as a partnership for federal income tax purposes. We intend to furnish to each unitholder, within 90 days after the close of each calendar year, specific tax information, including a Schedule K-1, which describes his share of our income, gain, loss and deduction for our preceding taxable year. In preparing this information we will take various accounting and reporting positions. The IRS may adopt positions that differ from the positions we take, and the IRS's positions may ultimately be sustained. It may be necessary to resort to administrative or court proceedings to sustain some or all of the positions we take and such positions may not ultimately be sustained. A court may not agree with some or all of the positions we take. Any contest with the IRS, and the outcome of any IRS contest, may have a materially adverse impact on the market for our common units and the price at which they trade. In addition, our costs of any contest with the IRS will be borne indirectly by our unitholders because the costs will reduce our distributable cash flow.

If the IRS makes audit adjustments to our income tax returns for tax years beginning after December 31, 2017, it may assess and collect any taxes (including any applicable penalties and interest) resulting from such audit adjustment directly from us, in which case our cash available for distribution to our unitholders might be substantially reduced.

Pursuant to the Bipartisan Budget Act of 2015, for tax years beginning after December 31, 2017, if the IRS makes audit adjustments to our income tax returns, it may assess and collect any taxes (including any applicable penalties and interest) resulting from such audit adjustments directly from us. Generally, we expect to elect to have our unitholders take such audit adjustment into account in accordance with their interests in us during the tax year under audit, but there can be no assurance that such election will be effective in all circumstances. If we are unable to have our unitholders take such audit adjustments into account in accordance with their interests in us during the tax year under audit, our current unitholders may bear the tax liability resulting from such audit adjustment, even if such unitholders did not own units in us during the tax year under audit. If, as a result of any such audit adjustment, we are required to make payments of taxes, penalties and interest, our cash available for distribution to our unitholders might be substantially reduced. These rules are not applicable to us for tax years beginning on or prior to December 31, 2017.

Tax gain or loss on the disposition of our common units could be more or less than expected.

If our unitholders sell common units, they will recognize a gain or loss for federal income tax purposes equal to the difference between the amount realized and their tax basis in those common units. A unitholder's amount realized on his sale of common units will generally equal the amount of cash (or the fair market value of any property) he receives plus his allocable share of our nonrecourse liabilities. Because distributions in excess of their allocable share of our net taxable income decrease their tax basis in their common units, the amount, if any, of such prior excess distributions with respect to the common units a unitholder sells will, in effect, become taxable income to the unitholder if he sells such common units at a price greater than his tax basis in those common units, even if the price received is less than his original cost. Furthermore, a substantial portion of the amount realized on any sale of a unitholder's common units, whether or not representing gain, may be taxed as ordinary income due to potential recapture items, including depreciation recapture. In addition, because the amount realized includes a unitholder's share of our nonrecourse liabilities, a unitholder that sells common units may incur a tax liability in excess of the amount of cash received from the sale.

Tax-exempt entities and non-U.S. persons face unique tax issues from owning our common units that may result in adverse tax consequences to them.

Investment in common units by tax-exempt entities, such as employee benefit plans and individual retirement accounts (known as IRAs), and non-U.S. persons raises issues unique to them. For example, distributions to non-U.S. persons are reduced by withholding taxes at the highest applicable effective tax rate, and non-U.S. persons are required to file federal income tax returns and pay tax on their share of our taxable income.

We may be required to deduct and withhold amounts from distributions to foreign unitholders related to withholding tax obligations arising from the sale or disposition of our units by foreign unitholders.

Upon the sale, exchange or other disposition of a unit by a foreign unitholder, the transferee is generally required to withhold 10% of the amount realized on such sale, exchange or other disposition if any portion of the gain on such sale, exchange or other disposition would be treated as effectively connected with a U.S. trade or business. If the transferee fails to satisfy this withholding requirement, we will be required to deduct and withhold such amount (plus interest) from future distributions to the transferee. Because the "amount realized" would include a unitholder's share of our nonrecourse liabilities, 10% of the amount realized could exceed the total cash purchase price for such disposed units. Due to this fact, our inability to match transferors and transferees of units and other uncertainty surrounding the application of these withholding rules, the U.S. Department of the Treasury and the IRS have currently suspended these rules for transfers of certain publicly traded partnership interests, including transfers of our units, until regulations or other guidance has been issued. It is unclear when such regulations or other guidance will be issued.

We treat each purchaser of common units as having the same tax benefits without regard to the actual common units purchased. The IRS may challenge this treatment, which could adversely affect the value of the common units.

Because we cannot match transferors and transferees of common units and because of other reasons, we have adopted depreciation and amortization positions that may not conform to all aspects of existing Treasury regulations. A successful IRS challenge to those positions could adversely affect the amount of tax benefits available to you. It also could affect the timing of these tax benefits or the amount of gain from your sale of common units and could have a negative impact on the value of our common units or result in audit adjustments to your tax returns.

We prorate our items of income, gain, loss and deduction between transferors and transferees of our units each month based upon the ownership of our units on the first business day of each month, instead of on the basis of the date a particular unit is transferred. The IRS may challenge aspects of our proration method, and, if successful, we would be required to change the allocation of items of income, gain, loss and deduction among our unitholders.

We prorate our items of income, gain, loss and deduction between transferors and transferees of our units each month based upon the ownership of our units on the first business day of each month, instead of on the basis of the date a particular unit is transferred. The U.S. Department of Treasury and the IRS have issued Treasury regulations that permit publicly traded partnerships to use a monthly simplifying convention that is similar to ours, but they do not specifically authorize all aspects of the proration method we have adopted. If the IRS were to successfully challenge this method, we could be required to change the allocation of items of income, gain, loss and deduction among our unitholders.

A unitholder whose common units are loaned to a “short seller” to effect a short sale of common units may be considered as having disposed of those common units. If so, he would no longer be treated for federal income tax purposes as a partner with respect to those common units during the period of the loan and may recognize gain or loss from the disposition.

Because a unitholder whose common units are loaned to a “short seller” to effect a short sale of common units may be considered as having disposed of the loaned common units, he may no longer be treated for federal income tax purposes as a partner with respect to those common units during the period of the loan to the short seller and the unitholder may recognize gain or loss from such disposition. Moreover, during the period of the loan to the short seller, any of our income, gain, loss or deduction with respect to those common units may not be reportable by the unitholder and any cash distributions received by the unitholder as to those common units could be fully taxable as ordinary income.

Treatment of distributions on our Preferred Units is uncertain.

The tax treatment of distributions on our Preferred Units is uncertain. We will treat the holders of Preferred Units as partners for tax purposes and will treat distributions paid to holders of Preferred Units as being made to such holders in their capacity as partners. If the Preferred Units are not partnership interests, they would likely constitute indebtedness for U.S. federal income tax purposes and distributions to the holders of Preferred Units would constitute ordinary interest income to holders of Preferred Units. If Preferred Units are treated as partnership interests, but distributions to holders of Preferred Units are not treated as being made to such holders in their capacity as partners, then these distributions would likely be treated as guaranteed payments for the use of capital. Guaranteed payments would generally be taxable to the recipient as ordinary income, and a recipient could recognize taxable income from the accrual of such a guaranteed payment even in the absence of a contemporaneous distribution. Holders of Preferred Units should consult their tax advisors with respect to the consequences of owning our Preferred Units.

U.S. Tax Risks Relating to Our REIT Subsidiary

Ownership limitations and transfer restrictions may restrict or prevent you from engaging in certain transfers of our common units, preferred units, or other partnership interests.

As described above, we completed the Reorganization in 2017 and transferred substantially all of our assets to the REIT Subsidiary. In connection with the Reorganization, we amended our partnership agreement to adopt ownership limitations that may restrict or prevent you from engaging in certain transfers of our common units, preferred units or other partnership interests. If you transfer partnership interests in a manner that would violate the ownership limit, or prevent the REIT Subsidiary from qualifying as a REIT under the Code, then those partnership interests instead will be transferred to a trust for the benefit of a charitable beneficiary and will be either redeemed by us or sold to a person whose ownership of the partnership interests will not violate the ownership limit. If this transfer to a trust fails to prevent such a violation or fails to permit the REIT Subsidiary’s qualification as a REIT, then the initial intended transfer will be null and void from the outset. The intended transferee of those partnership interests will be deemed never to have owned the partnership interests. Anyone who acquires common units, preferred units, or other partnership interests in violation of the ownership limit or the other restrictions on transfer bears the risk of suffering a financial loss when the common units, preferred units, or other partnership interests are redeemed or sold if the market price of our common units, preferred units, or other partnership interests falls between the date of purchase and the date of redemption or sale.

Ownership limitations could have the effect of delaying, deferring or preventing a takeover or other transaction in which unitholders might receive a premium for their partnership interests over the then prevailing market price or which unitholders might believe to be otherwise in their best interest.

The ownership limitations may restrict the ability of future investors from consummating a purchase of the Partnership's outstanding partnership interests and thereby could have the effect of delaying, deferring or preventing a takeover or other transaction in which unitholders might receive a premium for their partnership interests over the then prevailing market price or which unitholders might believe to be otherwise in their best interest. Certain potential investors or buyers of Partnership equity may not be able to meet the ownership limitations and would therefore be unable to make an investment in the Partnership. This could have the effect of reducing the premium for which unitholders might otherwise receive in a takeover or other fundamental transaction of the Partnership.

Failure of the REIT Subsidiary to qualify, or maintain its qualification, as a REIT would have significant adverse consequences to us and the value of our common units, preferred units, and other partnership interests.

The REIT Subsidiary elected to be taxed as a REIT commencing with its taxable year ending December 31, 2017. We believe that the REIT Subsidiary has been organized in conformity with the requirements for qualification and taxation as a REIT, and that its operations have and will enable it to meet the requirements for qualification and taxation as a REIT. We have not requested and do not plan to request a ruling from the Internal Revenue Service, or an opinion of counsel, that the REIT Subsidiary qualifies as a REIT, and we cannot assure you that it does or will continue to so qualify. If the REIT Subsidiary fails to qualify as a REIT, the funds available for distribution to the Partnership will be substantially reduced because:

- the REIT Subsidiary would not be allowed a deduction for dividends paid to the Partnership in computing its taxable income and would be subject to U.S. federal income tax at regular corporate rates;
- the REIT Subsidiary could be subject to increased state, local and foreign taxes; and
- unless the REIT Subsidiary were entitled to relief under applicable statutory provisions, it could not elect to be taxed as a REIT for four taxable years following the year during which it was disqualified.

As substantially all of our operations are currently conducted by the REIT Subsidiary, any such corporate tax liability could be substantial and could significantly reduce cash available for, among other things, the REIT Subsidiary's operations and distributions to the Partnership. As a result of these factors, the REIT Subsidiary's failure to maintain its qualification as a REIT could impair our ability to expand our business, make distributions to our unitholders and raise capital, and could materially and adversely affect the value of our common units, preferred units, and other partnership interests.

Qualification as a REIT involves the application of highly technical and complex provisions of the Code for which there are only limited judicial and administrative interpretations.

The determination of various factual matters and circumstances not entirely within our control may affect our ability to maintain the REIT Subsidiary's qualification as a REIT. In order to maintain its qualification as a REIT, the REIT Subsidiary must satisfy a number of requirements, including requirements regarding the ownership of its equity interests and requirements regarding the composition of its assets and the sources of its income. If the REIT Subsidiary is not able to maintain compliance with the various REIT qualification requirements, the REIT Subsidiary, among other things, could lose its REIT status.

The REIT Subsidiary's disposition of its assets may jeopardize its qualification as a REIT, or create additional tax liability for the REIT Subsidiary.

To qualify as a REIT, among other things, the REIT Subsidiary must comply with requirements regarding its ownership, the composition of its assets and the sources of its income. If the REIT Subsidiary is compelled to dispose of its investments, for example to repay obligations to its lenders, including those under the Partnership's Second Amended and Restated Credit Agreement, it may be unable to comply with these requirements, jeopardizing its qualification as a REIT. In addition, the REIT Subsidiary may be subject to a 100% penalty tax on any gain resulting from its sale of assets that are treated as dealer property or inventory. The possibility of this tax may prevent the REIT Subsidiary from selling its assets when it would like to do so.

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In addition, to qualify as a REIT, the REIT Subsidiary generally must distribute to its owners at least 90% of its net taxable income each year (excluding any net capital gains), and it will be subject to regular corporate income tax to the extent that it distributes less than 100% of its net taxable income each year (including any net capital gains). In addition, it will be subject to a 4% nondeductible excise tax on the amount, if any, by which distributions it pays in any calendar year are less than the sum of 85% of its ordinary income, 95% of its net capital gains, and 100% of its undistributed income from prior years. To maintain its REIT status and avoid the payment of federal income and excise taxes, the REIT Subsidiary may need to borrow funds to meet the REIT distribution requirements, even if the then-prevailing market conditions are not favorable for these borrowings. These borrowing needs could result from differences in timing between the actual receipt of income and inclusion of income for federal income tax purposes. The REIT Subsidiary's access to third-party sources of capital depends on a number of factors, including the market's perception of its business and prospects, its current debt levels, and its current and potential future earnings. We cannot assure you that the REIT Subsidiary will have access to such capital on favorable terms at the desired times, or at all, which may cause it to curtail its investment activities and/or to dispose of assets at inopportune times, and could adversely affect its and our financial condition, results of operations, cash flow and the value of our common units, preferred units, and other partnership interests. In addition, the REIT Subsidiary may make use of "consent dividends" to meet the REIT distribution requirements, which would result in dividend income to the Partnership for federal income tax purposes, even though we would not receive a related cash distribution. Any such consent dividends could create phantom income (i.e., income without commensurate cash) for us and for our common unitholders.

Even if the REIT Subsidiary qualifies as a REIT, it may be subject to tax.

Even if the REIT Subsidiary maintains its qualification as a REIT for U.S. federal income tax purposes, the REIT Subsidiary may be subject to federal, state and local income, property and excise taxes on its income or property and, in certain cases, a 100% penalty tax, in the event it sells property as a dealer. Subsidiaries of the REIT Subsidiary that are "taxable REIT subsidiaries" will generally be required to pay federal corporate income tax on their earnings. In addition, because of our foreign operations, subsidiaries of the REIT Subsidiary are subject to foreign income and property taxes. Any taxes that the REIT Subsidiary and its subsidiaries must pay reduce the cash available for distribution to the Partnership and thus to our unitholders.

Dividends payable by REITs generally do not qualify for the reduced tax rates available for some dividends.

We anticipate that the majority of our income will consist of dividend income from the REIT Subsidiary, and this dividend income will be allocated among our unitholders. Whereas qualified dividend income allocated to unitholders that are individuals, trusts and estates generally is subject to tax at preferential rates, subject to limited exceptions, dividends payable by REITs, including the REIT Subsidiary, are not eligible for these reduced rates and are taxable at ordinary income tax rates but, under the TCJA, U.S. stockholders that are individuals, trusts and estates generally may deduct 20% of ordinary dividends from a REIT for taxable years beginning after December 31, 2017 and before January 1, 2026. The more favorable rates applicable to regular corporate qualified dividends could cause investors who are individuals, trusts and estates to perceive an investment in us to be relatively less attractive than investments in the stocks of corporations that pay qualified dividends, which could have adverse consequences to the value of our common units, preferred units, and other partnership interests.

ITEM 1B. Unresolved Staff Comments

None.

ITEM 2. Properties

See Item 1., "Business and Properties."

ITEM 3. 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 4. Mine Safety Disclosures

Not applicable.

PART II

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

Our common units are listed on the NASDAQ Global Market under the symbol "LMRK". Our common units represent limited partner interests in us that entitle the holders to the rights and privileges specified in our partnership agreement.

Cash Distributions

We intend to pay at least a quarterly distribution of \$0.3675 per unit to the holders of our common units, or \$1.47 per unit on an annualized basis, to the extent we have sufficient available cash after the establishment of cash reserves and the payment of costs and expenses, including any reimbursements of expenses to our general partner. However, there is no guarantee that we will pay the quarterly distribution on our units in any quarter. The amount of distributions paid under our cash distribution policy and the decision to pay any distribution will be determined by our general partner, taking into consideration the terms of our partnership agreement. Please read "Management's Discussion and Analysis of Financial Condition and Results of Operations – Liquidity and Capital Resources – Revolving Credit Facility" for a discussion of the restrictions included in our revolving credit facility that may restrict our ability to pay distributions.

As of February 15, 2019, we had 152 unitholders of record of 25,338,432 common units outstanding. The number of unitholders of record does not include a substantially greater number of "street name" holders or beneficial holders of our common units, whose units are held of record by banks, brokers and other financial institutions.

Distributions of Available Cash

General

Our partnership agreement requires that, within 45 days after the end of each quarter, beginning with the quarter ending December 31, 2014, we distribute all of our available cash to unitholders of record on the applicable record date.

Definition of Available Cash

Available cash generally means, for any quarter, all cash and cash equivalents on hand at the end of that quarter:

- *less*, the amount of cash reserves established by our general partner to:
 - provide for the proper conduct of our business (including reserves for our future capital expenditures and anticipated future debt service requirements);
 - comply with applicable law, any of our or our subsidiaries' debt instruments or other agreements; or
 - provide funds for distributions to our unitholders and to our general partner for any one or more of the next four quarters (provided that our general partner may not establish cash reserves for distributions if the effect of the establishment of such reserves will prevent us from distributing the minimum quarterly distribution on all common units and any cumulative arrearages on such common units for the current quarter).
- *plus*, if our general partner so determines, all or any portion of the cash on hand on the date of determination of available cash for the quarter resulting from working capital borrowings made subsequent to the end of such quarter.

The purpose and effect of the last bullet point above is to allow our general partner, if it so decides, to use cash from working capital borrowings made after the end of the quarter but on or before the date of determination of available cash for that quarter to pay distributions to unitholders. Under our partnership agreement, working capital borrowings are generally borrowings that are made under a credit facility, commercial paper facility or similar financing arrangement, and in all cases are used solely for working capital purposes or to pay distributions to partners and with the intent of the borrower to repay such borrowings within twelve months with funds other than from additional working capital borrowings.

Intent to Distribute the Minimum Quarterly Distribution

We intend to pay at least a minimum quarterly distribution to the holders of our common units of \$0.2875 per unit, or \$1.15 per unit on an annualized basis, to the extent we have sufficient available cash after the establishment of cash reserves and the payment of costs and expenses, including reimbursements of expenses to our general partner. However, there is no guarantee that we will pay the minimum quarterly distribution on our units in any quarter. The amount of distributions paid under our cash distribution policy and the decision to pay any distribution will be determined by our general partner, taking into consideration the terms of our partnership agreement.

General Partner Interest and Incentive Distribution Rights

Our general partner owns a non-economic general partner interest in us, which does not entitle it to receive cash distributions. However, our general partner may own other equity interests in us and may be entitled to receive distributions on any such interests.

Our general partner also holds incentive distribution rights that will entitle it to receive increasing percentages, up to a maximum of 50%, of the available cash we distribute from operating surplus (as defined below) in excess of \$0.330625 per unit per quarter. The General Partner irrevocably waived its right to receive the incentive distribution and incentive allocations related to the quarterly distribution for the three months ended September 30, 2018 and December 31, 2018. The maximum distribution of 50% does not include any distributions that our general partner or its affiliates may receive on common units that they may own.

Percentage Allocations of Available Cash from Operating Surplus

The following table illustrates the percentage allocations of available cash from operating surplus between the unitholders and our general partner based on the specified target distribution levels. The amounts set forth under “Marginal percentage interest in distributions” are the percentage interests of our general partner and the unitholders in any available cash from operating surplus we distribute up to and including the corresponding amount in the column “Total quarterly distribution per unit target amount.” The percentage interests shown for our unitholders and our general partner for the minimum quarterly distribution are also applicable to quarterly distribution amounts that are less than the minimum quarterly distribution. The percentage interests set forth below for our general partner assume that our general partner has not transferred its incentive distribution rights and that there are no arrearages on common units.

	Total quarterly distribution per unit target amount	Marginal percentage interest in distributions	
		Unitholders	General Partner
Minimum Quarterly Distribution	\$ 0.287500	100%	—%
First Target Distribution	above \$0.287500 up to \$0.330625	100%	—%
Second Target Distribution	above \$0.330625 up to \$0.359375	85%	15%
Third Target Distribution	above \$0.359375 up to \$0.431250	75%	25%
Thereafter	above \$0.431250	50%	50%

Subordinated Units and Subordination Period

General

- Our partnership agreement provides that, during the subordination period, the common units have the right to receive distributions of available cash from operating surplus each quarter in an amount equal to \$0.2875 per common unit, which amount is defined in our partnership agreement as the minimum quarterly distribution, plus any arrearages in the payment of the minimum quarterly distribution on the common units from prior quarters, before any distributions of available cash from operating surplus may be made on the subordinated units. These units are deemed “subordinated” because for a period of time, referred to as the subordination period, the subordinated units are not entitled to receive any distributions until the common units have received the minimum quarterly distribution plus any arrearages in the payment of the minimum quarterly distribution on the common units from prior quarters.

The requirements described above for the subordinated units to convert were satisfied upon the payment of our quarterly cash distribution on February 14, 2018. Therefore, effective February 15, 2018, all of our subordinated units which are owned by Landmark, were converted on a one-for-one basis into common units. The conversion of subordinated units does not impact the amount of cash distributions or total number of outstanding units.

Use of Proceeds

On October 19, 2016, the Partnership closed a public offering of 3,450,000 common units representing limited partner interests in us at a price to the public of \$16.30 per common unit, or \$15.53 per common unit net of the underwriter’s discount. We received net proceeds of \$53.3 million after deducting the underwriter’s discount and offering expenses paid by us of \$2.9 million. We used all net proceeds to repay a portion of the borrowings under our revolving credit facility.

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On May 20, 2015, the Partnership closed a public offering of additional 3,000,000 common units representing limited partner interests in us at a price to the public of \$16.75 per common unit, or \$15.9125 per common unit net of the underwriter's discount. We received net proceeds of \$46.9 million after deducting the underwriter's discount and offering expenses paid by us of \$3.3 million. We used all proceeds to repay a portion of the borrowings under our revolving credit facility.

Recent Sales of Unregistered Securities

In connection with the acquisition of certain tenant sites and real property interests from Landmark Divided Growth Fund-H LLC ("Fund H"), we issued 1,506,421 Common Units on January 18, 2018. In connection with the Fund G drop-down acquisition, we issued 221,729 Common Units to Fund G on April 28, 2017 and 3,592,430 Common Units to Fund G on August 30, 2016. The issuances were exempt from registration pursuant to Section 4(2) of the Securities Act of 1933, as amended. See Note 3 to the Consolidated and Combined Financial Statements for additional information.

ITEM 6. Selected Financial Data

During the years ended December 31, 2018, 2017 and 2016, the Partnership completed one, four and five drop-down acquisitions, respectively, from our Sponsor and affiliates (collectively the "Drop-down Acquisitions" or "Drop-down Assets"). The Drop-down Assets acquired by the Partnership included an aggregate of 127 tenant sites for the year ended December 31, 2018, 155 tenant sites and two investments in receivables for the year ended December 31, 2017, 539 tenant sites and 14 investments in receivables for the year ended December 31, 2016, in exchange for total consideration of \$59.9 million, \$118.3 million and \$205.7 million, respectively. The Drop-down Acquisitions are a transfer of net assets between entities under common control as the acquisitions do not meet the definition of a business in accordance with ASU No. 2017-01. The transfer of net assets is accounted for prospectively in the period in which the transfer occurs at the net carrying value. Any differences between the cash consideration and the net carrying value of the transfer of net assets have been allocated to the General Partner.

Included in the Drop-down Assets acquired by the Partnership during the year ended December 31, 2016, 386 tenant sites and 5 investments in receivables were part of the right of first offer assets acquired from Fund G for a total consideration of \$140.3 million. In connection with the Fund G drop-down acquisition, the Partnership entered into a contractual obligation to acquire two tenant sites and related real property interests. The Partnership acquired one of these tenant sites and related real property interests on March 31, 2017 for cash consideration of \$7.5 million and the remaining additional tenant site for \$3.8 million on April 28, 2017. Upon completion of the full \$11.3 million acquisition, the Partnership issued 221,729 Common Units to Fund G on April 28, 2017.

Additionally, during the years ended December 31, 2018, 2017 and 2016, the Partnership acquired 104 tenant sites, 63 tenant sites and one investment in receivables and 40 tenant sites from third parties for a total consideration of \$75.8 million, \$41.0 million and \$85.7 million, respectively. See Note 3, *Acquisitions*, within the Notes to the Consolidated and Combined Financial Statements in Item 15., "Exhibits, Financial Statement Schedules," for additional information.

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The following table includes selected financial data of Landmark Infrastructure Partners LP for the years and as of the dates indicated (in thousands). The following tables should be read in conjunction with Item 7., “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” and our consolidated and combined financial statements and accompanying notes in Item 15., “Exhibits, Financial Statement Schedules.”

	Year Ended December 31,				
	2018	2017	2016	2015	2014
Statements of Operations Data:					
Revenue					
Rental revenue	\$ 64,765	\$ 52,625	\$ 41,171	\$ 33,597	\$ 24,432
Expenses					
Management fees to affiliate	—	—	196	480	766
Property operating	1,147	394	107	36	25
General and administrative	4,731	5,286	3,755	2,923	821
Acquisition-related	3,287	1,287	2,906	4,016	1,779
Amortization	16,152	13,537	11,191	8,651	6,258
Impairments	1,559	848	1,275	3,902	259
Total expenses	26,876	21,352	19,430	20,008	9,908
Total other income and expenses	78,159	(15,142)	(11,820)	(12,384)	(11,994)
Income before income tax expense (benefit)	116,048	16,131	9,921	1,205	2,530
Income tax expense (benefit)	227	(3,145)	—	—	—
Net income	\$ 115,821	\$ 19,276	\$ 9,921	\$ 1,205	\$ 2,530
Less: Pre-acquisition net income from Drop-down Assets	—	—	48	469	5,228
Less: Net income attributable to noncontrolling interest	27	19	—	—	—
Net income attributable to limited partners	115,794	19,257	9,873	736	(2,698)
Less: Distributions declared to preferred unitholders	(10,630)	(6,673)	(2,660)	—	—
Less: General partner's incentive distribution rights	(784)	(488)	(110)	—	—
Net income attributable to common and subordinated unitholders	\$ 104,380	\$ 12,096	\$ 7,103	\$ 736	\$ (2,698)
Net income (loss) per common and subordinated unit:					
Common units – basic	\$ 4.25	\$ 0.54	\$ 0.46	\$ 0.16	\$ (0.34)
Common units – diluted	\$ 3.97	\$ 0.53	\$ 0.41	\$ 0.07	\$ (0.34)
Subordinated units – basic and diluted	\$ (0.78)	\$ 0.50	\$ 0.23	\$ (0.16)	\$ (0.34)
Cash distributions declared per common and subordinated unit	\$ 1.47	\$ 1.47	\$ 1.35	\$ 1.25	\$ 0.13
Balance Sheet Data (End of Period):					
Land and real property interests, before accumulated amortization	\$ 675,281	\$ 718,381	\$ 578,875	\$ 466,052	\$ 363,513
Land and real property interests, after accumulated amortization	\$ 636,212	\$ 680,564	\$ 552,908	\$ 449,671	\$ 354,201
Total assets	\$ 786,613	\$ 767,999	\$ 603,060	\$ 485,619	\$ 377,340
Revolving credit facility	\$ 155,000	\$ 304,000	\$ 224,500	\$ 233,000	\$ 74,000
Secured debt facilities	\$ —	\$ —	\$ —	\$ 74,136	\$ 108,803
Secured Notes, net	\$ 223,685	\$ 187,249	\$ 112,435	\$ —	\$ —
Total liabilities	\$ 401,628	\$ 513,641	\$ 358,730	\$ 328,257	\$ 199,377
Equity	\$ 337,677	\$ 254,358	\$ 244,330	\$ 157,362	\$ 177,963
Statement of Cash Flow Data:					
Cash flow provided by operating activities	\$ 31,256	\$ 28,473	\$ 21,465	\$ 15,955	\$ 14,826
Cash flow used in investing activities	\$ (37,533)	\$ (140,128)	\$ (156,468)	\$ (134,211)	\$ (5,546)
Cash flow provided by financing activities	\$ (13,652)	\$ 133,981	\$ 138,649	\$ 119,929	\$ (10,006)
Other Data:					
Total number of leased tenant sites (end of period)	1,920	2,239	1,956	1,844	1,468
EBITDA ⁽¹⁾	\$ 158,220	\$ 48,067	\$ 35,035	\$ 20,814	\$ 17,730
Adjusted EBITDA ⁽¹⁾	\$ 65,305	\$ 51,749	\$ 40,074	\$ 32,067	\$ 23,090
Distributable Cash Flow ⁽¹⁾	\$ 33,424	\$ 28,825	\$ 21,495	\$ 14,558	\$ 1,934

(1) For a definition of the non-GAAP financial measure of EBITDA, Adjusted EBITDA and Distributable Cash Flow and a reconciliation to our most directly comparable financial measure calculated and presented in accordance with GAAP, please read “Selected Financial Data – Non-GAAP Financial Measures.”

Non-GAAP Financial Measures

EBITDA, Adjusted EBITDA and Distributable Cash Flow

We define EBITDA as net income before interest, income taxes, depreciation and amortization, adjustments for investment in unconsolidated joint venture, 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. We define distributable cash flow as Adjusted EBITDA less cash interest paid, cash interest paid from unconsolidated joint venture, current cash income tax paid, maintenance capital expenditures, preferred unit distributions and net income attributable to noncontrolling interests. Distributable cash flow will not reflect changes in working capital balances. During the fourth quarter 2017, we changed our definition of Adjusted EBITDA by adding cash receipts applied toward the repayments of investments in receivables. We made this change to better reflect the quarterly amount of operating surplus as determined by our amended and restated partnership agreement. This change did not have a material impact on our Adjusted EBITDA or distributable cash flow and prior period amounts have been recast to conform to current presentation.

EBITDA, Adjusted EBITDA and distributable cash flow 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 EBITDA and 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, Adjusted EBITDA and distributable cash flow in this Annual Report on Form 10-K provides information useful to investors in assessing our financial condition and results of operations. The GAAP measures most directly comparable to EBITDA, Adjusted EBITDA and distributable cash flow are net income and net cash provided by operating activities. EBITDA, Adjusted EBITDA and distributable cash flow 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, Adjusted EBITDA and distributable cash flow 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, Adjusted EBITDA and distributable cash flow in isolation or as a substitute for analysis of our results as reported under GAAP. As a result, because EBITDA, Adjusted EBITDA and distributable cash flow may be defined differently by other companies in our industry, EBITDA, Adjusted EBITDA and distributable cash flow as presented below may not be comparable to similarly titled measures of other companies, thereby diminishing their utility.

We use the term “distributable cash flow” to measure whether we have generated from our operations, or “earned,” a particular amount of cash sufficient to support the payment of the minimum quarterly distributions. Our partnership agreement contains the concept of “operating surplus” to determine whether our operations are generating sufficient cash to support the distributions that we are paying, as opposed to returning capital to our partners. Because operating surplus is a cumulative concept (measured from the initial public offering date, and compared to cumulative distributions from the initial public offering date), we use the term distributable cash flow to approximate operating surplus on a quarterly or annual, rather than a cumulative, basis. As a result, distributable cash flow is not necessarily indicative of the actual cash we have on hand to distribute or that we are required to distribute.

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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:

	Year Ended December 31,				
	2018	2017	2016	2015	2014
Net cash provided by operating activities	\$ 31,256	\$ 28,473	\$ 21,465	\$ 15,955	\$ 14,826
Unit-based compensation	(70)	(105)	(105)	(105)	(18)
Unrealized gain (loss) on derivatives	1,010	1,675	2,306	(446)	(643)
Loss on early extinguishment of debt	(157)	—	(1,703)	(1,872)	(2,905)
Amortization expense	(16,152)	(13,537)	(11,191)	(8,651)	(6,258)
Amortization of above- and below-market rents, net	1,226	1,226	1,338	1,467	936
Amortization of deferred loan costs and discount on secured notes	(3,809)	(2,237)	(1,703)	(1,902)	(1,842)
Receivables interest accretion	3	7	36	33	52
Impairments	(1,559)	(848)	(1,275)	(3,902)	(259)
Gain (loss) on sale of real property interests	99,884	(5)	374	237	—
Allowance for doubtful accounts and investments in receivables	(60)	(215)	(182)	—	(4)
Equity income from unconsolidated joint venture	59	—	—	—	—
Foreign currency transaction loss	(6)	—	—	—	—
Working capital changes	4,196	4,842	561	391	(1,355)
Net income	<u>\$ 115,821</u>	<u>\$ 19,276</u>	<u>\$ 9,921</u>	<u>\$ 1,205</u>	<u>\$ 2,530</u>
Interest expense	24,273	18,399	13,923	10,958	8,942
Amortization expense	16,152	13,537	11,191	8,651	6,258
Income tax expense (benefit)	227	(3,145)	—	—	—
Adjustments for investment in unconsolidated joint venture	1,747	—	—	—	—
EBITDA ⁽¹⁾	<u>\$ 158,220</u>	<u>\$ 48,067</u>	<u>\$ 35,035</u>	<u>\$ 20,814</u>	<u>\$ 17,730</u>
Impairments	1,559	848	1,275	3,902	259
Acquisition-related	3,287	1,287	2,906	4,016	1,779
Unrealized (gain) loss on derivatives	(1,010)	(1,675)	(2,306)	446	643
Realized loss on derivatives	—	—	99	140	213
Loss on early extinguishment of debt	157	—	1,703	1,872	2,905
(Gain) loss on sale of real property interests	(99,884)	5	(374)	(237)	—
Unit-based compensation	70	105	105	105	18
Straight line rent adjustments	235	(358)	(514)	(338)	(285)
Amortization of above- and below-market rents, net	(1,226)	(1,226)	(1,338)	(1,467)	(936)
Repayments of investments in receivables	1,108	1,180	905	704	752
Adjustments for investment in unconsolidated joint venture	(50)	—	—	—	—
Foreign currency transaction loss	6	—	—	—	—
Deemed capital contribution due to cap on general and administrative expense reimbursement	2,833	3,516	2,578	2,110	12
Adjusted EBITDA ⁽¹⁾	<u>\$ 65,305</u>	<u>\$ 51,749</u>	<u>\$ 40,074</u>	<u>\$ 32,067</u>	<u>\$ 23,090</u>
Less: Drop-down Assets Adjusted EBITDA	—	—	(5,734)	(12,551)	(20,864)
Adjusted EBITDA applicable to limited partners	<u>\$ 65,305</u>	<u>\$ 51,749</u>	<u>\$ 34,340</u>	<u>\$ 19,516</u>	<u>\$ 2,226</u>
Less: Cash interest expense	(20,464)	(16,162)	(10,185)	(4,958)	(292)
Less: Cash interest expense from unconsolidated joint venture	(738)	—	—	—	—
Less: Cash income tax	(22)	(70)	—	—	—
Less: Distributions declared to preferred unitholders	(10,630)	(6,673)	(2,660)	—	—
Less: Net income attributable to noncontrolling interests	(27)	(19)	—	—	—
Distributable Cash Flow ⁽¹⁾	<u>\$ 33,424</u>	<u>\$ 28,825</u>	<u>\$ 21,495</u>	<u>\$ 14,558</u>	<u>\$ 1,934</u>

(1) For a definition of the non-GAAP financial measure of EBITDA, Adjusted EBITDA and Distributable Cash Flow, please read "Selected Financial Data – Non-GAAP Financial Measures."

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 loss. The GAAP measures most directly comparable to FFO and AFFO is net income.

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

	Year Ended December 31,				
	2018	2017	2016	2015	2014
Net income	\$ 115,821	\$ 19,276	\$ 9,921	\$ 1,205	\$ 2,530
Adjustments:					
Amortization expense	16,152	13,537	11,191	8,651	6,258
Impairments	1,559	848	1,275	3,902	259
(Gain) loss on sale of real property interests	(99,884)	5	(374)	(237)	—
Adjustments for investment in unconsolidated joint venture	923	—	—	—	—
Distributions to preferred unitholders	(10,630)	(6,673)	(2,660)	—	—
Distributions to noncontrolling interests	(27)	(19)	—	—	—
FFO	\$ 23,914	\$ 26,974	\$ 19,353	\$ 13,521	\$ 9,047
Adjustments:					
General and administrative expense reimbursement	2,833	3,516	2,578	2,110	12
Acquisition-related expenses	3,287	1,287	2,906	4,016	1,779
Unrealized (gain) loss on derivatives	(1,010)	(1,675)	(2,306)	446	643
Realized loss on derivatives	—	—	99	140	213
Straight line rent adjustments	235	(358)	(514)	(338)	(285)
Unit-based compensation	70	105	105	105	18
Amortization of deferred loan costs and discount on secured notes	3,809	2,237	3,738	6,000	8,650
Deferred income tax expense (benefit)	205	(3,215)	—	—	—
Amortization of above- and below-market rents, net	(1,226)	(1,226)	(1,338)	(1,467)	(936)
Loss on early extinguishment of debt	157	—	1,703	1,872	2,905
Repayments of receivables	1,108	1,180	905	704	752
Adjustments for investment in unconsolidated joint venture	36	—	—	—	—
Adjustments for drop-down assets	—	—	(5,734)	(12,551)	(20,864)
Foreign currency transaction loss	6	—	—	—	—
AFFO	\$ 33,424	\$ 28,825	\$ 21,495	\$ 14,558	\$ 1,934
FFO per common unit - diluted	\$ 0.96	\$ 1.18	\$ 1.13	\$ 1.26	\$ 1.15
AFFO per common unit - diluted	\$ 1.34	\$ 1.26	\$ 1.26	\$ 1.36	\$ 0.25
Weighted average common units outstanding - diluted	25,013	22,836	17,121	10,693	7,838

ITEM 7. 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," "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 and combined financial statements and related notes included elsewhere in this Annual Report on Form 10-K. Among other things, those historical consolidated and combined 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" and elsewhere in this Annual Report on Form 10-K.

Overview

We are a growth-oriented partnership formed by Landmark Divided LLC ("Landmark" or "Sponsor") to own and manage a portfolio of real property interests and infrastructure assets that we lease to companies in the wireless communication, outdoor advertising and renewable power generation 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 and renewable power utilities or high quality offtakers.

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 REIT commencing with its taxable year ending December 31, 2017. We intend to continue to own and operate substantially all of our assets through the REIT Subsidiary. These changes are designed to simplify tax reporting for unitholders and 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.

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 and renewable power producers. 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, over 90% of our tenant leases have contractual fixed-rate escalators or 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. In April 2018, T-Mobile and Sprint announced a proposed merger. For the year ended December 31, 2018, T-Mobile and Sprint represented approximately 9.6% and 7.8%, respectively, 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; (4) Adjusted EBITDA; and (5) distributable cash flow.

Occupancy

The amount of revenue we generate primarily depends on our occupancy rate. As of December 31, 2018, we had a 95% occupancy rate with 1,831 of our 1,920 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, Internet of Things (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. We believe the impact of past consolidation is already reflected in our occupancy rates. 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.

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 extinguishment of debt, repayments of receivables, adjustments for investment in unconsolidated joint venture, adjustments for drop-down assets and foreign currency transaction loss. The GAAP measures most directly comparable to FFO and AFFO is net income.

EBITDA, Adjusted EBITDA and Distributable Cash Flow

We define EBITDA as net income before interest, income taxes, depreciation and amortization, adjustments for investment in unconsolidated joint venture, 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. We define distributable cash flow as Adjusted EBITDA less cash interest paid, cash interest paid from unconsolidated joint venture, current cash income tax paid, maintenance capital expenditures, preferred unit distributions and net income attributable to noncontrolling interests. Distributable cash flow will not reflect changes in working capital balances. During the fourth quarter 2017, we changed our definition of Adjusted EBITDA by adding cash receipts applied toward the repayments of investments in receivables. We made this change to better reflect the quarterly amount of operating surplus as determined by our amended and restated partnership agreement. This change did not have a material impact on our Adjusted EBITDA or distributable cash flow and prior period amounts have been recast to conform to current presentation.

EBITDA, Adjusted EBITDA and distributable cash flow 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 agencies, 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, Adjusted EBITDA and distributable cash flow in this Annual Report on Form 10-K provides information useful to investors in assessing our financial condition and results of operations. The GAAP measures most directly comparable to EBITDA, Adjusted EBITDA and distributable cash flow are net income and net cash provided by operating activities. EBITDA, Adjusted EBITDA and distributable cash flow 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, Adjusted EBITDA and distributable cash flow 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, Adjusted EBITDA or distributable cash flow in isolation or as a substitute for analysis of our results as reported under GAAP. As a result, because EBITDA, Adjusted EBITDA and distributable cash flow may be defined differently by other companies in our industry, EBITDA, Adjusted EBITDA and distributable cash flow as presented below may not be comparable to similarly titled measures of other companies, thereby diminishing their utility.

For a further discussion of the non-GAAP financial measures of FFO, AFFO, EBITDA, Adjusted EBITDA and distributable cash flow, and a reconciliation of FFO, AFFO, EBITDA, Adjusted EBITDA and distributable cash flow to the most comparable financial measures calculated and presented in accordance with GAAP, please read “Selected Historical Financial Data – Non-GAAP Financial Measures.”

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:

Investment in Unconsolidated Joint Venture

On September 24, 2018, the Partnership completed the formation of an unconsolidated joint venture (the “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 used \$59.7 million of the net proceeds to repay a portion of the borrowings under the revolving credit facility. The Partnership deconsolidated the 545 tenant sites and real property interests and recognized a gain on contribution of real property interests of \$100 million. 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.

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 years ended December 31, 2018, 2017 and 2016, the Partnership completed one, four and five drop-down acquisitions, respectively, from our Sponsor and affiliates (collectively the “Drop-down Acquisitions” or “Drop-down Assets”). The Drop-down Assets acquired by the Partnership included an aggregate of 127 tenant sites for the year ended December 31, 2018, 155 tenant sites and two investments in receivables for the year ended December 31, 2017, 539 tenant sites and 14 investments in receivables for the year ended December 31, 2016, in exchange for total consideration of \$59.9 million, \$118.3 million and \$205.7 million, respectively. The Drop-down Acquisitions are a transfer of net assets between entities under common control as the acquisitions do not meet the definition of a business in accordance with ASU No. 2017-01. The transfer of net assets is accounted for prospectively in the period in which the transfer occurs at the net carrying value. Any differences between the cash consideration and the net carrying value of the transfer of net assets have been allocated to the General Partner.

Included in the Drop-down Assets acquired by the Partnership during the year ended December 31, 2016, 386 tenant sites and 5 investments in receivables were part of the right of first offer assets acquired from Fund G for a total consideration of \$140.3 million. In connection with the Fund G drop-down acquisition, the Partnership entered into a contractual obligation to acquire two tenant sites and related real property interests. The Partnership acquired one of these tenant sites and related real property interests on March 31, 2017 for cash consideration of \$7.5 million and the remaining additional tenant site for \$3.8 million on April 28, 2017. Upon completion of the full \$11.3 million acquisition, the Partnership issued 221,729 Common Units to Fund G on April 28, 2017.

Additionally, during the years ended December 31, 2018, 2017 and 2016, the Partnership acquired 104 tenant sites, 63 tenant sites and one investment in receivables and 40 tenant sites from third parties for a total consideration of \$75.8 million, \$41.0 million and \$85.7 million, respectively. See Note 3, *Acquisitions*, to the Consolidated and Combined Financial Statements for additional information.

Secured Notes

On June 6, 2018, the Partnership completed a securitization transaction (the “2018 Securitization”) involving a segregated pool of wireless communication sites and related property interests owned by certain special purpose subsidiaries of the Partnership, through the issuance of the 2018-1 Secured Tenant Site Contract Revenue Notes, Class C, Class D and Class F (the “2018 Secured Notes”), in an aggregate principal amount of \$125.4 million. 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. On September 24, 2018, the Partnership completed the formation of an unconsolidated joint venture by contributing certain special purpose subsidiaries to the unconsolidated joint venture, including the 2018 Secured Notes. See Note 8, *Investment in Unconsolidated Joint Venture* and Consolidated and Combined Financial Statements for additional information.

On April 24, 2018, a special purpose subsidiary of the Partnership entered into a note purchase and private shelf agreement (“Note Purchase Agreement”) pursuant to which such subsidiary agreed to sell approximately \$43.7 million aggregate principal amount of its 4.38% senior secured notes in a private placement (the “4.38% Senior Secured Notes”). The 4.38% Senior Secured Notes are fully amortizing through June 30, 2036. Such subsidiary may from time to time issue and sell additional senior secured notes pursuant to the Note Purchase Agreement, in an aggregate principal amount, together with the initial principal amount of the 4.38% Senior Secured Notes, of up to \$225 million. The 4.38% Senior Secured Notes are, and any such additional notes will be, secured by a segregated pool of renewable power generation sites and related property interests owned directly or indirectly by such subsidiary.

On November 30, 2017, the Partnership completed a securitization transaction (the “2017 Securitization”) involving a segregated pool of certain outdoor advertising sites and related property interests owned by certain special purpose subsidiaries of the Partnership, through the issuance of the Series 2017-1 Secured Tenant Site Contract Revenue Notes, Class A and Class B (the “2017 Secured Notes”), in an aggregate principal amount of \$80.0 million. 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.

On June 16, 2016, the Partnership completed a securitization transaction (the “2016 Securitization”) involving a segregated pool of wireless communication sites and related real property interests owned by certain special purpose subsidiaries of the Partnership, through the issuance of the Series 2016-1 Secured Tenant Site Contract Revenue Notes, Class A and Class B (the “2016 Secured Notes”), in an aggregate principal amount of \$116.6 million. The Class A and Class B 2016 Secured Notes bear interest at a fixed note rate per annum of 3.52% and 7.02%, respectively.

The secured notes described above are collectively referred to as the “Secured Notes.” See Note 9, *Debt* to the Consolidated and Combined Financial Statements for additional information.

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 pound sterling, euro, Australian dollar and Canadian dollar. 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 December 31, 2018, the applicable spread was 2.00%. 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 December 31, 2018, the applicable annual commitment rate used was 0.175%.

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. On November 15, 2018, a Partnership entered into an interest rate swap agreement with a notional amount in pound sterling. Foreign currency changes on mark-to-market adjustments on our interest rate swap agreement denominated in a foreign currency are reflect in the income statement as foreign currency transaction loss (gain).

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 "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 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.

On July 31, 2017, the Partnership amended its Partnership agreement and revolving credit facility and completed changes to its organizational structure by moving the Partnership's assets under a subsidiary that has elected to be taxed as a REIT. During the year ended December 31, 2017, the Partnership incurred \$1.1 million in expenses related to the change in organization structure. Such expenses are included in General and Administrative Expenses during the year ended December 31, 2017.

Our historical financial results include a management fee charged by Landmark to cover certain administrative costs as the managing member of the funds. Landmark is no longer entitled to receive a management fee for these services and will be reimbursed for its costs of providing these services subject to the cap under the terms of the omnibus agreement.

Factors That May Influence Future Results of Operations

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.

During 2017, the Partnership started developing an ecosystem of technologies that provides smart enabled infrastructure ("FlexGrid™") 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. As of December 31, 2018 and 2017, the Partnership's \$29.6 million and \$7.6 million of construction in progress balance is primarily related to the FlexGrid™ solution, respectively. 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.

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 FlexGrid™ ecosystem solution on strategic high-traffic DART locations.

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 2018 Securitization in exchange for a 50.01% membership interest in the unconsolidated JV and \$65.5 million in cash. 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.

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. In April 2018, T-Mobile and Sprint announced a proposed merger. For the year ended December 31, 2018, T-Mobile and Sprint represented approximately 9.6% and 7.8%, respectively, of rental revenue.

Changing Interest Rates and Currency Fluctuations

Interest rates have been at or near historic lows in recent years and have recently started to rise. If interest rates rise further, 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 the availability and terms of debt financing, our interest expense associated with existing and future debt or our ability to make accretive acquisitions.

Critical Accounting Policies

The following discussion of critical accounting policies uses "we", "our" and the "Partnership" interchangeably. Our discussion and analysis of the historical financial condition and results of operations of the Partnership are based upon our consolidated and combined financial statements, which have been prepared in accordance with GAAP. The preparation of these financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amount of revenue and expenses in the reporting period. Actual amounts may differ from these estimates and assumptions. We have provided a summary of significant accounting policies in Note 2 to the consolidated and combined financial statements of the Partnership, included elsewhere in Part IV, Item 15(a)(1). We have summarized below those accounting policies that require material subjective or complex judgments and that have the most significant impact on financial condition and results of operations. Management evaluates these estimates on an ongoing basis, based upon information currently available and on various assumptions that it believes are reasonable as of the date hereof. In addition, other companies in similar businesses may use different estimation policies and methodologies, which may impact the comparability of our results of operations and financial condition to those of other companies.

A critical accounting policy is one that is both important to the portrayal of an entity's financial condition and results of operations and requires judgment on the part of management. Generally, the judgment requires management to make estimates and assumptions about the effect of matters that are inherently uncertain. Estimates are prepared using management's best judgment, after considering past and current economic conditions and expectations for the future. Changes in estimates could affect our financial position and specific items in our results of operations that are used by the users of our financial statements in their evaluation of our performance. Of the accounting policies discussed in the notes to the consolidated and combined financial statements of the Partnership, included in Part IV, Item 15(a)(1), the accounting policies presented below have been identified by us as critical accounting policies.

Purchase Accounting for Acquisitions

The Partnership applies the business combination method to all acquired investments of real property interests for transactions that meet the definition of a business combination and asset acquisitions. The purchase consideration of the real property interests is allocated to the acquired tangible asset, such as land, and the identified intangible assets and liabilities, consisting of the value of perpetual and limited life easements, above-market and below-market leases and in-place leases, based in each case on their fair values. The fair value of the assets acquired and liabilities assumed is typically determined by using the discounted cash flow valuation method. When determining the fair value of intangible assets acquired, the Partnership estimates the applicable discount rate and the timing and amount of future cash flows.

Factors considered in estimating the fair value of tangible and intangible assets acquired include information obtained about each asset as a result of Landmark's pre-acquisition due diligence and its marketing and leasing activities. In order to calculate the estimated in-place lease value, we employed the income approach in accordance with ASC 805 by multiplying the anticipated market absorption period by the market rent at the time of acquisition for each in-place lease agreement. Based on our experience in the industry, we have determined a range of lease execution timelines to be between one and twelve months. For the in-place lease valuation, we consider a lease-up period of four to eight months to be representative of the market.

We estimated the fair value of real property interests using the income approach. The discount rates used ranged from 6% to 20%. The value of tenant relationships has not been separated from in-place tenant lease value for the real estate acquired as such value and its consequence to amortization expense is materially consistent with the in-place lease value for these particular acquisitions. Should future acquisitions of real property interests result in allocating material amounts to the value of tenant relationships, an amount would be separately allocated and amortized over the estimated life of the relationship. The value of in-place leases and customer relationship is amortized to expense over the estimated period the tenant is expected to be leasing the site under the existing terms which typically range from 2 to 20 years. If a tenant lease were to be terminated prior to its stated expiration, all unamortized amounts relating to that lease would be impaired.

The discount rate associated with each asset varies based on the location of an asset (including demographics and zoning restrictions), and other asset specific characteristics. Market rent for each asset is determined based on location of each asset, asset type, zoning restrictions, ground space necessary for the tenant's equipment, remaining site capacity, visibility (specifically for billboards), and nearby sites.

In allocating the purchase consideration of the identified intangible assets and liabilities of an acquired asset, above-market, below-market and in-place lease values are calculated based on the present value (using an interest rate that reflects the risks associated with the leases acquired) of the difference between (i) the contractual amounts to be paid pursuant to the in-place leases and (ii) management's estimate of fair market lease rates for the corresponding in-place leases measured over the estimated period the tenant is expected to be leasing the site under the above or below-market terms. The capitalized above-market and below-market lease values are amortized as a decrease or increase, respectively, to rental income over the estimated period the tenant is expected to be leasing the site. All tenant leases obtained by us through acquisition of real property interests are generally cancellable, upon 30 to 180 days' notice by the tenants, with no significant penalty. With respect to below-market leases, consideration is given to any below-market renewal periods. However, for wireless communication assets, we estimated the above- or below-market lease value over an analysis period of the earlier of the lease expiration or 10 years based on estimated useful life of the underlying equipment and assets. For outdoor advertising assets, we estimated the above- or below-market lease value over an analysis period of the earlier of the lease expiration or 20 years, based on a longer estimated useful life of 20 years for outdoor advertising assets.

Impairment of Long-Lived Assets

We assess the carrying values of our long-lived assets whenever events or changes in circumstances indicate that the carrying amounts of these assets may not be fully recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount to the future net cash flow, undiscounted and without interest, expected to be generated by the asset.

In evaluating our assets for recoverability, we consider current market conditions, as well as our intent with respect to holding or disposing of the asset. Our intent with regard to the underlying assets might change as market conditions change, as well as other factors. Fair value is determined through various valuation techniques, including the income approach using a market discount rate, terminal capitalization rate and rental rate assumptions, or on the sales comparison approach to similar assets. If our analysis indicates that the carrying value of the asset is not recoverable, we recognize an impairment charge for the amount by which the carrying value exceeds the current estimated fair value of the asset. Assets to be disposed of are reported at the lower of the carrying amount or fair value, less costs to sell.

Assumptions and estimates used in the recoverability analyses for future cash flow, discount rates and capitalization rates are complex and subjective. Changes in economic and operating conditions or our intent with regard to our assets that occurs subsequent to our impairment analyses could impact these assumptions and result in future impairments of our assets.

Revenue Recognition

The Partnership recognizes rental income under operating leases, including rental abatements, lease incentives and contractual fixed increases, if any, from tenants under lease arrangements with minimum fixed and determinable increases on a straight-line basis over the non-cancellable term of the related leases when collectability is reasonably assured. The excess of rents recognized over amounts contractually due pursuant to the underlying leases are recorded as deferred rent assets. The excess of rent payments collected over amounts recognized contractually due pursuant to the underlying lease are recorded as prepaid rents.

All leases obtained by the Partnership through its acquisition and ownership of real property interests were generally cancelable upon 30-180 days' notice by the tenants with no significant penalty. The Partnership evaluates whether the lease arrangements economically compel the tenant to not cancel the lease in determining the term of the lease by considering various factors such as cancellation rights, availability of alternative sites, and historical cancellation rates. For cancellable leases where the tenant is not economically compelled to continue the lease, the term of the lease is considered to be the non-cancellable period with rental abatements and contractual fixed rate increases recorded in the period the amounts become due and payable.

- **Wireless Communication** – As a result of various factors, including the cancellation rights, ability to find alternative sites, credit risk, and historical cancellation and lease amendment rates, the lease term is generally considered to be the non-cancellable term of the lease of 30 to 180 days. For these leases, rental abatements and contractual fixed increases are recorded in the period the amounts become due and payable.
- **Outdoor Advertising and Renewable Power Generation** – The lease term is generally considered to be the non-cancellable term of the remaining portion of the existing term of the lease.

The capitalized above-market and below-market lease values are amortized as a decrease or increase, respectively, to rental income over the estimated period the tenant is expected to be leasing the site.

Our ability to accurately estimate the term of our tenant leases is critical to the amount of revenue we recognize.

Results of Operations of our Partnership

Segments

We conduct business through three reportable business segments: Wireless Communication, Outdoor Advertising, and Renewable Power Generation. 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.

Comparison of Year Ended December 31, 2018 to Year Ended December 31, 2017

Our results of operations for all periods presented were affected by the formation of the unconsolidated JV and acquisitions made during the years ended December 31, 2018 and 2017. As of December 31, 2018 and 2017, we had 1,920 and 2,239 available tenant sites, respectively. The following table summarizes the combined statement of operations for years ended December 31, 2018 and 2017 (in thousands):

	Year Ended December 31,		
	2018	2017	Change
Revenue			
Rental revenue	\$ 64,765	\$ 52,625	\$ 12,140
Expenses			
Property operating	1,147	394	753
General and administrative	4,731	5,286	(555)
Acquisition-related	3,287	1,287	2,000
Amortization	16,152	13,537	2,615
Impairments	1,559	848	711
Total expenses	26,876	21,352	5,524
Other income and expenses			
Interest and other income	1,642	1,587	55
Interest expense	(24,273)	(18,399)	(5,874)
Loss on early extinguishment of debt	(157)	—	(157)
Unrealized gain on derivatives	1,010	1,675	(665)
Equity income from unconsolidated joint venture	59	—	59
Gain (loss) on sale of real property interests	99,884	(5)	99,889
Foreign currency transaction loss	(6)	—	(6)
Total other income and expenses	78,159	(15,142)	93,301
Income before income tax expense (benefit)	116,048	16,131	99,917
Income tax expense (benefit)	227	(3,145)	3,372
Net income	\$ 115,821	\$ 19,276	\$ 96,545

Rental Revenue

Rental revenue increased \$12.1 million, \$7.7 million of which was due to the greater average number of assets in the portfolio during 2018 compared to 2017. Additionally, \$7.2 million was due to the full year impact of rental revenue in 2018 for tenant sites acquired during 2017, offset by the decrease in revenue attributable assets contributed to the unconsolidated JV. Revenue generated in 2018 from our wireless communication, outdoor advertising, and renewable power generation segments was \$37.9 million, \$18.8 million, \$8.1 million, or 59%, 29% and 12% of total rental revenue, respectively, compared to \$33.5 million, \$11.4 million, \$7.8 million, or 63%, 22% and 15% of total rental revenue, respectively, during 2017. The occupancy rates in our wireless communication, outdoor advertising and renewable power generation segments were 94%, 98% and 100%, respectively, as of December 31, 2018 compared to 96%, 98% and 100%, respectively, as of December 31, 2017. Additionally, our effective monthly rental rates per tenant site for wireless communication, outdoor advertising, and renewable power generation segments were \$1,926, \$2,486 and \$9,148, respectively, during 2018 compared to \$1,838, \$1,754 and \$9,779, respectively, during 2017.

On September 24, 2018, the Partnership completed the formation of the unconsolidated JV. The Partnership contributed 545 wireless communication assets to the JV along with the associated liabilities. 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. Rental revenue includes revenue generated from the assets contributed to the JV prior to the date of the transaction was \$10.0 million and \$9.1 million for the years ended December 31, 2018 and 2017, respectively.

Property Operating

Property operating expenses increased \$0.8 million during 2018 compared to 2017 due to an increase in rent expense on assets subject to a ground lease, property taxes as a result of an increase in fee simple properties that are not leased under a triple net lease structure, and an increase in management fees for our UK venture. 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 FlexGrid™ solution, we may incur additional operating expenses associated with ground lease payments and other operating expenses to maintain our infrastructure assets.

General and Administrative

General and administrative expenses decreased \$0.6 million during 2018 compared to 2017, primarily due to expenses incurred in connection with the change in the Partnership's organization structure during 2017. On July 31, 2017, the Partnership amended its Partnership agreement and revolving credit facility and completed changes to its organizational structure by moving the Partnership's assets under a REIT subsidiary. During 2017, the Partnership incurred \$1.1 million in fees related to the change in organization structure. Under our 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 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, 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 years ended December 31, 2018 and 2017, Landmark reimbursed us \$2.8 million and \$3.5 million, respectively, for expenses related to certain general and administrative expenses that exceeded the cap. Included in the general and expenses reimbursement from Landmark is \$0.1 million of management fees related to our unconsolidated joint venture that is not subject to the cap and is treated as a capital contribution from Landmark.

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 the acquisitions. Acquisition-related expenses increased \$2.0 million during 2018 compared to 2017 primarily as a result of a one-time acquisition fee related to our UK venture. In October 2018, we amended our management agreement for our UK venture resulting in approximately \$2.6 million one-time fee recorded to acquisition costs during the fourth quarter of fiscal 2018.

Amortization

Amortization expense increased \$2.6 million during 2018 compared to 2017 as a result of having a greater number of average tenant sites as of December 31, 2018 compared to December 31, 2017. We expect amortization of investments in real property rights with finite useful lives and in-place lease values to decrease as a result of contributing assets to the unconsolidated JV. Subsequent to the JV transaction described above the Partnership's amortization expenses will not include amortization related to the JV assets. In accordance with the equity method of accounting, the Partnership's consolidated statements of operations subsequent to the date of the transaction will reflect the Partnership's 50.01% equity interest in the JV's income. Included in amortization expense is amortization expense associated with the assets contributed to the JV of \$2.6 million and \$2.5 million prior to the date of the transaction for the years ended December 31, 2018 and 2017, respectively.

Impairments

Impairments increased \$0.7 million during 2018 compared to 2017, primarily due to 16 investments in receivables in our wireless communication segment and 6 lease termination in our wireless communication and outdoor advertising segments for \$1.4 million during the year ended December 31, 2018 compared to six lease terminations in our wireless communication and outdoor advertising segments for \$0.8 million during the year ended December 31, 2017. Landmark indemnified the Partnership for the \$1.0 million impairment of investments in receivables and certain real property interests which is reflected as a deemed capital contribution.

Interest and Other Income

Interest and other income increased \$0.1 million during 2018 compared to 2017 primarily as a result of the acquisitions of investments in receivables in connection with the 2017 Drop-down Acquisitions from Landmark and affiliates as described in Note 3, *Acquisitions* to the Consolidated and Combined Financial Statement. Interest income on receivables is generated from our wireless communication, outdoor advertising, and renewable power generation segments.

Interest Expense

Interest expense increased \$5.9 million during 2018 compared to 2017, primarily due to a greater average debt balance of approximately \$442.6 million during the year ended December 31, 2018 compared to an average debt balance of approximately \$419.4 million for the year ended December 31, 2017. During the year ended December 31, 2018, the Partnership entered into the 4.38% Secured Notes and the 2018 Securitization transactions and recognized a full year impact of interest expense related to the 2017 Securitization entered into on November 30, 2017. 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 pound sterling, euro, Australian dollar and Canadian dollar. 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 December 31, 2018, the applicable spread was 2.00%. In connection with the JV transaction described above, the Partnership contributed the debt related to the 2018 Securitization to the JV. During the year ended December 31, 2018, interest expense related to the 2018 Secured Notes prior to the date of the transaction was \$1.8 million.

Loss on Early Extinguishment of Debt

In connection with the Third Amended and Restated Credit Facility on November 15, 2018, a portion of the unamortized balance of the deferred loan costs totaling \$0.2 million was recorded as a loss on extinguishment of debt during the year ended December 31, 2018.

Unrealized Gain on Derivatives

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 were adjusted to fair value at each period end. The unrealized gain recorded for the years ended December 31, 2018 and 2017, reflects the change in fair value of these contracts during those periods.

Equity Income from Unconsolidated Joint Venture

Equity income from unconsolidated joint venture increased \$0.1 million during the year ended December 31, 2018 compared to 2017 due to the formation of the JV in 2018. The Partnership accounts for its 50.01% investment in the unconsolidated JV using the equity method of accounting. 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. The Partnership recognizes its proportionate share of the ongoing income or loss of the unconsolidated JV as equity income from unconsolidated JV on the consolidated statements of operations.

Gain (Loss) on Sale of Real Property Interests

During the year ended December 31, 2018, we recognized a gain on contribution of real property interests of \$100 million in connection with the formation of the unconsolidated JV in which 545 tenant sites were contributed to the JV by the Partnership. During the year ended December 31, 2017, we recognized a loss on sale of real property interest of less than \$0.1 million related to the sale of one wireless communication site.

Foreign Currency Transaction Loss

Foreign currency transaction loss increased less than \$0.1 million during the year ended December 31, 2018 compared to 2017 as a result of changes in exchange rates affecting mark-to-market adjustments on our foreign currency interest rate swap agreement denominated in pound sterling.

Income Tax Expense (Benefit)

Income tax expense was \$0.2 million during the year ended December 31, 2018 compared to the income tax benefit of \$3.1 million during the year ended December 31, 2017. During the year ended December 31, 2017, the valuation allowance on certain deferred tax assets was reduced and recorded as a benefit. Certain foreign subsidiaries of the Partnership are subject to corporate income tax in the foreign jurisdictions where we own assets and generate taxable income.

Comparison of Year Ended December 31, 2017 to Year Ended December 31, 2016

Our results of operations for all periods presented were affected by acquisitions made during the years ended December 31, 2017 and 2016. As of December 31, 2017 and 2016, we had 2,239 and 2,022 available tenant sites, respectively. The following table summarizes the combined statement of operations for years ended December 31, 2017 and 2016 (in thousands):

	Year Ended December 31,		
	2017	2016	Change
Revenue			
Rental revenue	\$ 52,625	\$ 41,171	\$ 11,454
Expenses			
Management fees to affiliate	—	196	(196)
Property operating	394	107	287
General and administrative	5,286	3,755	1,531
Acquisition-related	1,287	2,906	(1,619)
Amortization	13,537	11,191	2,346
Impairments	848	1,275	(427)
Total expenses	21,352	19,430	1,922
Other income and expenses			
Interest and other income	1,587	1,225	362
Interest expense	(18,399)	(13,923)	(4,476)
Loss on early extinguishment of debt	—	(1,703)	1,703
Realized loss on derivatives	—	(99)	99
Unrealized gain (loss) on derivatives	1,675	2,306	(631)
Gain (loss) on sale of real property interests	(5)	374	(379)
Total other income and expenses	(15,142)	(11,820)	(3,322)
Income before income tax benefit	16,131	9,921	6,210
Income tax benefit	(3,145)	—	(3,145)
Net income	<u>\$ 19,276</u>	<u>\$ 9,921</u>	<u>\$ 9,355</u>

Rental Revenue

Rental revenue increased \$11.5 million, \$4.3 million of which was due to the greater number of assets in the portfolio during 2017 when compared to 2016. Additionally, \$6.9 million was due to the full year impact of rental revenue in 2017 for the 145 tenant sites acquired during 2016. As of December 31, 2017, we had 2,239 available tenant sites with 2,157 leased tenant sites generating revenue compared to 2,022 available tenant sites and 1,956 leased tenant sites generating revenue as of December 31, 2016. Revenue generated during 2017 from our wireless communication, outdoor advertising, and renewable power generation segments was \$33.5 million, \$11.4 million, \$7.8 million, or 63%, 22% and 15% of total rental revenue, respectively, compared to \$30.4 million, \$8.2 million, \$2.6 million, or 74%, 20% and 6% of total rental revenue, respectively, during 2016. The occupancy rates in our wireless communication, outdoor advertising and renewable power generation segments were 96%, 98% and 100%, respectively, as of December 31, 2017 and 2016. Additionally, our effective monthly rental rates per tenant site for wireless communication, outdoor advertising, and renewable power generation segments were \$1,838, \$1,754 and \$9,779, respectively, during 2017 compared to \$1,776, \$1,351 and \$4,062, respectively, during 2016.

Management Fees to Affiliates

Management fees to affiliates decreased \$0.2 million during 2017 compared to 2016. Landmark's right to receive management fees was terminated in connection with the Partnership's acquisition of the fund.

Property Operating

Property operating expenses increased \$0.3 million during 2017 compared to 2016 as a result of more 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 Flex Grid solution, we may incur additional operating expenses associated with ground lease payments and other operating expenses to maintain our infrastructure assets.

General and Administrative

General and administrative expenses increased \$1.5 million during 2017 compared to 2016, primarily due to the change in the Partnership's organization structure. On July 31, 2017, the Partnership amended its Partnership agreement and revolving credit facility and completed changes to its organizational structure by moving the Partnership's assets under a REIT subsidiary. During 2017, the Partnership incurred \$1.1 million in fees related to the change in organization structure. Under our 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 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 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 years ended December 31, 2017 and 2016, Landmark reimbursed us \$3.5 million and \$2.6 million, respectively, for expenses related to certain general and administrative expenses that exceeded the cap.

Acquisition-Related

Acquisition-related expenses decreased \$1.6 million during 2017 compared to 2016 as a result of the Partnership's early adoption of ASU No. 2017-01 on April 1, 2017. Under ASU No. 2017-01, for acquisitions that do not meet the definition of a business, acquisition costs are required to be capitalized instead of expensed. 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 the acquisitions. Additionally, we expect future drop-down acquisitions from the Sponsor and affiliates to be transfers of net assets that are not a business. The transfer of net assets will be accounted for prospectively in the period in which the transfer occurs at the net carrying value, and prior periods will not be retroactively adjusted. Acquisition costs for transactions between entities under common control are expensed as incurred.

Amortization

Amortization expense increased \$2.3 million during 2017 compared to 2016 as a result of having 2,239 tenant sites as of December 31, 2017 compared to 2,022 tenant sites as of December 31, 2016. We expect amortization of investments in real property rights with finite useful lives and in-place lease values to continue to increase based on increased acquisitions and assets acquired in 2016 contributing to a full year of amortization.

Impairments

Impairments decreased \$0.4 million during 2017 compared to 2016, primarily due fewer lease terminations during the year ended December 31, 2017 in our wireless communication and outdoor advertising segments compared to the year ended December 31, 2016. During the year ended December 31, 2017, six of the Partnership's real property interests were impaired for \$0.8 million compared to nine of Partnership's real property interests impaired for \$1.3 million during year ended December 31, 2016.

Interest and Other Income

Interest and other income increased \$0.4 million during 2017 compared to 2016 as a result of the acquisition of three investments in receivables during year ended December 31, 2017 for \$4.5 million as described in Note 3, *Acquisitions* to the Consolidated and Combined Financial Statement. The Partnership acquired investments in receivables that are recorded at the fair value at the acquisition date, using discount rates ranging from 7% to 14%. Interest income on receivables is generated from our wireless communication, outdoor advertising, and renewable power generation segments.

Interest Expense

Interest expense increased \$4.5 million during 2017 compared to 2016, primarily due to greater outstanding debt balance for the year ended December 31, 2017 compared to the outstanding debt balance for the year ended December 31, 2016. On November 30, 2017, a special purpose subsidiary of the Partnership issued its Series 2017-1 Class A and Class B secured notes (“the 2017 Securitization”), in an aggregate principal amount of \$80 million, which bear interest at a fixed note rate per annum of 4.10% and 3.81%, respectively (weighted average of 4.03%). On June 16, 2016, a special purpose subsidiary of the Partnership issued its Series 2016-1 Class A and Class B secured notes (the “2016 Securitization”), in amounts of \$91.5 million and \$25.1 million, respectively, which bear interest at a fixed note rate per annum of 3.52% and 7.02% (weighted average of 4.27%), respectively. Net proceeds from the 2016 Securitization were used to pay down the revolving credit facility by \$112.3 million. The obligations under the 2016 Securitization and the 2017 Securitization are payable solely from cash flow from the assets owned by the respective entities and are not general obligations of the Partnership or any of its subsidiaries (other than the obligors under the 2017 Securitization and 2016 Securitization, respectively). As of December 31, 2017, the Partnership had \$145 million of debt on the revolving credit facility. Borrowings under the revolving credit facility have been fixed through interest rate swap agreements at a weighted-average interest rate of 4.06%. We had \$304 million and \$224.5 million outstanding under the revolving credit facility as of December 31, 2017 and December 31, 2016, respectively.

As the 2016 Drop-down Acquisitions were transactions between entities under common control, prior-period information has been retroactively adjusted to include interest expense of \$2.5 million related to Fund G’s secured debt facilities for the year ended December 31, 2016. Additionally, deferred loan costs amortization, which is included in interest expense, has been retroactively adjusted to include \$0.4 million for the year ended December 31, 2016.

Loss on Early Extinguishment of Debt

In connection with the Fund G drop-down acquisition during 2016, \$74.6 million was used to repay the fund’s secured indebtedness. At the time of the acquisition, the unamortized balance of the deferred loan costs totaling \$1.7 million related to the secured debt facility was recorded as a loss on extinguishment of debt during the year ended December 31, 2016.

Realized loss and Unrealized Gain on Derivatives

We mitigated exposure to fluctuations in interest rates on existing variable rate debt by entering into swap contracts that fixed the floating LIBOR rate. The swap contracts were adjusted to fair value at each period end. The unrealized gain recorded for the year ended December 31, 2017 and 2016 reflects the change in fair value of these contracts during those periods.

In connection with the Fund G drop-down acquisition, the interest rate swaps held by the fund were terminated. The realized loss of \$0.1 million recognized during the year ended December 31, 2016 reflects the termination of interest rate swap agreements of Fund G.

Gain (Loss) on Sale of Real Property Interests

During the year ended December 31, 2017, we recognized a loss on sale of real property interest of \$4,812 related to the sale of one wireless communication site. During the year ended December 31, 2016, we recognized a gain on the sale of real property interests of \$0.4 million related to the sale of one wireless communication site.

Income Tax Benefit

Income tax benefit increased \$3.1 million during the year ended December 31, 2017 compared to the year ended December 31, 2016 primarily due to a reduction in a deferred tax asset valuation allowance as we believe it is more likely than not that the deferred tax asset will be realized. Additionally, certain foreign subsidiaries of the Partnership are subject to corporate income tax in the foreign jurisdictions where we own assets and generate taxable income. During the year ended December 31, 2017, certain foreign subsidiaries generated \$0.1 million in income tax expense.

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 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, 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. 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 U.S. Securities and Exchange Commission (the SEC), effective March 27, 2017, 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.

We intend to pay at least a quarterly distribution of \$0.3675 per unit per quarter, which equates to approximately \$9.3 million per quarter, or \$37.2 million per year in the aggregate, based on the number of common units outstanding as of February 15, 2019. 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 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 \$2.0 million per quarter, or approximately \$8.0 million per year in the aggregate based on the number of Preferred Units outstanding as of February 15, 2019. 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 December 31, 2018, there were 2,000,000 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.

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

Quarter Ended	Declaration Date	Distribution Date	Distribution Per Unit	Total Distribution (in thousands)
Common and Subordinated Units and IDRs				
March 31, 2016	April 20, 2016	May 13, 2016	\$ 0.3300	\$ 4,954
June 30, 2016	July 27, 2016	August 15, 2016	0.3325	5,089
September 30, 2016	October 26, 2016	November 15, 2016	0.3375	7,628
December 31, 2016	January 25, 2017	February 15, 2017	0.3500	7,985
March 31, 2017	April 20, 2017	May 15, 2017	0.3525	8,133
June 30, 2017	July 19, 2017	August 14, 2017	0.3550	8,222
September 30, 2017	October 18, 2017	November 14, 2017	0.3575	8,303
December 31, 2017	January 24, 2018	February 14, 2018	0.3675	9,304
March 31, 2018	April 19, 2018	May 15, 2018	0.3675	9,384
June 30, 2018	July 19, 2018	August 14, 2018	0.3675	9,431
September 30, 2018 (1)	October 26, 2018	November 14, 2018	0.3675	9,285
December 31, 2018 (1)	January 25, 2019	February 14, 2019	0.3675	9,312
Series A Preferred Units				
June 30, 2016	June 16, 2016	July 15, 2016	\$ 0.5611	\$ 449
September 30, 2016	September 22, 2016	October 17, 2016	0.5000	432
December 31, 2016	December 16, 2016	January 17, 2017	0.5000	432
March 31, 2017	March 16, 2017	April 17, 2017	0.5000	432
June 30, 2017	June 22, 2017	July 17, 2017	0.5000	555
September 30, 2017	September 21, 2017	October 16, 2017	0.5000	713
December 31, 2017	December 21, 2017	January 16, 2018	0.5000	784
March 31, 2018	March 23, 2018	April 16, 2018	0.5000	797
June 30, 2018	June 21, 2018	July 16, 2018	0.5000	797
September 30, 2018	September 20, 2018	October 15, 2018	0.5000	797
December 31, 2018	December 20, 2018	January 15, 2019	0.5000	797
Series B Preferred Units				
September 30, 2016	October 20, 2016	November 15, 2016	\$ 0.5322	\$ 979
December 31, 2016	January 20, 2017	February 15, 2017	0.4938	909
March 31, 2017	April 20, 2017	May 15, 2017	0.4938	934
June 30, 2017	July 19, 2017	August 15, 2017	0.4938	990
September 30, 2017	October 18, 2017	November 15, 2017	0.4938	1,203
December 31, 2017	January 22, 2018	February 15, 2018	0.4938	1,216
March 31, 2018	April 19, 2018	May 15, 2018	0.4938	1,216
June 30, 2018	July 19, 2018	August 15, 2018	0.4938	1,216
September 30, 2018	October 22, 2018	November 15, 2018	0.4938	1,216
December 31, 2018	January 22, 2019	February 15, 2019	0.4938	1,216
Series C Preferred Units				
June 30, 2018 (2)	April 19, 2018	May 15, 2018	\$ 0.2090	\$ 418
June 30, 2018	July 19, 2018	August 15, 2018	0.4400	880
September 30, 2018	October 22, 2018	November 15, 2018	0.4382	876
December 31, 2018	January 22, 2019	February 15, 2019	0.4571	914

(1) The General Partner irrevocably waived its right to receive the incentive distribution and incentive allocations related to the quarterly distribution for the three months ended September 30, 2018 and December 31, 2018.

(2) The first distribution declared by the Partnership for the Series C Preferred Units was prorated for the 43-day period following the closing of the issuance on April 2, 2018. The distribution was paid on May 15, 2018 to unitholders of record as of May 1, 2018.

As of December 31, 2018, we had \$378.7 million of total outstanding indebtedness. As of February 15, 2019, the Partnership had \$165 million of outstanding borrowings on our revolving credit facility, and we had \$285 million of undrawn borrowing capacity, 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 years ended December 31, 2018, 2017, and 2016 (in thousands):

	Year Ended December 31,		
	2018	2017	2016
Net cash provided by operating activities	\$ 31,256	\$ 28,473	\$ 21,465
Net cash used in investing activities	(37,533)	(140,128)	(156,468)
Net cash provided by (used in) financing activities	(13,652)	133,981	138,649

Comparison of year ended December 31, 2018 to year ended December 31, 2017

Net cash provided by operating activities. Net cash provided by operating activities increased \$2.8 million to \$31.3 million for the year ended December 31, 2018 compared to \$28.5 million for the year ended December 31, 2017. The increase is primarily attributable to the increase in rental revenue related to the assets acquired and timing of payments of accounts payable and accrued liabilities.

Net cash used in investing activities. Net cash used in investing activities was \$37.5 million for the year ended December 31, 2018 compared to \$140.1 million for the year ended December 31, 2017. The change in cash used in investing activities was primarily due to the proceeds received from the sale of real property interests related to the formation of the unconsolidated joint venture on September 24, 2018 as well as the decrease in cash used to acquire assets during the year ended December 31, 2018 compared to the year ended December 31, 2017.

Net cash provided by (used in) financing activities. Net cash used in financing activities was \$13.7 million for the year ended December 31, 2018 compared to net cash provided by financing activities of \$134.0 million for the year ended December 31, 2017. The change in net cash (used in) provided by financing activities was primarily attributable to the net decrease of \$130.0 million in proceeds from the net borrowings from the secured facility, issuance of secured notes and equity offerings, in addition to a net increase in distributions to unitholders of \$9.0 million during the year ended December 31, 2018 compared to the year ended December 31, 2017.

Comparison of year ended December 31, 2017 to year ended December 31, 2016

Net cash provided by operating activities. Net cash provided by operating activities increased \$7.0 million to \$28.5 million for the year ended December 31, 2017 compared to \$21.5 million for the year ended December 31, 2016. The increase is primarily attributable to the increase in rental revenue related to the assets acquired and timing of payments of accounts payable and accrued liabilities.

Net cash used in investing activities. Net cash used in investing activities was \$140.1 million for the year ended December 31, 2017 compared to \$156.5 million for the year ended December 31, 2016. The change in cash used in investing activities was due to the decrease in cash used to acquire assets during the year ended December 31, 2017 compared to the year ended December 31, 2016.

Net cash provided by financing activities. Net cash provided by financing activities was \$134.0 million for the year ended December 31, 2017 compared to net cash provided by financing activities of \$138.6 million for the year ended December 31, 2016. The decrease in cash provided by financing activities was primarily attributable to the increase in distributions to unitholders of \$38.7 million during the year ended December 31, 2017 compared to \$24.4 million during the year ended December 31, 2016.

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 pound sterling, euro, Australian dollar and Canadian dollar. 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.

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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 December 31, 2018, the applicable spread was 2.00%.

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 December 31, 2018, the applicable annual commitment rate used was 0.175%.

As of December 31, 2018, the Partnership had \$155 million of total outstanding indebtedness under the revolving credit facility with \$295 million available under the revolving credit facility, subject to compliance with certain covenants. The Partnership was also in compliance with all covenants under its revolving credit facility at December 31, 2018. As of February 15, 2019, the Partnership had \$165 million of outstanding borrowings on our revolving credit facility, and we had \$285 million of undrawn borrowing capacity, subject to compliance with certain covenants, under our revolving credit facility.

Secured Notes

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 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).

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On June 16, 2016, the Partnership completed the 2016 Securitization transaction involving certain wireless communication sites and related property interests owned by certain special purpose subsidiaries of the Partnership, through the issuance of the 2016 Secured Notes, in an aggregate principal amount of \$116.6 million. The 2016 Secured Notes are obligations of certain special purpose subsidiaries of the Partnership, including the issuer of the 2016 Secured Notes, LMRK Issuer Co. LLC (the “2016 Securitization Issuer”), and are not obligations of the Partnership or any of its other subsidiaries (including the obligors with respect to the 2017 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 2016 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 2016-1 and Series 2017-1 are subordinated in right of payment to the Class A notes of such series. The Class F notes of the Series 2018-1 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 of such series.

Series and Class	Initial Principal Balance (in thousands)	Note Rate	Anticipated Repayment Date
4.38% senior secured notes	\$ 43,702	4.38%	June 30, 2036
Series 2017-1 Class A	\$ 62,000	4.10%	November 15, 2022
Series 2017-1 Class B	\$ 18,000	3.81%	November 15, 2022
Series 2016-1 Class A	\$ 91,500	3.52%	June 15, 2021
Series 2016-1 Class B	\$ 25,100	7.02%	June 15, 2021

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 2.0 to 1.0 for the 2017 Secured Notes and 2016 Secured Notes, respectively, 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 the 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. On January 18, 2018, \$16.0 million from the 2017 Secured Notes site acquisition account was used to acquire certain assets from Fund H. As of December 31, 2018, \$3.7 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. As of December 31, 2018, the DSCR for the 2017 Secured Notes and 2016 Secured Notes is above 2.0, respectively, and above 1.1 for the 4.38% Senior Secured Notes.

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 December 31, 2018, the applicable obligors were in compliance with all financial covenants under the Secured Notes.

Commitments

Our contractual obligations as of December 31, 2018 were (in thousands):

	Total	Payments by Period			
		Less than 1 year	Between 1 - 3 years	Between 3 - 5 years	More than 5 years
Revolving credit facility (principal)	\$ 155,000	\$ —	\$ —	\$ 155,000	\$ —
Revolving credit facility (interest) ⁽¹⁾	38,015	7,806	15,612	14,597	—
Secured Notes (principal and interest)	222,639	14,625	127,765	73,973	6,276
Other obligations	8,744	2,073	1,906	1,906	2,859

(1) Interest payable is based on the interest rates in effect on December 31, 2018, including the effect of the interest rate swaps and unused commitment fees.

Shelf Registrations

On February 16, 2016, the Partnership filed a shelf registration statement on Form S-4 with the SEC. The shelf registration statement was declared effective on March 10, 2016 and permits us to offer and issue, from time to time, an aggregate of up to 5,000,000 Common Units in connection with the acquisition by us or our subsidiaries of other businesses, assets or securities.

On February 23, 2017, 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 March 27, 2017 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 Unit Offering

On October 19, 2016, the Partnership completed a public offering of 3,450,000 Common Units, which includes the full exercise of the underwriters' option to purchase 450,000 Common Units, at a price to the public of \$16.30 per Common Unit, or \$15.53 per Common Unit net of the underwriters' discount. We received net proceeds of \$53.3 million after deducting the underwriters' discount and offering expenses paid by us of \$2.9 million. The net proceeds from the offering were used to repay a portion of the borrowings under our revolving credit facility.

Preferred Equity Offerings

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"), 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.

Distributions on the Series C Preferred Units will be the 15th day of February, May, August and November of each year. The prorated initial distribution on the Series C Preferred Units was paid on May 15, 2018 in an amount equal to \$0.2090 per Series C Preferred Unit. Distributions for the Series C Preferred Units will accrue from, and including the date of original issuance, to, but excluding, May 15, 2025, at an annual rate equal to the greater of (i) 7.00% per annum and (ii) the sum of (a) the three-month London Interbank Offered Rate ("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. On and after May 15, 2025, distributions on the Series C Preferred Units will accrue at 9.00% per annum of the \$25.000 liquidation preference per Series C Preferred Unit (equal to \$2.25 per Series C Preferred Unit per annum). The Partnership shall have the option to redeem the Series C Preferred Units, in whole or in part, on or after May 20, 2025 at the liquidation preference 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.

On August 8, 2016, the Partnership completed a public offering of \$46.0 million of 7.9% Series B Cumulative Redeemable Perpetual Preferred Units ("Series B Preferred Units"), representing limited partner interests in the Partnership, at a price of \$25.00 per unit, which included the full exercise of the underwriters' option to purchase an additional 240,000 Series B Preferred Units. We received net proceeds of approximately \$44.3 million after deducting underwriters' discounts and offering expenses paid by us of \$1.5 million. We used all proceeds to repay a portion of the borrowings under our revolving credit facility.

Distributions on the Series B Preferred Units are cumulative from the date of the original issuance 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 B Preferred Units was paid on November 15, 2016 in an amount equal to \$0.5321527 per unit. Distributions on the Series B Preferred Units will accumulate at a rate of 7.9% per annum per \$25.00 stated liquidation preference per Series B Preferred Unit. The Series B Preferred Units will rank on parity to our Series A Preferred Units with respect to distributions and distributions upon a liquidation event.

In connection with the closing of the Series B Preferred Unit offering, on August 8, 2016, the Partnership executed the Third Amended and Restated Agreement of Limited Partnership of Landmark Infrastructure Partners LP for the purpose of creating the Series B Preferred Units and defining the preferences, rights, powers and duties of holders of Series B Preferred Units.

On April 4, 2016, the Partnership completed a public offering of \$20.0 million of 8.00% Series A Cumulative Redeemable Perpetual Preferred Units ("Series A Preferred Units" and together with the Series B Preferred Units and Series C Preferred Units, "Preferred Units"), representing limited partner interests in the Partnership, at a price of \$25.00 per unit. We received net proceeds of approximately \$18.4 million after deducting the underwriters' discounts and offering expenses paid by us of \$1.6 million. We used all proceeds to repay a portion of the borrowings under our revolving credit facility.

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Distributions on the Series A Preferred Units are cumulative from the date of original issuance and will be payable quarterly in arrears on the 15th day of January, April, July and October of each year, when, as and if declared by the board of directors of our General Partner. The initial distribution on the Series A Preferred Units was paid on July 15, 2016 in an amount equal to \$0.5611 per unit, which equates to \$0.4 million in total distributions to preferred unitholders of record as of July 1, 2016. Distributions on the Series A Preferred Units will accumulate at a rate of 8.0% per annum per \$25.00 stated liquidation preference per Series A Preferred Unit.

In connection with the closing of the Series A Preferred Unit offering, on April 4, 2016, the Partnership executed the Second Amended and Restated Agreement of Limited Partnership of Landmark Infrastructure Partners LP for the purpose of creating the Series A Preferred Units and defining the preferences, rights, powers and duties of holders of Series A Preferred Units.

ATM Programs

On February 16, 2016, the Partnership established a Common Unit at-the-market offering program (the “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 June 24, 2016, the Partnership established a Preferred Unit at-the-market offering program (the “Preferred Unit ATM Program”) and together with the Common Unit ATM Program the “ATM Programs”) pursuant to which we may sell, from time to time, Preferred Units having an aggregate offering price of up to \$40.0 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.

For the year ended December 31, 2018, the Partnership issued a total of 27,830 Common Units and 24,747 Series A Preferred Units under the ATM Programs generating total proceeds of approximately \$1.1 million before issuance costs. For the year ended December 31, 2017, the Partnership issued a total of 240,426 Common Units, 704,445 Series A Preferred Units, and 623,015 Series B Preferred Units under our ATM Programs, generating total proceeds of approximately \$37.5 million before issuance costs. For the year ended December 31, 2016, the Partnership issued a total of 405,156 Common Units and 63,957 Series A Preferred Units under our ATM Programs, generating total proceeds of approximately \$8.5 million before issuance costs.

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. As of December 31, 2018, there were no amounts drawn on the standby letter of credit.

As of December 31, 2018, the Partnership does not have any other off balance sheet arrangements.

Inflation

Substantially all 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

For a discussion of newly issued accounting standards updates, see Note 2, *Basis of Presentation and Summary of Significant Accounting Policies*, within the Notes to the Consolidated and Combined Financial Statements in Item 15., “Exhibits, Financial Statement Schedules.”

ITEM 7A. 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 is interest rate risk with respect to our expected indebtedness and foreign currency risk with respect to our investments.

Interest Rate Risk

We are exposed to risks arising from rising interest rates. As of December 31, 2018, our revolving credit facility had an outstanding balance of \$155 million. Borrowings under our revolving credit facility will have variable LIBOR-based rates and will fluctuate based on the underlying LIBOR rate. As of December 31, 2018, we have hedged \$195 million of the LIBOR rate on our revolving credit facility through interest rate swap agreements. On November 15, 2018, the Partnership entered into an interest rate swap agreement with a notional amount of £38 million with a fixed rate at 1.49% on floating GBP LIBOR with an effective date of November 30, 2020. 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. The GBP LIBOR interest rate swap is a hedge on anticipated future borrowings in pound sterling.

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 December 31, 2018, there were 2,000,000 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. 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 in international markets we are exposed to market risk from changes in foreign currency exchange rates. Approximately 7%, 3% and less than 1% of rental revenue was denominated in foreign currencies for the years ended December 31, 2018, 2017 and 2016, 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 8. Financial Statements and Supplementary Data

See Index to Consolidated and Combined Financial Statements included in Part IV, Item 15(a)(1).

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

None.

ITEM 9A. Controls and Procedures

Disclosure Controls and Procedures

As required by Rule 13a-15(b) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), we have evaluated, under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this report. 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 disclosure controls and procedures are designed to provide reasonable assurance that the information required to be disclosed by us in reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure and is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC. Based upon that evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures were effective as of the end of the period covered by this report at the reasonable assurance level.

Internal Control over Financial Reporting

(a) Management's Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rule 13a-15(f) and Rule 15d-15(f) under the Exchange Act). Our internal control over financial reporting is a process designed under the supervision of our principal executive officer and principal financial officer to provide reasonable assurance regarding the reliability of financial reporting and the preparation of our financial statements for external purposes in accordance with generally accepted accounting principles.

As of December 31, 2018, management assessed the effectiveness of our internal control over financial reporting based on the criteria for effective internal control over financial reporting established in the *Internal Control Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on this assessment and those criteria, management determined that we maintained effective internal control over financial reporting as of December 31, 2018.

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

(b) Attestation Report of the Registered Public Accounting Firm

This annual report does not include an attestation report of our registered public accounting firm on our internal control over financial reporting due to a transition period established by rules of the SEC for new public companies. Section 103 of the Jumpstart Our Business Startups Act of 2012 provides that an emerging growth company (EGC) is not required to provide an auditor's report on internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act for as long as we qualify as an EGC. We are an EGC, and therefore we are not required to include an attestation report of our registered public accounting firm on our internal control over financial reporting in this report.

(c) 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.

ITEM 9B. Other Information

None.

PART III

ITEM 10. Directors, Executive Officers and Corporate Governance

Management of Landmark Infrastructure Partners LP

We are managed by the directors and executive officers of our general partner, Landmark Infrastructure Partners GP LLC. Our general partner is not elected by our unitholders and will not be subject to election or re-election by our unitholders in the future. Landmark indirectly owns all of the membership interests in our general partner. Our general partner has a board of directors, and our unitholders are not entitled to elect the directors or directly or indirectly to participate in our management or operations. Our general partner will be liable, as general partner, for all of our debts (to the extent not paid from our assets), except for indebtedness or other obligations that are made specifically nonrecourse to it. Whenever possible, we intend to incur indebtedness that is nonrecourse to our general partner.

Our general partner has eight directors, three of whom are independent as defined under the independence standards established by NASDAQ and the Exchange Act. NASDAQ does not require a listed publicly traded limited partnership, such as ours, to have a majority of independent directors on the board of directors of our general partner or to establish a compensation committee or a nominating and corporate governance committee. We are, however, required to have an audit committee of at least three members, and all its members are required to meet the independence and experience standards established by NASDAQ and the Exchange Act.

The executive officers of our general partner allocate their time between managing our business and affairs and the business and affairs of Landmark. The amount of time that our executive officers will devote to our business and the business of Landmark will vary in any given period based on a variety of factors. We expect that our general partner's executive officers will devote as much time as is necessary for the proper conduct of our business and affairs.

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Neither we nor our subsidiaries have any employees. Our general partner has the sole responsibility for providing the personnel necessary to conduct our operations. All of the employees and other personnel that conduct our business are employed or contracted by our general partner and its affiliates, including Landmark, but we sometimes refer to these individuals in this Annual Report on Form 10-K as our employees because they provide services directly to us.

Committees of the Board of Directors

The board of directors of our general partner has established an audit committee and a conflicts committee, and may have such other committees as the board of directors shall determine from time to time. Each of the standing committees of the board of directors has the composition and responsibilities described below.

Audit Committee

We are required to have an audit committee of at least three members, and all its members are required to meet the independence and experience standards established by NASDAQ and Rule 10A-3 promulgated under the Exchange Act. Thomas Carey White III, Gerald A. Tywoniuk and Keith Benson serve as members of our audit committee. Ronald W. Readmond served on our audit committee during the year ended December 31, 2017 until his passing on December 25, 2017. On November 13, 2018, Mr. Benson was appointed by the board of directors of our general partner to fill the vacancy. Mr. White serves as the chair of our audit committee. The board of directors of our general partner has determined that Mr. White is an “audit committee financial expert” as defined in Item 407(d)(5) of SEC Regulation S-K. Our audit committee assists the board of directors in its oversight of the integrity of our financial statements and our compliance with legal and regulatory requirements and partnership policies and controls. Our audit committee has the sole authority to retain and terminate our independent registered public accounting firm, approve all auditing services and related fees and the terms thereof, and pre-approve any non-audit services to be rendered by our independent registered public accounting firm. Our audit committee is responsible for confirming the independence and objectivity of our independent registered public accounting firm. Our independent registered public accounting firm has unrestricted access to our audit committee.

Conflicts Committee

At least two independent members of the board of directors of our general partner will serve on a conflicts committee to review specific matters that the board believes may involve conflicts of interest and determines to submit to the conflicts committee for review. The conflicts committee will determine if the resolution of the conflict of interest is adverse to the interest of the partnership. The members of the conflicts committee may not be officers or employees of our general partner or directors, officers or employees of its affiliates, including Landmark, and must meet the independence standards established by NASDAQ and the Exchange Act to serve on an audit committee of a board of directors along with other requirements in our partnership agreement. Any matters approved by the conflicts committee will be conclusively deemed to be approved by us and all of our partners and not a breach by our general partner of any duties it may owe us or our unitholders.

Directors and Executive Officers of Landmark Infrastructure Partners GP LLC

Directors are appointed by the sole member of our general partner and hold office until their successors have been elected or qualified or until their earlier death, resignation, removal or disqualification. Executive officers are appointed by, and serve at the discretion of, the board of directors. The following table shows information for the directors and executive officers of Landmark Infrastructure Partners GP LLC.

Name	Age	Position with Landmark Infrastructure Partners GP LLC
Arthur P. Brazy, Jr.	59	Chief Executive Officer and Director
George P. Doyle	49	Chief Financial Officer and Treasurer
Daniel R. Parsons	54	Senior Vice President – Information Systems and Technology
Josef Bobek	44	General Counsel and Secretary
Matthew P. Carbone	52	Chairman of the Board of Directors
James F. Brown	54	Director
Nandit Gandhi	51	Director
Edmond G. Leung	38	Director
Keith Benson	46	Director
Thomas Carey White III	53	Director
Gerald A. Tywoniuk	57	Director

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Arthur P. Brazy, Jr. was appointed Chief Executive Officer and a Director of our general partner. Mr. Brazy has served as Chief Executive Officer of our sponsor, Landmark Dividend LLC, since October 2015. He has served as President of Landmark Dividend LLC since co-founding the company in February 2010 through October 2015, and as a member of the board of managers of Landmark Dividend Holdings LLC and its predecessor since February 2010. From December 2005 to March 2009, Mr. Brazy served as Chief Executive Officer of Church Mortgage Acceptance Co., LLC, a private company he co-founded focused on direct lending to churches. From January 2001 to December 2005, Mr. Brazy served as Chief Executive Officer of Lakefront Ventures LLC, a private investment firm specializing in commercial and mortgage finance, private equity, real estate and structured finance advisory services. Prior to this, Mr. Brazy founded and led numerous private investment partnerships including Atherton Capital and worked as an officer of Eastdil Secured, a real estate investment bank. Mr. Brazy holds a B.S. in Economics from the California Institute of Technology and an M.B.A. from Stanford University. In addition to his other skills and qualifications, we believe that Mr. Brazy's extensive experience with private investment funds, his in-depth knowledge of the real property industry generally and in successfully operating several different companies makes him qualified to be Chief Executive Officer and a member of the Board of Directors of our general partner.

George P. Doyle was appointed Chief Financial Officer and Treasurer of our general partner. Mr. Doyle has served as Chief Financial Officer and Treasurer of our sponsor, Landmark Dividend LLC, since August 2011. From June 2010 to October 2010, Mr. Doyle served as the Executive Vice President, Chief Financial Officer, Secretary and Treasurer of Clearview Hotel Trust, Inc., a REIT that invests primarily in the hospitality industry. Prior to joining Clearview Hotel Trust, Inc., Mr. Doyle served, from November 2009 to June 2010, as the Vice President of Finance for Steadfast Income Advisor, LLC, the external advisor for Steadfast Income REIT, Inc., a REIT that invests primarily in multi-family residential properties. Mr. Doyle was also the Chief Accounting Officer for Steadfast Income REIT, Inc. Previously, Mr. Doyle served in various capacities from November 2003 to June 2009, including from July 2004 to June 2009 as the Senior Vice President – Chief Accounting Officer, at HCP, Inc., an S&P 500 REIT traded on the NYSE that invests primarily in real estate serving the healthcare industry. From September 1995 to October 2003, Mr. Doyle served in various positions with the accounting firm KPMG LLP, including as a senior manager. Mr. Doyle holds a B.A. in Business Administration from Western Washington University and a Certificate of Accounting from Seattle University. We believe that Mr. Doyle's extensive financial and accounting background and experience with several different real estate companies makes him qualified to be Chief Financial Officer and Treasurer of our general partner.

Daniel R. Parsons was appointed as Senior Vice President – Information Systems and Technology of our general partner. Mr. Parsons has served as Chief Operations Officer of our sponsor, Landmark Dividend LLC, since August 2015 and previously served as Chief Information Officer of our sponsor since May 2010. From January 1998 to May 2010, Mr. Parsons served as the Chief Information Officer of Budget Finance Company, a company specializing in residential and commercial mortgage loans. Previous to this, Mr. Parsons worked in the software development and technology management sectors for 12 years. Mr. Parsons received a B.S. in Business Administration and an M.B.A. from the University of Southern California. We believe that Mr. Parsons' experience in the software development and technology management fields makes him qualified to be Senior Vice President – Information Systems and Technology of our general partner.

Josef Bobek was appointed General Counsel and Secretary of our general partner. Mr. Bobek has served as General Counsel and Secretary of our sponsor, Landmark Dividend LLC, since January of 2016, and previously served as Deputy General Counsel and Associate General Counsel of our sponsor since December of 2012. From August 2012 until December 2012, Mr. Bobek served as Senior Counsel to Sun West Mortgage Company, Inc., a company specializing in residential and multi-family mortgage loans. From April 2005 to August of 2012, Mr. Bobek, served in various positions, including as a partner, with the law firm of Glaser Weil Fink Howard Avchen & Shapiro LLP, a full-service law firm based in Los Angeles, California. Prior to joining Glaser Weil Fink Howard Avchen & Shapiro LLP, Mr. Bobek served as an associate attorney with the law firm of Jennings Strouss, a national firm based in Phoenix, Arizona, from May of 2001 to April of 2005. Mr. Bobek holds a B.S. in Accounting from the University of Southern California, and received a Juris Doctorate from the School of Law at Pepperdine University. We believe Mr. Bobek's extensive legal background and experience serving as a legal advisor (internally and externally) to real estate focused companies and investors makes him qualified to be General Counsel and Secretary of our general partner.

Matthew P. Carbone was appointed as Chairman of the Board of Directors of our general partner in connection with his affiliation with Landmark Dividend LLC, which controls our general partner. Mr. Carbone was elected as Chairman of the board of managers of Landmark Dividend Holdings LLC in December 2012. Mr. Carbone has been a Managing Director of American Infrastructure Funds ("AIM") since he co-founded AIM in July 2006. Mr. Carbone has served on the boards of a number of AIM portfolio companies, including as a director of the general partner of Oxford Resource Partners, L.P. from August 2007 to December 2014, as a director of the general partner of American Midstream Partners, L.P. from November 2009 to May 2012, as Chairman of the board of managers of Nordic Cold Storage Holdings, LLC from July 2011 to December 2015, as a member of the board of managers of Granite Communities LLC from July 2012 to December 2016, as a member of the board of managers of Arrow Holdings, LLC from January 2016 to December 2017, and as a director of the general partner of Tunnel Hill Partners, L.P. since July 2008. He received a B.A. in Neuroscience from Amherst College and an M.B.A. from Harvard Business School. We believe that Mr. Carbone's extensive investing and corporate finance experience, as well as his depth knowledge of the real property industry generally and our sponsor, Landmark Dividend LLC, in particular, provide him with the necessary skills to be a member of the Board of Directors of our general partner.

James F. Brown was appointed a Director of our general partner in connection with his affiliation with Landmark Dividend LLC, which controls our general partner. Mr. Brown served as Managing Director of AVG Holdings, LP, a diversified private investment firm, from July 2009 to May 2017, and as a member of the board of managers of Landmark Dividend Holdings LLC since February 2010. From 2002 to June 2009, Mr. Brown was an independent investor involved in a number of real estate and technology companies. He serves or has served on the board of a number of private and public companies, including Bellicum Pharmaceuticals, Inc. (NASD:BLCM), Perk.com (TSX:PER), Pacific GeneTech Ltd., Promise Healthcare, and SmartLogic Ltd. From 1999 to 2002, Mr. Brown served as Executive Vice President, General Manager and General Counsel of OpenTV, Inc., a technology and media company which he helped to guide through its initial public offering. Prior to joining OpenTV, Inc., Mr. Brown was a Partner in the law firm of McDermott, Will & Emery in Menlo Park, and then previously a Partner with the law firm of Pillsbury Madison & Sutro in San Francisco, California. Mr. Brown received a B.S. in Accounting from Weber State University and a J.D. from Brigham Young University. Mr. Brown is a certified public accountant (inactive) and a member of the bar in California. We believe that Mr. Brown's diverse legal and financial background and his experience as a director and investor in diverse real estate and technology companies makes him qualified to be a member of the Board of Directors of our general partner.

Nandit Gandhi was appointed a Director of general partner in January 2016 in connection with his affiliation with Landmark Dividend, LLC, which controls our general partner. Mr. Gandhi is a member of the board of managers of Landmark Dividend Holdings LLC since January 2016. Mr. Gandhi has been a Managing Director of AIM since January 2016. Mr. Gandhi has served as member of the board of directors of Empire Petroleum Partners since early 2016 and was appointed Chairman in January 2017. Mr. Gandhi was elected member of the board of directors of Tunnel Hill Partners in December 2017. During 2016 and 2017, Mr. Gandhi served as Chairman of the board of directors of Agspring. From November 2008 to December 2015, Mr. Gandhi was a Senior Vice President and managed multiple portfolio companies as Chairman and member of the Operating Committees at Platinum Equity, a leading global private equity firm. From July 2009 to August 2010 Mr. Gandhi was the Chief Executive Officer at Geesink Norba Group, a European company engaged in the waste management business. From March 2007 to November 2008, Mr. Gandhi was the Director of Operations & Special Projects at Nortek Inc., a holding company of private equity firm, T.H. Lee. Before this, from 2003 to 2007, Mr. Gandhi was at Ingersoll Rand Corporation in various senior leadership roles. Mr. Gandhi received a B.S. in Mechanical Engineering from Birla Institute of Technology and an M.B.A. from Babson College. We believe that Mr. Gandhi's experience in operations and financial matters provide him with the necessary skills to be a member of the Board of Directors of our general partner.

Edmond G. Leung was appointed a Director of our general partner in connection with his affiliation with Landmark Dividend LLC, which controls our general partner. Mr. Leung was elected as a member of the board of managers of Landmark Dividend Holdings LLC in December 2012. Mr. Leung has been a Managing Director of AIM since December 2015, was a Principal of AIM from December 2013 until November 2015, a Vice President with AIM from January 2010 until November 2013 and an Associate from September 2007 to December 2009. Mr. Leung has served on the boards of a number of AIM Portfolio companies, including as a member of the board of managers of Nordic Cold Storage Holdings LLC since July 2011 until November 2016, as a member of the board of managers of Arrow Holdings, LLC since November 2016, as a member of the board of managers of Granite Communities LLC from February 2017 to October 2017, and as a member of the board of managers of American Education Properties, LLC since February 2017. Mr. Leung received a B.A. in Economics and a B.S. in Business Administration from University of California, Berkeley. We believe that Mr. Leung's extensive investing and corporate finance experience, as well as his in-depth knowledge of the real property industry generally and our sponsor, Landmark Dividend LLC, in particular, provide him with the necessary skills to be a member of the Board of Directors of our general partner.

Keith Benson was appointed a Director of our general partner in November 2018. Mr. Benson served as Co-General Counsel of USD Group LLC, a developer, builder, operator, and manager of energy-related midstream infrastructure, since March 2015. From January 2008 through February 2015, Mr. Benson was a partner with the international law firm of Latham & Watkins LLP in their Houston and San Francisco offices. Mr. Benson's practice focused on public company representation, corporate governance, capital markets and mergers & acquisitions, with a focus on midstream and upstream energy companies, master limited partnerships and real estate investment trusts. From July 2000 through December 2007, Mr. Benson was an associate with Latham & Watkins LLP and from October 1998 through June 2000 Mr. Benson was an associate with the law firm of Cahill, Gordon & Reindel LLP. Mr. Benson received a JD with high honors from Rutgers School of Law and a BA in political science from The College of New Jersey.

Thomas Carey White III was appointed a Director of our general partner. Mr. White has served as the Chief Executive Officer of Positive Arts LLC, a systems architecture firm specializing in building and operating infrastructure, since January 2011. Mr. White has also served as Chief Financial Officer and a member of the board of managers of Active Wellness LLC, a management company operating corporate fitness centers, since he co-founded Active Wellness in January 2014. Mr. White has also served as Chairman of the Feeding Your Kids Foundation, a nonprofit organization operating an international program teaching parents how to feed their children healthier food, since he co-founded the Foundation in May 2010. From November 2011 to February 2016, Mr. White served as the Chief Financial Officer of Itrium US LLC, a fitness and health company. Mr. White also served as the Chief Financial Officer and Chief Technology Officer of Club One, a fitness company, from January 2004 to December 2010. Mr. White received a BA from Stanford University and an MBA from Harvard Business School. He is a certified public accountant (inactive) in the state of California. We believe that Mr. White's expertise in accounting and financial matters, along with his extensive management experience, qualifies him for service as a Director of our general partner.

Gerald A. Tywoniuk was appointed a Director of our general partner in January 2015. Mr. Tywoniuk currently serves on the board of directors of Westmoreland Resources GP, LLC, the general partner of Westmoreland Resource Partners, LP (together referred to as “Westmoreland”); he currently serves as chairman of the board and chairs the board’s audit committee. Westmoreland, which is in the coal mining industry, filed for Chapter 11 protection in October 2018. He also serves as an independent director and audit committee chairperson at American Midstream GP, LLC, the general partner of American Midstream Partners, L.P. Mr. Tywoniuk has been providing interim and project CFO consulting services since May 2010. Mr. Tywoniuk has over 36 years of experience in accounting and finance and has previously served a number of public companies in senior executive and management roles. We believe that Mr. Tywoniuk’s expertise in accounting and financial matters, along with his extensive management experience, qualifies him for service as a Director of our general partner.

Board Leadership Structure

Directors of the board of directors of our general partner are designated or elected by Landmark. Accordingly, unlike holders of common stock in a corporation, our unitholders will have only limited voting rights on matters affecting our business or governance, subject in all cases to any specific unitholder rights contained in our partnership agreement. The board of directors of our general partner has no policy with respect to the separation of the offices of chairman of the board of directors and chief executive officer. Instead, that relationship is defined and governed by the amended and restated limited liability company agreement of our general partner, which permits the same person to hold both offices.

Board Role in Risk Oversight

Our governance guidelines provide that the board of directors of our general partner is responsible for reviewing our process for assessing the major risks facing us and our options for mitigation. This responsibility will be largely satisfied by our audit committee, which is responsible for reviewing and discussing with management and our registered public accounting firm our major risk exposures and the policies management has implemented to monitor such risk exposures, including our financial risk exposure and risk management policies.

Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires the directors and executive officers of our general partner and persons who own more than 10 percent of a registered class of our equity securities, to file reports of beneficial ownership on Form 3 and changes in beneficial ownership on Forms 4 or 5 with the SEC. Based on our review of the reporting forms and written representations provided to us from the persons required to file reports, we believe that each of the directors and executive officers of our general partner and persons who own more than 10 percent of a registered class of our equity securities has complied with the Section 16 reporting requirements for transactions in our securities during the fiscal year ended December 31, 2018.

Code of Business Conduct and Ethics

We adopted a code of business conduct and ethics that seeks to identify and mitigate conflicts of interest between our interests and the interests of our general partner and its employees, directors and officers. However, we cannot assure you that these policies or provisions will always be successful in eliminating or minimizing the influence of such conflicts, and if they are not successful, decisions could be made that might fail to reflect fully the interests of unitholders.

Principal Executive Offices and Internet Address

Our principal executive offices are located at 400 Continental Blvd., Suite 500, El Segundo, CA 90245, and our telephone number is (310) 598-3173. We post governance documents on our website at <http://www.landmarkmlp.com>. We expect to make our periodic reports and other information filed with or furnished to the Securities and Exchange Commission (“SEC”) available, free of charge, through our website, as soon as reasonably practicable after those reports and other information are electronically filed with or furnished to the SEC. Information on our website or any other website is not incorporated by reference into this Annual Report Form 10-K and does not constitute a part of this Annual Report Form 10-K.

ITEM 11. Executive Compensation

We do not employ any of the persons responsible for managing our business. Our general partner, under the direction of its board of directors is responsible for managing our operations and for obtaining the services of the employees that operate our business. Our general partner's executive officers are employed and compensated by Landmark and have responsibilities to both us and Landmark. Our general partner's executive officers currently devote less than a majority of their working time to matters relating to us and we currently expect our general partner's executive officers to continue for the foreseeable future to devote less than a majority of their working time to matters relating to us. We currently do not have a compensation committee, and we do not plan to have one. Pursuant to our omnibus agreement we reimburse Landmark for expenses related to certain general and administrative services Landmark provides to us in support of our business, including certain executive management services by certain officers of our general partner and compensation expense for all employees required to manage and operate 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 exceeds \$120 million and (ii) November 19, 2021. The full amount of general and administrative expenses incurred is reflected on our income statements, and to the extent such general and administrative expenses exceed the cap amount, the amount of such excess 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.

Except with respect to any equity incentive awards in us that may be granted under our 2014 Long-Term Incentive Plan, or "LTIP," our general partner's executive officers do not receive any separate amounts of compensation for their services to us and all compensation decisions for our general partner's executive officers are made by Landmark, without input from our general partner's board of directors or any committees thereof. Any awards granted to our general partner's executive officers under our LTIP are determined and granted by our general partner's board of directors or one of its applicable committees. No equity incentive awards were granted to any of our executive officers in 2018.

Compensation of our Directors

In connection with the IPO, the board of directors of the General Partner adopted the Landmark Infrastructure Partners GP LLC Non-Employee Director Compensation Plan (the "Non-Employee Director Compensation Plan"). The Non-Employee Director Compensation Plan provides each director that is neither an officer of the General Partner nor an employee or an affiliate of the General Partner with annualized compensation consisting of \$35,000 in cash, payable quarterly, an annual grant of Common Units valued at \$35,000 and additional cash compensation for attending meetings of the board of directors of the General Partner or a committee thereof. Pursuant to the Non-Employee Director Compensation Plan, the chairman of the audit committee of the board of directors shall be entitled to additional annualized cash compensation of \$10,000 and the chairman of any other committee of the board of directors, as may be established at any time, shall be entitled to an amount in cash as determined by the board of directors. Such directors will also receive reimbursement for out-of-pocket expenses associated with attending board or committee meetings and director and officer liability insurance coverage. Officers, employees or paid consultants or advisors of us or our general partner or Landmark or its affiliates who also serve as directors will not receive additional compensation for their service as directors. All directors will be indemnified by us for actions associated with being a director to the fullest extent permitted under Delaware law. On January 25, 2018, the board of directors of the General Partner adopted the Amended and Restated Non-Employee Director Compensation Plan. The Amended and Restated Non-Employee Director Compensation Plan provides each director that is neither an officer of the General Partner nor an employee or an affiliate of the General Partner annual cash compensation of \$40,000, payable in four equal quarterly installments, and an annual grant of Common Units valued at \$40,000. Additionally, the Amended and Restated Non-Employee Director Compensation Plan entitles the chairman of the audit committee of the board of directors to additional annualized cash compensation of \$15,000.

The following table sets forth the total compensation paid to our non-employee directors as compensation for their year of service to us in 2018.

Name	Director Compensation		
	Fees Earned or Paid in Cash ⁽¹⁾	Unit Awards ⁽²⁾	Total
Thomas Carey White III	\$ 73,500	\$ 35,000	\$ 108,500
Gerald A. Tywoniuk	61,750	35,000	96,750
Keith Benson	10,000	—	10,000

(1) Amounts shown represent 2018 retainer and meeting fees.

(2) The amounts shown represent the grant date fair value of awards granted in 2018. In 2018, each of our independent directors who was serving on the Board as of December 31, 2017, received 1,913 common units grants for 2018 services. Mr. Benson was appointed Director on November 2018.

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

The following table sets forth the beneficial ownership of units of Landmark Infrastructure Partners LP as of December 31, 2018, held by beneficial owners of 5% or more of the units, by each director, director nominee and named executive officer of Landmark Infrastructure Partners GP LLC, our general partner, and by all directors, director nominees and executive officers of our general partner as a group. The percentage of units beneficially owned is based on a total of 25,327,801 common units outstanding as of December 31, 2018. Unless otherwise indicated in the footnotes to the table below, each of the beneficial owners listed has, to our knowledge, sole voting and investment power with respect to the units and the business address of each such beneficial owner is c/o Landmark Infrastructure Partners LP, 400 Continental Blvd., Suite 500, El Segundo, CA 90245.

Name of beneficial owner(1)	Common Units	
	Number	Percent
Landmark Dividend Holdings LLC(2)	3,415,405	13.5%
Directors/Named Executive Officers		
Arthur P. Brazy, Jr.	170,149	*
George P. Doyle	19,439	*
Matthew P. Carbone	23,604	*
James F. Brown	—	—
Nandit Gandhi	3,102	*
Edmond G. Leung	3,410	*
Keith Benson	—	—
Thomas Carey White III	11,164	*
Gerald A. Tywoniuk	9,907	*
All Directors and Executive Officers as a group (9 persons)	240,775	*%

- (1) Unless otherwise indicated, the address for all beneficial owners in this table is 400 Continental Blvd., Suite 500, P.O. Box 3429, El Segundo, CA 90245.
- (2) Includes (1) 3,537 common units held directly by Landmark Dividend LLC and (2) 55,097 common units held directly by Landmark Z-Unit Holdings LLC. Landmark Dividend LLC and Landmark Z-Unit Holdings LLC are indirectly owned and managed by Landmark Dividend Holdings LLC. Landmark Dividend Holdings LLC is managed by a board of managers. The board of managers of Landmark Dividend Holdings LLC is comprised of Matthew P. Carbone, Edmond G. Leung, Nandit Gandhi, Fenton R. Talbott, Arthur P. Brazy, Jr., James F. Brown, Trevor J. Brock and David L. Hollon. AIM Landmark Holdings, LLC is the record holder of approximately 59% of the limited liability company interests of Landmark Dividend Holdings, LLC and is entitled to elect the majority of the members of the board of managers of Landmark Dividend Holdings LLC. AIM Landmark Holdings, LLC is controlled by AIM Universal Holdings, LLC. AIM Universal Holdings, LLC is managed by Robert B. Hellman and Matthew P. Carbone, and voting and investment determinations with respect to the securities held by Landmark Dividend LLC are ultimately controlled by the following AIM Universal Holdings, LLC persons: Robert B. Hellman, Jr., Matthew P. Carbone, Ryan Barnes, Paul T. Ho and Edmond G. Leung. Each of the foregoing persons and each member of the board of managers of Landmark Dividend Holdings LLC, disclaims beneficial ownership of such securities. Each of AIM Universal Holdings, LLC, AIM Landmark Holdings, LLC and Landmark Dividend Holdings, LLC may be deemed to indirectly beneficially own the securities held by Landmark Dividend LLC and Landmark Z-Unit Holdings LLC, but disclaim beneficial ownership except to the extent of their respective pecuniary interest therein. The principal business address of AIM Universal Holdings, LLC and AIM Landmark Holdings, LLC is 950 Tower Lane, Suite 800, Foster City, California 94404. The principal business address of Landmark Dividend LLC, Landmark Dividend Holdings LLC and Landmark Z-Unit Holdings LLC is 400 Continental Blvd., Suite 500, El Segundo, California 90245.

* The percentage of units beneficially owned by each director or each executive officer does not exceed 1% of the common units outstanding. The percentage of units beneficially owned by all directors and executive officers as a group does not exceed 1% of the common units outstanding.

Securities Authorized for Issuance Under Equity Compensation Plans

As of December 31, 2018, the following equity securities were authorized for issuance under our existing compensation plans:

Plan Category	Number of Securities to be Issued upon Exercise of Outstanding Options, Warrants and Rights (#) (a)	Weighted Average Exercise Price of Outstanding Options, Warrants and Rights (\$) (b)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (excluding securities reflected in column (a)) (#) (c)
Equity Compensation Plans Approved by Security Holders	—	\$ —	759,486 (1)
Equity Compensation Plans not Approved by Security Holders	—	—	—
Total	—	\$ —	759,486

(1) Amount shown represents Common Units available for issuance under the LTIP as of December 31, 2018.

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

As of December 31, 2018, Landmark and affiliates own 3,415,405 common units, representing a 13.5% limited partner interest in us. In addition, our general partner owns a non-economic general partner interest in us.

Distributions and Payments to Our General Partner and Its Affiliates

The following table summarizes the distributions and payments made by us to our general partner and its affiliates in connection with our ongoing operation and liquidation. These distributions and payments were and will be determined by and among affiliated entities and, consequently, are not the result of arm's-length negotiations.

Operational stage

Distributions of available cash to our general partner and its affiliates

We will generally make cash distributions to the unitholders pro rata, including Landmark and affiliates, as holder of an aggregate of 3,415,405 common units as of December 31, 2018. In addition, if distributions exceed the minimum quarterly distribution and target distribution levels, the incentive distribution rights held by our general partner will entitle our general partner to increasing percentages of the distributions, up to 50% of the distributions above the highest target distribution level.

Assuming we generate sufficient distributable cash flow to support the payment of the full minimum quarterly distribution on all of our outstanding units for four quarters, Landmark and affiliates would receive annual distributions of \$3.9 million on its common units.

Payments to our general partner and its affiliates

Under our 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 our partnership agreement. Under the omnibus agreement, we agreed to reimburse Landmark for expenses related to certain general and administrative services 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. To the extent our general and administrative expenses exceed this cap Landmark will reimburse the partnership for the excess over the cap. 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 expenses of other employees will be allocated to us based on the amount of time actually spent by those employees on our business. These reimbursable expenses also include an allocable portion of the compensation and benefits of employees and executive officers of other affiliates of our general partner who provide services to us. We will also reimburse Landmark for any additional out-of-pocket costs and expenses incurred by Landmark and its affiliates in providing general and administrative services to us. Please read “– Agreements Governing the Transactions – Omnibus Agreement” below and Item 11., “Executive Compensation – Compensation of Our Directors.” In connection with third party acquisitions, Landmark will be obligated to provide certain acquisition services to us. We will pay Landmark reasonable fees, as mutually agreed to by Landmark and us, for providing any such acquisition services we choose to utilize. These acquisition services fees will not be subject to the cap on general and administrative expenses. However, we are under no obligation to utilize Landmark for acquisition services, and may utilize the services of third parties in connection with acquisitions.

Withdrawal or removal of our general partner

If our general partner withdraws or is removed, its general partner interest and its incentive distribution rights will either be sold to the new general partner for cash or converted into common units, in each case for an amount equal to the fair market value of those interests.

Liquidation stage

Liquidation

Upon our liquidation, the partners, including our general partner, will be entitled to receive liquidating distributions according to their respective capital account balances.

Our Agreements with Landmark

Omnibus Agreement

We entered into an omnibus agreement with Landmark and our general partner for the purposes of:

- reimbursement for all costs and expenses incurred by Landmark in providing us partnership, general and administrative services (which reimbursement is in addition to certain expenses of our general partner and its affiliates that are reimbursed under our partnership agreement);
- an indemnity by Landmark for certain liabilities associated with our assets; and

So long as Landmark controls our general partner, the omnibus agreement will remain in full force and effect. If Landmark ceases to control our general partner, either party may terminate the omnibus agreement, provided that the indemnification obligations will remain in full force and effect in accordance with their terms.

We will reimburse Landmark quarterly for the expenses incurred by Landmark and its affiliates in providing these services. Landmark has agreed that our obligation to reimburse Landmark for certain of these general and administrative services during any calendar quarter will be capped at 3% of our revenue during the current calendar quarter. The full amount of 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 reimbursed by Landmark which 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.

Acquisition Services

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.

Indemnification

Environmental Indemnification by Landmark. Under the omnibus agreement, Landmark will indemnify us for all violations of environmental laws and all environmental remediation or corrective action that is required by environmental laws, in each case to the extent related to the assets contributed to us by Landmark in connection with the IPO and arising prior to the closing of the IPO, or relating to a condition existing as of closing that continues after closing, under laws in existence prior to the closing of the IPO. Landmark will not be obligated to indemnify us for any environmental losses unless Landmark is notified of such losses prior to the fifth anniversary of the closing of the IPO. Furthermore, Landmark will not be obligated to indemnify us for any environmental losses of \$50,000 or less, nor will Landmark be obligated to indemnify us until our aggregate indemnifiable losses exceed a \$0.5 million deductible (and then Landmark will only be obligated to indemnify us for amounts in excess of such deductible). Finally, the aggregate amount that Landmark is obligated to indemnify us for is capped at \$5.0 million.

Title and Permit Indemnification by Landmark. For a period of five years after the closing of the IPO, Landmark will indemnify us for losses relating to our failure to have at closing any title, right of way, consent, license, permit, or approval necessary for us to own or operate our assets in substantially the same manner that the assets were owned or operated immediately prior to the closing of the IPO and as described herein, subject to a \$50,000 per incident deductible.

Tax Indemnification by Landmark. For a period up to 60 days past the expiration of any applicable statute of limitations, Landmark will indemnify us for any federal, state, local and foreign tax liability attributable to the operations or ownership of the assets contributed to us arising prior to the closing of the IPO or otherwise related to Landmark's contribution of those assets to us in connection with the IPO, including any such income tax liability of Landmark and its affiliates that may result from our formation transactions or that arises under Treasury Regulation Section 1.1502-6.

Indemnification by Us. We have agreed to indemnify Landmark for events and conditions associated with the ownership or operation of our assets that occur after the closing of the IPO (other than any environmental liabilities for which Landmark is specifically required to indemnify us as described above). There is no limit on the amount for which we will indemnify Landmark under the omnibus agreement.

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License of Trademarks. Landmark granted us a nontransferable, nonexclusive, royalty-free worldwide right and license to use certain trademarks and trade names owned by Landmark.

Other Agreements with Landmark and Related Parties

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. For each of the years ended December 31, 2018, 2017 and 2016, we incurred \$0.1 million of license fees related to the AIF patent license agreement, respectively.

Procedures for Review, Approval and Ratification of Related Person Transactions

The board of directors of our general partner adopted a related party transactions policy in connection with the closing of the IPO that provides that the board of directors of our general partner or its authorized committee will review on at least a quarterly basis all related person transactions that are required to be disclosed under SEC rules and, when appropriate, initially authorize or ratify all such transactions. In the event that the board of directors of our general partner or its authorized committee considers ratification of a related person transaction and determines not to so ratify, the code of business conduct and ethics will provide that our management will make all reasonable efforts to cancel or annul the transaction.

The related party transactions policy provides that, in determining whether or not to recommend the initial approval or ratification of a related person transaction, the board of directors of our general partner or its authorized committee should consider all of the relevant facts and circumstances available, including (if applicable) but not limited to: (1) whether there is an appropriate business justification for the transaction; (2) the benefits that accrue to us as a result of the transaction; (3) the terms available to unrelated third parties entering into similar transactions; (4) the impact of the transaction on a director’s independence (in the event the related person is a director, an immediate family member of a director or an entity in which a director or an immediate family member of a director is a partner, shareholder, member or executive officer); (5) the availability of other sources for comparable products or services; (6) whether it is a single transaction or a series of ongoing, related transactions; and (7) whether entering into the transaction would be consistent with the code of business conduct and ethics.

ITEM 14. Principal Accountant Fees and Services

Audit Fees

Fees for professional services rendered by Ernst & Young LLP, our independent auditor, for the years ended December 31, 2018 and 2017 are presented in the following table (in thousands).

Category	2018	2017
Audit fees(1)	\$ 1,077	\$ 885
Audit-related fees(2)	55	85
Total	\$ 1,132	\$ 970

(1) Audit fees represent fees for professional services provided in connection with the audit of the Partnership’s annual financial statements, reviews of the quarterly financial statements included in the Partnership’s quarterly reports on Form 10-Q and other professional services in connection with the Partnership’s registration statements, securities offerings and audits of financial statements of subsidiaries.

(2) Audit-related fees represent fees for professional services primarily provided in connection with agreed-upon procedures related to the Partnership’s subsidiaries’ securitization transactions.

The Audit Committee has adopted a pre-approval policy for the pre-approval of certain services rendered to us by Ernst & Young LLP. All of the fees in the table above were approved in accordance with this policy. The policy (a) identifies the guiding principles that must be considered by the Audit Committee in approving services to ensure that EY’s independence is not impaired; (b) describes the audit, audit-related, tax and other services that may be provided and the non-audit services that are prohibited; and (c) sets forth pre-approval requirements for all permitted services. Under the policy, all services to be provided by EY must be pre-approved by the Audit Committee. The Audit Committee has delegated authority to approve permitted services to the Audit Committee’s Chair. Such approval must be reported to the entire Audit Committee at the next scheduled Audit Committee meeting.

Auditor Independence

The Audit Committee of the board of directors of our general partner has considered whether Ernst & Young LLP is independent for purposes of providing external audit services to us, and the Audit Committee has determined that Ernst & Young LLP is independent.

PART IV

ITEM 15. Exhibits, Financial Statement Schedules

(a)(1) Financial Statements:

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(a)(2) Schedule III: Real Estate and Accumulated Depreciation

Note: All other schedules have been omitted because the required information is presented in the financial statements and the related notes or because the schedules are not applicable.

(a)(3) Exhibits:

The following documents are filed as exhibits to this annual report:

Exhibit number	Description
1.1	At-the-Market Issuance Sales Agreement, dated as of February 16, 2016, by and among Landmark Infrastructure Partners LP, Landmark Infrastructure Partners GP LLC, Landmark Infrastructure Operating Company LLC and FBR Capital Markets & Co., MLV & Co. LLC and Janney Montgomery Scott LLC (incorporated by reference to Exhibit 1.1 of our Current Report on Form 8-K filed on February 16, 2016).
1.2	At-the-Market Issuance Sales Agreement, dated as of June 24, 2016, by and among Landmark Infrastructure Partners LP, Landmark Infrastructure Partners GP LLC and Landmark Infrastructure Operating Company LLC and FBR Capital Markets & Co. and MLV & Co. LLC (incorporated by reference to Exhibit 1.1 of our Current Report on Form 8-K filed on June 24, 2016).
1.3	At-the-Market Issuance Sales Agreement, dated as of March 30, 2017, by and among Landmark Infrastructure Partners LP, Landmark Infrastructure Partners GP LLC and Landmark Infrastructure Operating Company LLC and FBR Capital Markets & Co. (incorporated by reference to Exhibit 1.1 of our Current Report on Form 8-K filed on March 30, 2017).
1.4	Note Purchase Agreement dated May 25, 2018 among LMRK Issuer Co III LLC, LMRK Guarantor Co III LLC, Landmark Infrastructure Operating Company LLC and RBC Capital Markets, LLC (incorporated by reference to Exhibit 1.1 of our Current Report on Form 8-K filed on May 29, 2018).
3.1	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).
3.2	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)
3.3	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)
3.4	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).
3.5	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).
3.6	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).
4.1	Indenture, dated as of June 16, 2016, by and among Deutsche Bank Trust Company Americas, as Indenture Trustee, and LMRK Issuer Co, LLC, LD Acquisition Company 8 LLC, LD Acquisition Company 9 LLC and LD Acquisition Company 10 LLC, collectively as Obligors (incorporated by reference to Exhibit 4.1 of our Current Report on Form 8-K filed on June 22, 2016).

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Exhibit number	Description
4.2	<u>Indenture Supplement, dated as of June 16, 2016, by and among Deutsche Bank Trust Company Americas, as Indenture Trustee, and LMRK Issuer Co. LLC, LD Acquisition Company 8 LLC, LD Acquisition Company 9 LLC and LD Acquisition Company 10 LLC, collectively as Obligors (incorporated by reference to Exhibit 4.2 of our Current Report on Form 8-K filed on June 22, 2016).</u>
4.3	<u>Indenture, dated as of November 30, 2017, by and among Wilmington Trust, National Association, as Indenture Trustee, and LMRK Issuer Co. 2 LLC, LMRK Propco LLC and LD Tall Wall III LLC, collectively as Obligors (incorporated by reference to Exhibit 4.1 of our Current Report on Form 8-K filed on December 5, 2017).</u>
4.4	<u>Indenture Supplement, dated as of November 30, 2017, by and among Wilmington Trust, National Association, as Indenture Trustee, and LMRK Issuer Co. 2 LLC, LMRK Propco LLC and LD Tall Wall III LLC, collectively as Obligors (incorporated by reference to Exhibit 4.2 of our Current Report on Form 8-K filed on December 5, 2017).</u>
4.5	<u>Indenture, dated as of June 6, 2018, by and among Wilmington Trust, National Association, as Indenture Trustee, and LMRK Issuer Co III LLC and LMRK PropCo 3 LLC, collectively as Obligors (incorporated by reference to Exhibit 4.1 of our Current Report on Form 8-K filed on June 11, 2018).</u>
4.6	<u>Indenture Supplement, dated as of June 6, 2018, by and among Wilmington Trust, National Association, as Indenture Trustee, and LMRK Issuer Co III LLC and LMRK PropCo 3 LLC, collectively as Obligors (incorporated by reference to Exhibit 4.2 of our Current Report on Form 8-K filed on June 11, 2018).</u>
4.7	<u>BF-LMRK JV LLC Amended and Restated Limited Liability Company Agreement (incorporated by reference to Exhibit 4.1 of our Current Report on Form 8-K filed on September 24, 2018).</u>
10.1	<u>Contribution, Conveyance and Assumption Agreement (incorporated by reference to Exhibit 10.1 of our Current Report on Form 8-K filed on November 25, 2014).</u>
10.2	<u>Omnibus Agreement (incorporated by reference to Exhibit 10.2 of our Current Report on Form 8-K filed on November 25, 2014).</u>
10.3	<u>Amended and Restated Credit Agreement (incorporated by reference to Exhibit 10.3 of our Current Report on Form 8-K filed on November 25, 2014).</u>
10.4	<u>Patent License Agreement (incorporated by reference to Exhibit 10.4 of our Current Report on Form 8-K filed on November 25, 2014).</u>
10.5	<u>Landmark Infrastructure Partners LP 2014 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.5 of our Current Report on Form 8-K filed on November 25, 2014).</u>
10.6	<u>Landmark Infrastructure Partners LP 2014 Long-Term Incentive Program Phantom Unit Agreement with Distribution Equivalent Rights (incorporated by reference to Exhibit 10.4 of our Registration Statement on Form S-11 (Registration No. 333-199221), initially filed on October 8, 2014, as amended).</u>
10.7	<u>Landmark Infrastructure Partners LP 2014 Long-Term Incentive Program Phantom Unit Agreement without Distribution Equivalent Rights (incorporated by reference to Exhibit 10.5 of our Registration Statement on Form S-11 (Registration No. 333-199221), initially filed on October 8, 2014, as amended).</u>
10.8	<u>Asset Purchase Agreement between Landmark Infrastructure Holding Company LLC and Landmark Infrastructure Operating Company LLC, dated March 4, 2015 (incorporated by reference to Exhibit 10.1 of our Current Report on Form 8-K filed on March 5, 2015).</u>
10.9	<u>Asset Purchase Agreement between Landmark Infrastructure Holding Company LLC and Landmark Infrastructure Operating Company LLC, dated April 8, 2015 (incorporated by reference to Exhibit 10.1 of our Current Report on Form 8-K filed on April 8, 2015).</u>
10.10	<u>Asset Purchase Agreement between Landmark Infrastructure Holding Company LLC and Landmark Infrastructure Operating Company LLC, dated July 21, 2015 (incorporated by reference to Exhibit 10.1 of our Current Report on Form 8-K filed on July 21, 2015).</u>
10.11	<u>Membership Interest Contribution Agreement, dated as of August 18, 2015, by and among Landmark Dividend Growth Fund E – LLC, Landmark Infrastructure Partners LP and Landmark Dividend LLC (incorporated by reference to Exhibit 10.1 of our Current Report on Form 8-K filed on August 18, 2015).</u>
10.12	<u>Asset Purchase Agreement between Landmark Infrastructure Holding Company LLC and Landmark Infrastructure Operating Company LLC, dated September 21, 2015 (incorporated by reference to Exhibit 10.1 of our Current Report on Form 8-K filed on September 21, 2015).</u>

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Exhibit number	Description
10.13	<u>Membership Interest Contribution Agreement, dated as of November 19, 2015, by and among Landmark Dividend Growth Fund C – LLC, Landmark Infrastructure Partners LP and Landmark Dividend LLC (incorporated by reference to Exhibit 10.1 of our Current Report on Form 8-K filed on November 19, 2015.)</u>
10.14	<u>Membership Interest Contribution Agreement, dated as of November 19, 2015, by and among Landmark Dividend Growth Fund F – LLC, Landmark Infrastructure Partners LP and Landmark Dividend LLC (incorporated by reference to Exhibit 10.2 of our Current Report on Form 8-K filed on November 19, 2015.)</u>
10.15	<u>Asset Purchase Agreement between Landmark Infrastructure Holding Company LLC and Landmark Infrastructure Operating Company LLC, dated December 18, 2015 (incorporated by reference to Exhibit 10.1 of our Current Report on Form 8-K filed on December 18, 2015.)</u>
10.16	<u>Management Agreement, dated as of June 16, 2016, by and among Landmark Infrastructure Partners GP LLC, as Manager, and LMRK Issuer Co. LLC, LD Acquisition Company 8 LLC, LD Acquisition Company 9 LLC and LD Acquisition Company 10 LLC (incorporated by reference to Exhibit 10.1 of our Current Report on Form 8-K filed on June 22, 2016).</u>
10.17	<u>Guarantee and Security Agreement, dated as of June 16, 2016, by and between LMRK Guarantor Co. LLC and the Deutsche Bank Trust Company Americas (incorporated by reference to Exhibit 10.2 of our Current Report on Form 8-K filed on June 22, 2016).</u>
10.18	<u>Cash Management Agreement, dated as of June 16, 2016, by and among Deutsche Bank Trust Company Americas, as Indenture Trustee and as Securities Intermediary, and LMRK Issuer Co. LLC, LD Acquisition Company 8 LLC, LD Acquisition Company 9 LLC, LD Acquisition Company 10 LLC and Landmark Infrastructure Partners GP LLC (incorporated by reference to Exhibit 10.3 of our Current Report on Form 8-K filed on June 22, 2016).</u>
10.19	<u>Servicing Agreement, dated as of June 16, 2016, by and between Midland Loan Services, a division of PNC Bank, National Association, as Servicer, and Deutsche Bank Trust Company Americas (incorporated by reference to Exhibit 10.4 of our Current Report on Form 8-K filed on June 22, 2016).</u>
10.20	<u>First Amendment to Omnibus Agreement, dated as of August 1, 2016, by and among Landmark Infrastructure Partners LP, Landmark Infrastructure Partners GP LLC, Landmark Dividend LLC, Landmark Dividend Growth Fund – C LLC, Landmark Dividend Growth Fund – E LLC, Landmark Dividend Growth Fund – F LLC, Landmark Dividend Growth Fund – G LLC, Landmark Dividend Growth Fund – H LLC, Landmark Dividend Growth Fund – I LLC, and Landmark Dividend Growth Fund – J LLC (incorporated by reference to Exhibit 10.1 of our Current Report on Form 8-K filed on August 3, 2016).</u>
10.21	<u>Membership Interest Contribution Agreement, dated as of August 30, 2016, by and among Landmark Dividend Growth Fund G – LLC, Landmark Infrastructure Partners LP and Landmark Dividend LLC (incorporated by reference to Exhibit 10.1 of our Current Report on Form 8-K filed on September 2, 2016).</u>
10.22	<u>Purchase Agreement dated as of, October 12, 2016, by and among Recurrent Energy Landco LLC and Landmark Infrastructure Operating Company LLC (incorporated by reference to Exhibit 10.1 of our Current Report on Form 8-K filed on October 13, 2016).</u>
10.23	<u>Increase Joinder, dated as of October 19, 2016, by and among Landmark Infrastructure Operating Company LLC, as Borrower, Landmark Infrastructure Partners LP, SunTrust Bank, as administrative agent, and the lenders party thereto (incorporated by reference to Exhibit 10.1 of our Current Report on Form 8-K filed on October 19, 2016).</u>
10.24	<u>Increase Joinder, dated as of June 1, 2017, by and among Landmark Infrastructure Operating Company LLC, as Borrower, Landmark Infrastructure Partners LP, SunTrust Bank, as administrative agent, and the lenders party thereto (incorporated by reference to Exhibit 10.1 of our Current Report on Form 8-K filed on June 6, 2017).</u>
10.25	<u>Second Amended and Restated Credit Agreement, dated as of July 31, 2017, by and among Landmark Infrastructure Asset OpCo II LLC, Landmark Infrastructure Inc., and Landmark Infrastructure Operating Company LLC as borrowers, Landmark Infrastructure Partners LP, the several banks, other financial institutions and lenders from time to time party thereto, and SunTrust Bank, as administrative agent, issuing bank and swingline lender (incorporated by reference to Exhibit 10.1 of our Current Report on Form 8-K filed on August 3, 2017).</u>
10.26	<u>Management Agreement, dated as of November 30, 2017, by and among Landmark Infrastructure Partners GP LLC, as Manager, and LMRK Issuer Co. 2 LLC, LMRK Propco LLC and LD Tall Wall III LLC (incorporated by reference to Exhibit 10.1 of our Current Report on Form 8-K filed on December 5, 2017).</u>
10.27	<u>Guarantee and Security Agreement, dated as of November 30, 2017, by and between LMRK Guarantor Co. 2 LLC and the Wilmington Trust, National Association (incorporated by reference to Exhibit 10.2 of our Current Report on Form 8-K filed on December 5, 2017).</u>

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Exhibit number	Description
10.28	<u>Cash Management Agreement, dated as of November 30, 2017, by and among Wilmington Trust, National Association, as Indenture Trustee and as Securities Intermediary, and LMRK Issuer Co. 2 LLC, LMRK Propco LLC and LD Tall Wall III LLC and Landmark Infrastructure Partners GP LLC (incorporated by reference to Exhibit 10.3 of our Current Report on Form 8-K filed on December 5, 2017).</u>
10.29	<u>Servicing Agreement, dated as of November 30, 2017, by and between Midland Loan Services, a division of PNC Bank, National Association, as Servicer, and Wilmington Trust, National Association (incorporated by reference to Exhibit 10.4 of our Current Report on Form 8-K filed on December 5, 2017).</u>
10.30	<u>Increase Joinder, dated as of December 28, 2017, by and among Landmark Infrastructure Asset OpCo II LLC, Landmark Infrastructure Inc., Landmark Infrastructure Operating Company LLC, as Borrowers, Landmark Infrastructure Partners LP, SunTrust Bank, as administrative agent, and the lenders party thereto (incorporated by reference to Exhibit 10.1 of our Current Report on Form 8-K filed on January 2, 2018).</u>
10.31	<u>Contribution Agreement, dated as of January 11, 2018, by and among LD Acquisition Company 13, LLC, Landmark Dividend Growth Fund – H LLC, Landmark Dividend LLC and Landmark Infrastructure Partners LP (incorporated by reference to Exhibit 10.1 of our Current Report on Form 8-K filed on January 17, 2018).</u>
10.32	<u>Asset Purchase Agreement, dated as of January 11, 2018, by and among LD Acquisition Company 13, LLC, Landmark Dividend Growth Fund – H LLC, Landmark Dividend LLC and Landmark Infrastructure Operating Company LLC (incorporated by reference to Exhibit 10.2 of our Current Report on Form 8-K filed on January 17, 2018).</u>
10.33	<u>Landmark Infrastructure Partners GP LLC Amended and Restated Non-Employee Director Compensation Plan dated January 25, 2018 (incorporated by reference to Exhibit 10.33 of our Annual Report on Form 10-K filed on February 15, 2018).</u>
10.34	<u>Management Agreement, dated as of June 6, 2018, by and among Landmark Infrastructure Partners GP LLC, as Manager, and LMRK Issuer Co III LLC and LMRK PropCo 3 LLC (incorporated by reference to Exhibit 10.1 of our Current Report on Form 8-K filed on June 11, 2018).</u>
10.35	<u>Guarantee and Security Agreement, dated as of June 6, 2018, by and between LMRK Guarantor Co III LLC and Wilmington Trust, National Association (incorporated by reference to Exhibit 10.2 of our Current Report on Form 8-K filed on June 11, 2018).</u>
10.36	<u>Cash Management Agreement, dated as of June 6, 2018, by and among Wilmington Trust, National Association, as Indenture Trustee and as Securities Intermediary, and LMRK Issuer Co III LLC, LMRK PropCo 3 LLC and Landmark Infrastructure Partners GP LLC (incorporated by reference to Exhibit 10.3 of our Current Report on Form 8-K filed on June 11, 2018).</u>
10.37	<u>Servicing Agreement, dated as of June 6, 2018, by and between Midland Loan Services, a division of PNC Bank, National Association, as Servicer, and Wilmington Trust, National Association (incorporated by reference to Exhibit 10.4 of our Current Report on Form 8-K filed on June 11, 2018).</u>
10.38	<u>Second Amendment to Omnibus Agreement, dated as of January 30, 2019, by and among Landmark Dividend LLC, Landmark Infrastructure Partners LP and Landmark Infrastructure Partners GP LLC (incorporated by reference to Exhibit 10.1 of our Current Report on Form 8-K filed on February 1, 2019).</u>
21.1*	<u>List of Subsidiaries of Landmark Infrastructure Partners LP</u>
23.1*	<u>Consent of Ernst & Young LLP</u>
31.1*	<u>Rule 13-a-14(a) Certification (under Section 302 of the Sarbanes Oxley Act of 2002) of principal executive officer.</u>
31.2*	<u>Rule 13-a-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*	XBRL Schema Document
101.CAL*	XBRL Calculation Linkbase Document.
101.LAB*	XBRL Labels Linkbase Document.
101.PRE*	XBRL Presentation Linkbase Document.
101.DEF*	XBRL Definition Linkbase Document.

* Filed herewith.

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Signatures

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of El Segundo, State of California, on February 20, 2019.

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

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Pursuant to the requirements of the Securities Act of 1934, this report has been signed below by the following persons in the capacities indicated on February 20, 2019.

Signature	Title	Date
<u>/s/ Arthur P. Brazy, Jr.</u> Arthur P. Brazy, Jr.	Director and Chief Executive Officer (Principal Executive Officer)	February 20, 2019
<u>/s/ George P. Doyle</u> George P. Doyle	Chief Financial Officer and Treasurer (Principal Financial Officer and Principal Accounting Officer)	February 20, 2019
<u>/s/ Matthew P. Carbone</u> Matthew P. Carbone	Chairman of the Board of Directors	February 20, 2019
<u>/s/ James F. Brown</u> James F. Brown	Director	February 20, 2019
<u>/s/ Nandit Gandhi</u> Nandit Gandhi	Director	February 20, 2019
<u>/s/ Edmond G. Leung</u> Edmond G. Leung	Director	February 20, 2019
<u>/s/ Thomas Carey White III</u> Thomas Carey White III	Director	February 20, 2019
<u>/s/ Gerald A. Tywoniuk</u> Gerald A. Tywoniuk	Director	February 20, 2019
<u>/s/ Keith Benson</u> Keith Benson	Director	February 20, 2019

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Report of Independent Registered Public Accounting Firm

To the Board of Directors of Landmark Infrastructure Partners GP LLC and Partners of Landmark Infrastructure Partners LP

Opinion of the Financial Statements

We have audited the accompanying consolidated balance sheets of Landmark Infrastructure Partners LP (the “Partnership”) as of December 31, 2018 and 2017, the related consolidated and combined statements of operations, comprehensive income, equity and mezzanine equity, and cash flows for each of the three years in the period ended December 31, 2018, and the related notes and the financial statement schedule listed in the Index at Item 15(a) (collectively referred to as the “consolidated and combined financial statements”). In our opinion, the consolidated and combined financial statements present fairly, in all material respects, the financial position of the Partnership at December 31, 2018 and 2017, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2018, in conformity with U.S. generally accepted accounting principles.

Adoption of ASU No. 2017-01

As discussed in Note 2 to the consolidated and combined financial statements, the Partnership changed its method of accounting for property acquisitions effective April 1, 2017 due to the adoption of ASU 2017-01, *Business Combinations (Topic 805): Clarifying the Definition of a Business*.

Basis for Opinion

These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on the Partnership's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Partnership in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Security and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Partnership is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Partnership's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Ernst & Young LLP

We have served as the Partnership's auditor since 2012.

Los Angeles, California

February 20, 2019

Landmark Infrastructure Partners LP
Consolidated Balance Sheets
(in thousands, except unit data)

	December 31,	
	2018	2017
Assets		
Land	\$ 128,302	\$ 114,385
Real property interests	517,423	596,422
Construction in progress	29,556	7,574
Total land and real property interests	675,281	718,381
Accumulated amortization of real property interests	(39,069)	(37,817)
Land and net real property interests	636,212	680,564
Investments in receivables, net	18,348	20,782
Investment in unconsolidated joint venture	65,670	—
Cash and cash equivalents	4,108	9,188
Restricted cash	3,672	18,672
Rent receivables, net	4,292	4,141
Due from Landmark and affiliates	1,390	629
Deferred loan costs, net	5,552	3,589
Deferred rent receivable	5,251	4,252
Derivative assets	4,590	3,159
Other intangible assets, net	20,839	17,984
Assets held for sale (AHFS)	7,846	—
Other assets	8,843	5,039
Total assets	<u>\$ 786,613</u>	<u>\$ 767,999</u>
Liabilities and equity		
Revolving credit facility	\$ 155,000	\$ 304,000
Secured Notes, net	223,685	187,249
Accounts payable and accrued liabilities	7,435	4,978
Other intangible liabilities, net	9,291	12,833
Liabilities associated with AHFS	397	—
Prepaid rent	5,418	4,581
Derivative liabilities	402	—
Total liabilities	401,628	513,641
Commitments and contingencies (Note 17)		
Mezzanine equity		
Series C cumulative redeemable convertible preferred units, 2,000,000 and zero units issued and outstanding at December 31, 2018 and 2017, respectively	47,308	—
Equity		
Series A cumulative redeemable preferred units, 1,593,149 and 1,568,402 units issued and outstanding at December 31, 2018 and 2017, respectively	37,207	36,604
Series B cumulative redeemable preferred units 2,463,015 units issued and outstanding at December 31, 2018 and 2017, respectively	58,936	58,936
Common units, 25,327,801 and 20,146,458 units issued and outstanding at December 31, 2018 and 2017, respectively	411,158	288,527
Subordinated units, zero and 3,135,109 units issued and outstanding at December 31, 2018 and 2017, respectively	—	19,641
General Partner	(167,019)	(150,519)
Accumulated other comprehensive income (loss)	(2,806)	968
Total partner's equity	337,476	254,157
Noncontrolling interests	201	201
Total equity	337,677	254,358
Total liabilities, mezzanine equity and equity	<u>\$ 786,613</u>	<u>\$ 767,999</u>

See accompanying notes to consolidated and combined financial statements.

Landmark Infrastructure Partners LP
Consolidated and Combined Statements of Operations
(in thousands, except per unit data)

	Year Ended December 31,		
	2018	2017	2016
Revenue			
Rental revenue	\$ 64,765	\$ 52,625	\$ 41,171
Expenses			
Management fees to affiliate	—	—	196
Property operating	1,147	394	107
General and administrative	4,731	5,286	3,755
Acquisition-related	3,287	1,287	2,906
Amortization	16,152	13,537	11,191
Impairments	1,559	848	1,275
Total expenses	26,876	21,352	19,430
Other income and expenses			
Interest and other income	1,642	1,587	1,225
Interest expense	(24,273)	(18,399)	(13,923)
Loss on early extinguishment of debt	(157)	—	(1,703)
Realized loss on derivatives	—	—	(99)
Unrealized gain on derivatives	1,010	1,675	2,306
Equity income from unconsolidated joint venture	59	—	—
Gain (loss) on sale of real property interests	99,884	(5)	374
Foreign currency transaction loss	(6)	—	—
Total other income and expenses	78,159	(15,142)	(11,820)
Income before income tax expense (benefit)	116,048	16,131	9,921
Income tax expense (benefit)	227	(3,145)	—
Net income	115,821	19,276	9,921
Less: Pre-acquisition net income from Drop-down Assets	—	—	48
Less: Net income attributable to noncontrolling interest	27	19	—
Net income attributable to limited partners	115,794	19,257	9,873
Less: Distributions declared to preferred unitholders	(10,630)	(6,673)	(2,660)
Less: General partner's incentive distribution rights	(784)	(488)	(110)
Net income attributable to common and subordinated unitholders	\$ 104,380	\$ 12,096	\$ 7,103
Net income per common and subordinated unit			
Common units – basic	\$ 4.25	\$ 0.54	\$ 0.46
Common units – diluted	\$ 3.97	\$ 0.53	\$ 0.41
Subordinated units – basic and diluted	\$ (0.78)	\$ 0.50	\$ 0.23
Weighted average common and subordinated units outstanding			
Common units – basic	24,626	19,701	13,986
Common units – diluted	26,967	22,836	17,121
Subordinated units – basic and diluted	387	3,135	3,135

See accompanying notes to consolidated and combined financial statements.

Landmark Infrastructure Partners LP
Consolidated and Combined Statements of Comprehensive Income
(in thousands)

	<u>Year Ended December 31,</u>		
	<u>2018</u>	<u>2017</u>	<u>2016</u>
Net income	\$ 115,821	\$ 19,276	\$ 9,921
Other comprehensive income (loss):			
Foreign currency translation adjustment	(3,774)	1,477	(517)
Other comprehensive income (loss)	(3,774)	1,477	(517)
Comprehensive income	112,047	20,753	9,404
Less: Comprehensive loss attributable to Drop-down Assets	—	—	(469)
Less: Comprehensive income attributable to noncontrolling interest	27	19	—
Comprehensive income attributable to limited partners	<u>\$ 112,020</u>	<u>\$ 20,734</u>	<u>\$ 9,873</u>

See accompanying notes to consolidated and combined financial statements

Landmark Infrastructure Partners LP
Consolidated and Combined Statements of Equity and Mezzanine Equity
(in thousands)

	Common Units	Subordinated Units	Preferred Units - Series A	Preferred Units - Series B	Common Unitholders	Subordinated Unitholder	Preferred Unitholders - Series A	Preferred Unitholders - Series B	General Partner	Accumulated Other Comprehensive Income	Noncontrolling Interest	Total Equity	Mezzanine Equity - Series C Preferred
Balance as of December 31, 2015	11,820	3,135	—	—	\$ 179,045	\$ 25,942	\$ —	\$ —	\$ (47,633)	\$ 8	\$ —	\$ 157,362	\$ —
Pre-acquisition net income from Drop- down Assets	—	—	—	—	—	—	—	—	48	—	—	48	—
Net investment of Drop-down Assets	—	—	—	—	—	—	—	—	(90,701)	—	—	(90,701)	—
Foreign currency translation adjustment	—	—	—	—	—	—	—	—	—	(517)	—	(517)	—
Issuance of Preferred Units, net	—	—	864	1,840	—	—	19,393	44,256	—	—	—	63,649	—
Issuance of Common Units, net	7,621	—	—	—	127,128	—	—	—	—	—	—	127,128	—
Distributions	—	—	—	—	(18,349)	(4,154)	(1,250)	(1,410)	(32)	—	—	(25,195)	—
Capital contribution to fund general and administrative expense reimbursement	—	—	—	—	—	—	—	—	2,578	—	—	2,578	—
Unit-based compensation	10	—	—	—	105	—	—	—	—	—	—	105	—
Net income attributable to limited partners	—	—	—	—	6,367	736	1,250	1,410	110	—	—	9,873	—
Balance as of December 31, 2016	19,451	3,135	864	1,840	\$ 294,296	\$ 22,524	\$ 19,393	\$ 44,256	\$ (135,630)	\$ (509)	\$ —	\$ 244,330	\$ —
Net investment of Drop-down Assets	—	—	—	—	—	—	—	—	(18,629)	—	—	(18,629)	—
Foreign currency translation adjustment	—	—	—	—	—	—	—	—	—	1,477	—	1,477	—
Issuance of Preferred Units, net	—	—	704	623	—	—	17,211	14,680	—	—	—	31,891	—
Issuance of Common Units, net	688	—	—	—	11,417	—	—	—	—	—	—	11,417	—
Issuance of non- controlling interests, net	—	—	—	—	—	—	—	—	—	—	201	201	—
Distributions	—	—	—	—	(27,834)	(4,436)	(2,434)	(4,239)	(264)	—	(19)	(39,226)	—
Capital contribution to fund general and administrative expense reimbursement	—	—	—	—	—	—	—	—	3,516	—	—	3,516	—
Unit-based compensation	7	—	—	—	105	—	—	—	—	—	—	105	—
Net income	—	—	—	—	10,543	1,553	2,434	4,239	488	—	19	19,276	—
Balance as of December 31, 2017	20,146	3,135	1,568	2,463	\$ 288,527	\$ 19,641	\$ 36,604	\$ 58,936	\$ (150,519)	\$ 968	\$ 201	\$ 254,358	\$ —
Net investment of Drop-down Assets	—	—	—	—	—	—	—	—	(20,394)	—	—	(20,394)	—
Foreign currency translation adjustment	—	—	—	—	—	—	—	—	—	(3,774)	—	(3,774)	—
Issuance of Preferred Units, net	—	—	25	—	—	—	603	—	—	—	—	603	47,308
Issuance of Common Units, net	2,043	—	—	—	35,361	—	—	—	—	—	—	35,361	—
Conversion of subordinated units	3,135	(3,135)	—	—	18,186	(18,186)	—	—	—	—	—	—	—
Distributions	—	—	—	—	(35,669)	(1,152)	(3,166)	(4,851)	(1,086)	—	(27)	(45,951)	(2,613)
Capital contributions from Sponsor	—	—	—	—	—	—	—	—	3,802	—	—	3,802	—
Other deemed contributions	—	—	—	—	—	—	—	—	394	—	—	394	—
Unit-based compensation	4	—	—	—	70	—	—	—	—	—	—	70	—
Net income (loss)	—	—	—	—	104,683	(303)	3,166	4,851	784	—	27	113,208	2,613
Balance as of December 31, 2018	<u>25,328</u>	<u>—</u>	<u>1,593</u>	<u>2,463</u>	<u>\$ 411,158</u>	<u>\$ —</u>	<u>\$ 37,207</u>	<u>\$ 58,936</u>	<u>\$ (167,019)</u>	<u>\$ (2,806)</u>	<u>\$ 201</u>	<u>\$ 337,677</u>	<u>\$ 47,308</u>

See accompanying notes to consolidated and combined financial statements.

Landmark Infrastructure Partners LP
Consolidated and Combined Statements of Cash Flows
(in thousands)

	Year Ended December 31,		
	2018	2017	2016
Operating activities			
Net income	\$ 115,821	\$ 19,276	\$ 9,921
Adjustments to reconcile net income to net cash provided by operating activities:			
Unit-based compensation	70	105	105
Unrealized (gain) loss on derivatives	(1,010)	(1,675)	(2,306)
Loss on early extinguishment of debt	157	—	1,703
Amortization expense	16,152	13,537	11,191
Amortization of above- and below- market lease	(1,226)	(1,226)	(1,338)
Amortization of deferred loan costs	3,435	2,203	1,701
Amortization of discount on secured notes	374	34	2
Receivables interest accretion	(3)	(7)	(36)
Impairments	1,559	848	1,275
(Gain) loss on sale of real property interests	(99,884)	5	(374)
Allowance for doubtful accounts	60	215	182
Equity income from unconsolidated joint venture	(59)	—	—
Foreign currency transaction loss	6	—	—
Changes in operating assets and liabilities:			
Rent receivables, net	(238)	(1,980)	(1,217)
Accounts payable and accrued liabilities	(1,009)	(879)	911
Deferred rent receivables	235	(358)	(514)
Prepaid rent	853	590	(101)
Due from Landmark and affiliates	186	217	1,369
Other assets	(4,223)	(2,432)	(1,009)
Net cash provided by operating activities	31,256	28,473	21,465
Investing activities			
Acquisition of land	(15,810)	(24,778)	(78,032)
Acquisition of real property interests and development activities	(86,817)	(112,315)	(70,958)
Proceeds from sales of real property interests	63,986	174	1,789
Acquisition of receivables	—	(4,389)	(10,172)
Repayments of receivables	1,108	1,180	905
Net cash used in investing activities	(37,533)	(140,128)	(156,468)
Financing activities			
Proceeds from the issuance of Common Units, net	437	4,109	59,990
Proceeds from the issuance of Preferred Units, net	47,911	31,891	63,649
Proceeds from the issuance of non-controlling interests, net	—	201	—
Proceeds from revolving credit facility	120,000	133,500	230,800
Proceeds from the issuance of secured notes	169,128	78,155	116,583
Principal payments on revolving credit facility	(269,000)	(54,000)	(239,299)
Principal payments on secured notes	(6,408)	(1,747)	(583)
Principal payments on secured debt facilities	—	—	(76,235)
Deferred loan costs	(10,128)	(4,338)	(4,345)
Capital contribution to fund general and administrative expense reimbursement	2,560	3,569	2,678
Distributions to preferred unitholders	(10,218)	(6,177)	(1,860)
Distributions to common and subordinated unitholders	(37,513)	(32,534)	(22,535)
Distributions to non-controlling interests	(27)	(19)	—
Consideration received from (paid to) General Partner associated with Drop-down Acquisitions	(20,394)	(18,629)	9,806
Net cash provided by (used in) financing activities	(13,652)	133,981	138,649
Effect of changes in foreign currency exchange rates on cash, cash equivalents and restricted cash	(151)	(28)	(68)
Net increase (decrease) in cash, cash equivalents and restricted cash	(20,080)	22,298	3,578
Cash, cash equivalents and restricted cash at beginning of the period	27,860	5,562	1,984
Cash, cash equivalents and restricted cash at end of the period	<u>\$ 7,780</u>	<u>\$ 27,860</u>	<u>\$ 5,562</u>

See accompanying notes to consolidated and combined financial statements.

Landmark Infrastructure Partners LP
Notes to Consolidated and Combined Financial Statements

1. Organization

Landmark Infrastructure Partners LP (the “Partnership”) was formed on July 28, 2014 by Landmark Dividend LLC (“Landmark” or “Sponsor”) to own and manage a portfolio of real property interest and infrastructure assets that are leased to companies in the wireless communication, outdoor advertising and renewable power generation industries. In addition, the Partnership owns certain interests in receivables associated with similar assets. 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 December 31, 2018, our 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 the incentive distribution rights (“IDRs”).

2. Basis of Presentation and Summary of Significant Accounting Policies

Basis of Presentation and Principles of Consolidated and Combined Financial Statements

During the years ended December 31, 2018, 2017 and 2016, the Partnership completed one, four and five drop-down acquisitions of 127, 155 and 539 tenant sites and related real property interests, respectively, and zero, two and 14 investment in receivables, respectively, from the Sponsor and affiliates in exchange for total consideration of \$59.9 million, \$118.3 million and \$205.7 million, respectively (the “Drop-down Acquisitions” or “Drop-down Assets”). In accordance with the adoption of ASU No. 2017-01, drop-down acquisitions no longer meet the definition of a business and do not require to be retroactively adjusted. As such, drop-down acquisitions from the Sponsor and affiliates subsequent to March 31, 2017 are accounted for prospectively as transfers of net assets in the period in which the transfer occurs at the net carrying value. Any differences between the cash consideration and the net carrying value of the transfer of net assets is allocated to the General Partner.

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. Our results of operations, cash flows, assets and liabilities consist of the consolidated Landmark Infrastructure Partners LP activities and balances with retroactive adjustments of the combined results of operations, cash flows, assets and liabilities of the 2016 Drop-down Assets as if the 2016 Drop-down Acquisitions occurred on the earliest date during which the 2016 Drop-down Assets were under common control. See Note 3, *Acquisitions* for additional information.

The consolidated and combined financial statements were prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”). All intercompany transactions and account balances have been eliminated. Management believes that the assumptions and estimates used in the preparation of the underlying consolidated and combined financial statements are reasonable. However, the consolidated and combined financial statements herein do not necessarily reflect what the Partnership’s financial position, results of operations, comprehensive income or cash flows would have been if the Partnership had been a stand-alone entity during the periods presented. As a result, historical financial information is not necessarily indicative of the Partnership’s future results of operations, comprehensive income, financial position or cash flows. All references to tenant sites are unaudited.

Use of Estimates

The preparation of the consolidated and combined 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 and combined financial statements and reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Purchase Accounting for Acquisitions

The Partnership applies the business combination or asset acquisition method to all acquired investments of real property interests for transactions that meet the definition of a business combination or asset acquisition based on the revised framework for determining whether an integrated set of assets meets the definition of a business. The purchase consideration for the real property interests is allocated to the acquired tangible assets, such as land, and the identified intangible assets and liabilities, consisting of the value of perpetual and limited life easements, above-market and below-market leases and in-place leases, based in each case on their fair values. The fair value of the assets acquired and liabilities assumed is typically determined by using the discounted cash flow valuation method using discount rates ranging between 6% and 20%. When determining the fair value of intangible assets acquired, the Partnership estimates the applicable discount rate and the timing and amount of future cash flows. For acquisitions of a business, the determination of the final purchase price allocation and the acquisition-date fair value of identifiable assets acquired and liabilities assumed may extend over more than one period, but no later than 12 months from the acquisition date and result in adjustments to the preliminary estimates recognized in the prior period financial statements. Transaction costs related to the acquisition of a business, including investments in real property interests, are expensed as incurred. Transaction costs related to asset acquisitions are capitalized.

Factors considered in estimating the fair value of tangible and intangible assets acquired include information obtained about each asset as a result of Landmark's pre-acquisition due diligence and its marketing and leasing activities. In order to calculate the estimated in-place lease value, we employed the income approach in accordance with ASC 805 by multiplying the anticipated market absorption period by the market rent at the time of acquisition for each in-place lease agreement. Based on our experience in the industry, we have determined a range of lease execution timelines to be between one and twelve months. For the in-place lease valuation, we consider a lease-up period of four to eight months to be representative of the market.

We estimated the fair value of real property interests using the income approach. The discount rates used ranged from 6% to 20%. The value of tenant relationships has not been separated from in-place tenant lease value for the real estate acquired as such value and its consequence to amortization expense is materially consistent with the in-place tenant lease value for these particular acquisitions. Should future acquisitions of real property interests result in allocating material amounts to the value of tenant relationships, an amount would be separately allocated and amortized over the estimated life of the relationship. The value of in-place leases and customer relationship is amortized to expense over the estimated period the tenant is expected to be leasing the site under the existing terms which typically range from 2 to 20 years. If a tenant lease were to be terminated prior to its stated expiration, all unamortized amounts relating to that lease would be impaired.

The discount rate associated with each asset varies based on the location of an asset (including demographics and zoning restrictions), and other asset specific characteristics. Market rent for each asset is determined based on location of each asset, asset type, zoning restrictions, ground space necessary for the tenant's equipment, remaining site capacity, visibility (specifically for billboards), and nearby sites.

In allocating the purchase consideration of the identified intangible assets and liabilities of an acquired asset, above-market, below-market and in-place lease values are calculated based on the present value (using a discount rate that reflects the risks associated with the leases acquired) of the difference between (i) the contractual amounts to be paid pursuant to the in-place leases and (ii) management's estimate of fair market lease rates for the corresponding in-place leases measured over the estimated period the tenant is expected to be leasing the site under the above or below-market terms. The capitalized above-market and below-market lease values are amortized as a decrease or increase, respectively, to rental income over the estimated period the tenant is expected to be leasing the site. All tenant leases obtained by the Partnership through its acquisition of real property interests are generally cancellable, upon 30 to 180 days' notice by the tenants, with no significant penalty. With respect to below-market leases, consideration is given to any below-market renewal periods. However, for wireless communication assets, we estimated the above/below-market lease value over an analysis period of the earlier of the lease expiration or 10 years based on estimated useful life of the underlying equipment and assets. For outdoor advertising assets, we estimated the above- or below-market lease value over an analysis period of the earlier of the lease expiration or 20 years, based on a longer estimated useful life of 20 years for billboards.

Real Property Interests

Real property interests consist primarily of land, easements and lease assignments underlying wireless communication, outdoor advertising and renewable power generation infrastructure. The real property interests are typically held as ownership of land or easements to use land, or roof tops, both of which allow us to use the asset for a specific purpose. Real property interests, excluding land, are intangibles that are recorded at cost. Amortization is computed using the straight-line method over the estimated useful lives of the real property interests, which is estimated as the shorter of the revenue generating period of the asset or the term of the real estate rights which range from 12 to 99 years. Real property interests with a perpetual term are not amortized but evaluated periodically for impairment.

The Partnership assesses whether there has been an impairment in the value of long-lived assets whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount to the future estimated net cash flows, undiscounted and without interest, expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the estimated fair value of the assets based upon what a market participant would be willing to pay for the real estate interest. The estimated fair value of the asset group identified for step two testing is based on either Level 3 inputs utilizing the income approach with a market discount rate and estimated cash flows, or Level 2 inputs based upon the sales comparison approach to a similar asset. Assets to be disposed of are reported at the lower of the carrying amount or fair value, less costs to sell utilizing the Level 3 and Level 2 inputs discussed below.

Fair Value of Financial Instruments

The standard establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable input be used when available. Observable inputs are inputs that the market participants would use in pricing an asset or liability developed based on market data obtained from sources independent of the Partnership. Unobservable inputs are inputs that reflect the Partnership's assumptions about what market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The hierarchy is measured in three levels based on the reliability of inputs:

Level 1 – unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities.

Level 2 – 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; and,

Level 3 – prices or valuations derived from other valuation methodologies where little or no market data is available that requires inputs that are both significant to the fair value measurement and unobservable, including pricing models, discounted cash flow models and similar techniques.

Cash and Cash Equivalents

All highly liquid investments with a maturity of three months or less when purchased are considered to be cash and cash equivalents. The Partnership monitors the cash balances in its operating accounts and adjusts the cash balances as appropriate; however, these cash balances could be impacted if the underlying financial institutions fail or are subject to other adverse conditions in the financial markets. To date, the Partnership has experienced no loss or lack of access to cash in the operating accounts.

Restricted Cash

Restricted cash primarily consists of amounts pledged as collateral to secure obligations. As of December 31, 2018 and 2017, the amount of restricted cash was \$3.7 million and \$18.7 million. See Note 9, *Debt* for additional information.

Accounting for Derivative Financial Instruments and Hedging Activities

The Partnership utilize interest rate swap contracts to manage interest costs and risks associated with changing interest rates. These derivative financial instruments are carried at fair value on the consolidated and combined balance sheets, with the change in such fair value being recorded through earnings as an unrealized gain or loss in the consolidated and combined statements of operations.

Capitalized development costs

We capitalize project costs, including pre-construction costs, interest, and other costs directly related and essential to the development, pre-construction, or construction of a project. Capitalization of development, pre-construction, and construction costs is required while activities are ongoing to prepare an asset for its intended use. Fluctuations in our development, pre-construction, and construction activities could result in significant changes to total expenses and net income. Costs incurred after a project is substantially complete and ready for its intended use are expensed as incurred. Should development, pre-construction, or construction activity cease, interest and certain other costs would no longer be eligible for capitalization and would be expensed as incurred. Expenditures for repairs and maintenance are expensed as incurred.

Investments in Receivables, Net

The Partnership acquired streams of future cash flows associated with real property interests and certain lease arrangements that meet the definition of a financial asset within the wireless communication and renewable power generation industries. For certain investments in receivables, the Partnership has no significant rights or obligations associated with the cash flows other than in certain arrangements, to pass a portion of the cash flows received to the owner of the respective lease. 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. The future cash flow streams are recorded at their net present value based on the estimated net cash flows to be received by the Partnership using the implied discount rate at the date of the acquisition.

Receivables are classified as held-for-investment based on management's intent and ability to hold the receivables for the foreseeable future or to maturity. Receivables held-for-investment are carried at amortized cost and are reduced by a valuation allowance for estimated credit losses as necessary. Interest on receivables is accreted to income over the life of the receivables using the interest method. The interest method is applied on an individual receivable basis when collectability of the future payments, when due in accordance with the contractual terms of the arrangement, is reasonably assured. Receivables are transferred from held-for-investment to held-for-sale when management no longer intends to hold the receivables for the foreseeable future. Receivables held-for-sale are recorded at the lower of cost or fair value.

Receivables are placed on non-accrual status when management determines that the collectability of contractual amounts is not reasonably assured. While on non-accrual status, receivables are either accounted for on a cash basis, in which income is recognized only upon receipt of cash, or on a cost-recovery basis, where cash receipts reduce the carrying value of the receivable, based on management's expectation of future collectability.

Allowances are established for receivables based upon an estimate of probable losses on an individual receivable by receivable basis if they are determined to be impaired. Receivables are impaired when it is deemed probable that the Partnership will be unable to collect all amounts when due in accordance with the contractual terms of the loan. An allowance is based upon the Partnership's assessment of the borrower's overall financial condition, economic resources, payment record, the prospects for support from any financially responsible guarantors and, if appropriate, the net realizable value of any collateral. These estimates consider all available evidence including the expected future cash flows discounted at the receivable's effective interest rate, fair value of collateral, general economic conditions and trends, historical and industry loss experience and other relevant factors, as appropriate.

On a regular basis, the Partnership assesses investments in receivables for impairment. Internally generated cash flow projections are used to determine if the receivables are expected to be repaid in accordance with the terms of the related agreements. If it is probable that a receivable will not be repaid in accordance with the related agreement, the General Partner considers the receivable impaired. To measure impairment, the General Partner calculates the present value of the expected future cash flows discounted at the original effective interest rate. If the present value is less than the carrying value of the receivable, a specific impairment reserve is recorded for the difference. For the year ended December 31, 2018, the Partnership impaired 16 of its investments in receivables and recognized impairment charges totaling \$0.8 million. The investments in receivables were impaired to net realizable value. There was no impairment of investments in receivables during the years ended December 31, 2017 and 2016.

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.

Deferred Loan Costs

Costs incurred associated with the revolving credit facility are capitalized as deferred loan costs and are included in deferred loan costs, net in the consolidated balance sheets in accordance with ASU 2015-15, Interest – Imputation of Interest (Subtopic 835-30): Presentation and Subsequent Measurement of Debt Issuance Costs Associated with Line-of-Credit Arrangements. As a result of the adoption of ASU 2015-03, Simplifying the Presentation of Debt Issuance Costs, costs incurred in obtaining the secured debt facilities are deducted from the carrying amount of the debt liability. The deferred loan costs are amortized to interest expense over the life of the related loan. When facilities are amended and restated that result in an extinguishment of debt, any unamortized deferred loan costs, as well as charges incurred for the termination, are recorded to interest expense in the period of the amendment and restatement.

Revenue Recognition

The Partnership recognizes rental income under operating leases, including rental abatements, lease incentives and contractual fixed increases, if any, from tenants under lease arrangements with minimum fixed and determinable increases on a straight-line basis over the non-cancellable term of the related leases when collectability is reasonably assured. The excess of rents recognized over amounts contractually due pursuant to the underlying leases are recorded as deferred rent assets. The excess of rent payments collected over amounts recognized contractually due pursuant to the underlying lease are recorded as prepaid rents.

For the years ended December 31, 2018, 2017, and 2016, leases obtained by the Partnership through its acquisition and ownership of real property interests in the wireless communication industry and the outdoor advertising industry were generally cancelable upon 30 - 180 days' notice by the tenants with no significant penalty. The Partnership evaluates whether the lease arrangements economically compel the tenant to not cancel the lease in determining the term of the lease by considering various factors such as cancellation rights, availability of alternative sites, and historical cancellation rates. For cancellable leases where the tenant is not economically compelled to continue the lease, the term of the lease is considered to be the non-cancellable period with rental abatements and contractual fixed rate increases recorded in the period the amounts become due and payable.

- **Wireless Communication** – As a result of various factors, including the cancellation rights, ability to find alternative sites, credit risk, and historical cancellation and lease amendment rates, the lease term is generally considered to be the non-cancellable term of the lease of 30 to 180 days. For these leases, rental abatements and contractual fixed increases are recorded in the period the amounts become due and payable.
- **Outdoor Advertising and Renewable Power Generation** – The lease term is generally considered to be the non-cancellable term of the remaining portion of the existing term of the lease.

The capitalized above-market and below-market lease values are amortized as a decrease or increase, respectively, to rental income over the estimated period the tenant is expected to be leasing the site.

Certain leases provide for the greater of a minimum rent or a percentage of the revenue generated by the tenant ("Contingent Rent"). Contingent rent is recognized when measurable and all possible contingencies have been eliminated. During the years ended December 31, 2018, 2017, and 2016, the Partnership recognized \$1.2 million, \$1.0 million and \$0.6 million of Contingent Rent, respectively.

Rents Receivable, net

Rents receivables consists of tenant receivables arising in the normal course of business. Tenant receivables are uncollateralized customer obligations requiring payment within various time frames not to exceed one year from the invoice date. Tenant receivables are recorded and carried at the amount billable per the applicable lease agreement, less any allowances for doubtful accounts. The amounts due from tenants are periodically reviewed and an allowance for doubtful accounts is maintained for estimated losses resulting from the inability of tenants to make required payments under lease agreements. Judgment is exercised in establishing these allowances with the payment history and the current credit status of tenants considered in developing these estimates. At December 31, 2018 and 2017, the allowance for doubtful accounts was \$0.2 million and \$0.3 million, respectively.

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 foreign wholly owned 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 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 and combined financial statements, nor has the Partnership been assessed interest or penalties by any major tax jurisdictions.

On December 22, 2017, the Tax Cuts and Jobs Act (the "Tax Act") was signed into law, which made significant changes to U.S. federal income tax laws applicable to businesses and their owners, including REITs and corporations. Concurrently, the SEC issued Staff Accounting Bulletin ("SAB 118"), which provides guidance on accounting for tax effects of the Tax Act. In accordance with SAB 118, a company must reflect the income tax effects of those aspects of the Tax Act for which the accounting under ASC 740 is complete. As of December 31, 2018, the Partnership has completed its assessment of the impact of the Tax Act, including qualification as a real estate business. Our tax expense is reflected in the consolidated financial statements as of December 31, 2017 and there were no tax law adjustments during the year ended December 31, 2018.

Foreign Currency Translation

Assets and liabilities denominated in foreign currencies that are translated into U.S. dollars use exchange rates in effect at the end of the period, and revenues and expenses denominated in foreign currencies that are translated into U.S. dollars use average rates of exchange in effect during the related period. Gains and losses resulting from translation adjustments are included in accumulated other comprehensive income (loss).

Foreign Currency Transactions

Transactions denominated in a currency other than U.S. dollars are recorded upon initial recognition at the exchange rate on the date of the transaction. After initial recognition, monetary assets and liabilities denominated in a foreign currency are remeasured at each reporting date into the functional currency at the exchange rate on that date. We have entered into a foreign currency interest rate swap agreement that results in mark to market foreign currency transaction adjustments which are included in other income and expenses.

Risk Management

The Partnership is subject to risks incidental to the ownership and investment in real property interests. These risks and uncertainties include the competitive environment in which the Partnership operates – local, regional, and national economic conditions, including consumer confidence, employment rates, and the availability of capital; uncertainties and fluctuations in capital and securities markets; the cyclical and competitive nature of the real estate industry; changes in tax laws and their interpretation; legal proceedings; effect of restrictive covenants in the loan agreements; and the effects of governmental regulation.

In the normal course of business, the Partnership encounters economic risk, including interest rate risk, currency risk, credit risk, and market risk. Interest rate risk is the result of movements in the underlying variable component of financing rates. Credit risk is the risk of default that results from an underlying tenant/borrower's inability or unwillingness to make contractually required payments. Market risk reflects changes in the valuation of real property interests and investments in receivables held by the Partnership.

Concentration of Credit Risk

The Partnership's credit risk relates primarily to rent receivables, investments in receivables, cash and interest rate swap agreements. Cash accounts at each U.S. institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. The Partnership has not experienced any losses to date on invested cash.

Credit risk associated with interest rate swap agreements arises from the potential failure of counterparties to perform in accordance with the terms of their contracts. The Partnership's risk management policies define parameters of acceptable market risk and limit exposure to credit risk. Credit exposure resulting from derivative financial instruments is considered in their fair value amounts, among other factors such as the potential adverse position exposure arising from changes over time in interest rates, maturities, and other relevant factors. The Partnership does not anticipate nonperformance by any of its counterparties.

The Partnership's real property interests are primarily located throughout the United States. The ability of the tenants to honor the terms of their respective leases is dependent upon the economic, regulatory, and social factors affecting the communities in which the tenants operate. In certain instances, the Partnership's position in the real property interest may be subordinate to a mortgage lender on the real property.

Business Segments

The FASB accounting guidance with regard to disclosures about segments of an enterprise and related information establishes standards for the manner in which public business enterprises report information about operating segments. The Partnership has three reportable segments, wireless communication, outdoor advertising, and renewable power generation for all periods presented.

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 expected to not have any material impact on its combined financial position and results of operations because either the ASU is not applicable or the impact is expected to be immaterial.

In June 2018, the FASB issued ASU No. 2018-07, *Compensation – Stock Compensation (Topic 718): Improvements to Nonemployee Share-Based Payment Accounting* ("ASU 2018-07"). ASU 2018-07 expands the scope of Topic 718 to include share-based payment transactions for acquiring goods and services from nonemployees and aligning it with the accounting for share-based payments to employees, with certain exceptions. Equity-classified share-based payment awards issued to nonemployees will be measured on the grant date, instead of being remeasured through the performance completion date (generally the vesting date), as required under the current guidance. ASU 2018-07 is effective for fiscal periods beginning after December 15, 2018, with early adoption permitted. The Partnership does not expect the adoption of ASU 2018-07 to have a significant impact on the consolidated financial statements.

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In March 2018, the FASB issued ASU No. 2018-05, *Income Taxes (Topic 740): Amendments to SEC Paragraphs Pursuant to SEC Staff Accounting Bulletin No. 118* (“ASU 2018-05”). ASU 2018-05 provides guidance regarding the recording of tax impacts where uncertainty exists, in the period of adoption of the Tax Act. To the extent that a company’s accounting for certain income tax effects of the Tax Act is incomplete but it is able to determine a reasonable estimate, it must record a provisional estimate to be included in the consolidated financial statements. If a company cannot determine a provisional estimate to be included in the consolidated financial statements, it should continue to apply ASC 740 on the basis of the provision of the tax laws that were in effect immediately before the enactment of the Tax Act. The Partnership adopted ASU 2018-05 and has reflected the final impact on the consolidated financial statements. Additional information regarding the adoption of this standard is contained above in the *Income Taxes* section of Note 2, *Basis of Presentation and Summary of Significant Accounting Policies*.

In November 2016, the FASB issued ASU No. 2016-18, *Restricted Cash (Topic 230)* (“ASU 2016-18”). The update provides guidance on the presentation of restricted cash and restricted cash equivalents in the statement of cash flows. Restricted cash and restricted cash equivalents should now be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period amounts shown on the statements of cash flows. The amendments of this ASU are effective for reporting periods beginning after December 15, 2017 and should be applied using a retrospective transition method to each period presented. The Partnership adopted ASU 2016-18 during the first quarter of fiscal 2018. The retrospective adoption increased the amount included in the reconciliation of cash and cash equivalents to include the amount of restricted cash on the balance sheet. Accordingly, the consolidated statement of cash flows for the periods ended December 31, 2017 and 2016 have been reclassified to conform to the current presentation. For the year ended December 31, 2018, the amount of restricted cash included in the beginning and ending cash balances within the consolidated statements of cash flows was \$18.7 million and \$3.7 million, respectively. For the year ended December 31, 2017, the amount of restricted cash included in the beginning and ending cash balances within the consolidated statements of cash flows was \$2.9 million and \$18.7 million, respectively, and zero and \$2.9 million, respectively, for the year ended December 31, 2016. The adoption had no other material impacts to the consolidated statements of cash flows and had no impact on the results of operations or financial position.

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 Partnership is currently evaluating the impact of the adoption of this standard on its consolidated financial statements.

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)* (“ASU No. 2016-02”), which establishes the principles for the recognition, measurement, presentation, and disclosure of leases for both parties to a contract (i.e., lessees and lessors). Subsequently, the FASB issued additional ASUs that clarified the original ASU No. 2016-02. The updated guidance requires an entity to recognize assets and liabilities arising from a lease for both financing and operating leases, along with additional qualitative and quantitative disclosures. This classification determines whether the lease expense is recognized based on an effective interest method or on a straight-line basis over the term of the lease. A lessee is also required to record a right-of-use asset and a lease liability on the balance sheet for all leases with a term of greater than 12 months regardless of their classification. Leases with a term of 12 months or less will be accounted for similar to existing guidance for operating leases today. Lessors will continue to account for leases using an approach that is substantially equivalent to existing guidance for sales-type leases, direct financing leases, and operating leases. The standard mandates the use of the modified retrospective transition method for all leases existing at, or entered into after, the date of initial application.

In March 2018, the FASB approved an optional practical expedient that would allow lessors to elect, by class of underlying asset, to not separate nonlease components from the related lease components. The practical expedient is limited to circumstances in which both (1) the timing and pattern of revenue recognition are the same for the nonlease component and related lease component and (2) the combined single lease component would be classified as an operating lease. If a lessee makes payments for taxes and insurance directly to a third party on behalf of a lessor, lessors are required to exclude them from variable payments and from recognition in the lessors’ income statements. Otherwise, tenant recoveries for taxes and insurance are classified as additional lease revenue recognized by the lessor on a gross basis in their income statements. The FASB has also clarified that the lease ASU will require an assessment of whether a land easement meets the definition of a lease under the new lease ASU. An entity with land easements that are not accounted for as leases under the current lease accounting standards, however, may elect a practical expedient to exclude those land easements from assessment under the new lease accounting standards (ASU No 2018-01, *Leases (Topic 842): Land Easement Practical Expedient for Transition to Topic 842*). The new lease ASU applies to all land easement arrangements entered into or modified on and after the ASU effective date.

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The Partnership adopted the guidance as of January 1, 2019. We elected to adopt the following practical expedients provided by these ASUs:

- Package of practical expedients – requires us not to reevaluate our existing or expired leases as of January 1, 2019, under the new lease accounting ASUs. The election of the package of practical expedients allowed us to not reassess whether any expired or existing contracts are or contain leases and not reassess lease classification for any expired or existing leases that commenced prior to January 1, 2019. The package of practical expedients also allowed an entity to not reassess initial direct costs for any existing leases. The Partnership has not incurred such initial direct costs for leases. Consequently, the adoption of the new lease ASUs had no effect on our accounting of initial direct cost on January 1, 2019.
- Optional transition method practical expedient – requires us to apply the new lease ASUs prospectively from the adoption date of January 1, 2019.
- Land easements practical expedient – requires us to account for land easements existing as of January 1, 2019, under the accounting standards applied to them prior to January 1, 2019. The Partnership’s land easements are primarily prepaid and included on the Consolidated Balance Sheets in real property interest, the impact of the adoption of the easement related provisions does not have a significant impact on our Consolidated Financial Statements.
- Single component practical expedient – requires us to account for lease and nonlease components associated with that lease under the new lease ASUs, if certain criteria are met. Our operating leases commencing or modified after January 1, 2019, for which we are the lessor are expected to qualify for the single component practical expedient accounting.
- Short-term leases practical expedient – for our operating leases with a term of 12 months or less in which we are the lessee, this expedient requires us not to record on our balance sheets related lease liabilities and right-of-use assets.

While most of our leases are and will continue to be classified as operating leases in which the Partnership is the lessor, the Partnership is the lessee in an insignificant population of leases that have recurring ground lease rental payments. We applied the modified retrospective transition method and practical expedients mentioned above to all leases existing at January 1, 2019. The adoption of these ASUs results in the recognition of right-of-use assets and lease liabilities on the Consolidated Balance Sheets on January 1, 2019 for such operating leases of approximately \$7 million, based on the present value of the remaining minimum rental payments using each respective lease term and a corresponding incremental borrowing rate, 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. We have also evaluated the effect of the new lease ASUs on the calculation of our debt covenants as of December 31, 2018 and noted no significant effect on our calculation of our debt covenants.

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)* (“ASU No. 2014-09”). ASU No. 2014-09 requires an entity to recognize the revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. The revenue recognition five-step model requires an entity to (i) identify the contract with the customer, (ii) identify the performance obligations in the contract, (iii) determine the transaction price, including variable consideration to the extent that it is probable that a significant future reversal will not occur, (iv) allocate the transaction price to the respective performance obligations in the contract, and (v) recognize revenue when (or as) we satisfy the performance obligation. The Partnership completed its evaluation of its existing contracts during the fourth quarter of 2017 and adopted ASU No. 2014-09 on January 1, 2018. The Partnership concluded that the adoption of ASU No. 2014-09 did not have a material impact on its consolidated financial statements as the Partnership’s current revenue contracts are leases and not within the scope of the *Revenue from Contracts with Customers (Topic 606)*.

3. Acquisitions

Drop-down Acquisitions

During the years ended December 31, 2018, 2017 and 2016, the Partnership completed one, four and five Drop-down Acquisitions, respectively, from our Sponsor and affiliates. Certain real property interests and financing assets included in the Drop-down Acquisitions completed by the Partnership were part of the right of first offer assets acquired from Landmark Dividend Growth Fund-G LLC (“Fund G”). All other Drop-down Acquisitions have been made directly from our Sponsor or from a wholly owned subsidiary of our Sponsor. The following table presents the Drop-down Acquisitions completed by the Partnership:

Acquisition Date	Source	Number of Tenant Sites				Investments in Receivables	Consideration (in millions)		
		Wireless Communication	Outdoor Advertising	Renewable Power Generation	Total		Borrowings and Available Cash	Common Units	Total
January 18, 2018	Fund H	30	90	7	127	—	\$ 32.6	\$ 27.3	\$ 59.9
2018 Acquisitions		30	90	7	127	—	\$ 32.6	\$ 27.3	\$ 59.9
December 20, 2017	Sponsor	23	5	1	29	—	\$ 17.6	\$ —	\$ 17.6
September 28, 2017	Sponsor	39	10	—	49	—	33.3	—	33.3
September 8, 2017	Sponsor(1)	—	—	1	1	—	1.6	—	1.6
July 28, 2017	Sponsor	30	1	1	32	2	22.0	—	22.0
June 8, 2017	Sponsor(1)	30	9	2	41	—	24.7	—	24.7
April 28, 2017	Sponsor(2)	—	1	—	1	—	4.3	—	4.3
April 28, 2017	Fund G(2)	—	1	—	1	—	3.8	3.5	7.3
March 31, 2017	Fund G(2)	—	1	—	1	—	7.5	—	7.5
2017 Acquisitions		122	28	5	155	2	\$ 114.8	\$ 3.5	\$ 118.3
December 22, 2016	Sponsor	28	5	2	35	2	\$ 13.6	\$ —	\$ 13.6
August 30, 2016	Sponsor	28	5	30	63	—	21.1	—	21.1
August 30, 2016	Fund G	214	171	1	386	5	75.6	64.7	140.3
August 1, 2016	Sponsor	37	4	12	53	6	24.4	—	24.4
April 20, 2016	Sponsor	1	—	1	2	1	6.3	—	6.3
2016 Acquisitions		308	185	46	539	14	\$ 141.0	\$ 64.7	\$ 205.7

- (1) In connection with the June 8, 2017 drop-down acquisition from our Sponsor, the Partnership entered into a contractual obligation to acquire one tenant site and related real property interest. On September 8, 2017, the Partnership completed the acquisition for cash consideration of \$1.6 million.
- (2) In connection with the August 30, 2016 Fund G drop-down acquisition, the Partnership entered into a contractual obligation to acquire two tenant sites and related real property interests. The Partnership acquired one of these tenant sites and related real property interests on March 31, 2017 for cash consideration of \$7.5 million and the remaining tenant site for \$3.8 million on April 28, 2017. Upon completion of the full \$11.3 million acquisition, the Partnership issued 221,729 Common Units to Fund G on April 28, 2017. Additionally, in connection with the December 22, 2016 drop-down acquisition, the Partnership entered into a contractual obligation to acquire one tenant site and related real property interest. On April 28, 2017 the Partnership completed the acquisition for cash consideration of approximately \$3.7 million to the property owner and \$0.6 million to Landmark as additional consideration.

The 2016 Drop-down Acquisitions were deemed to be transactions between entities under common control. The Partnership’s statement of operation and cash flows for the year ended December 31, 2016 were adjusted retroactively, prior to the adoption of ASU No. 2017-01 on April 1, 2017, as if the 2016 Drop-down Acquisitions occurred on the earliest date during which the 2016 Drop-down Assets were under common control. Our historical financial statements for the year ended December 31, 2016, as filed on February 23, 2017, include all retroactive adjustments. The following tables present our results of operations and cash flows reflecting the effect of the 2016 Drop-down Acquisitions.

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Consolidated statement of operations and comprehensive income for the year ended December 31, 2016 (in thousands):

	Landmark Infrastructure Partners LP	Pre-Acquisition results of the Drop-down Acquisitions	Landmark Infrastructure Partners LP (As Currently Reported)
Revenue			
Rental revenue	\$ 35,208	\$ 5,963	\$ 41,171
Expenses			
Management fees to affiliate	—	196	196
Property operating	105	2	107
General and administrative	3,755	—	3,755
Acquisition-related	2,648	258	2,906
Amortization	9,703	1,488	11,191
Impairments	1,275	—	1,275
Total expenses	17,486	1,944	19,430
Other income and expenses	(7,849)	(3,971)	(11,820)
Net income	\$ 9,873	\$ 48	\$ 9,921
Other comprehensive loss	(513)	(4)	(517)
Comprehensive income	\$ 9,360	\$ 44	\$ 9,404

Consolidated summarized cash flows for the year ended December 31, 2016 (in thousands):

	Landmark Infrastructure Partners LP	Pre-Acquisition results of the Drop-down Acquisitions	Landmark Infrastructure Partners LP (As Currently Reported)
Net cash provided by operating activities	\$ 18,982	\$ 2,483	\$ 21,465
Net cash used in investing activities	(156,468)	—	(156,468)
Net cash provided by (used in) financing activities	141,132	(2,483)	138,649

The Pre-Acquisition results of the Drop-Down Acquisitions column includes the retroactive adjustments to reflect the results of operations and cash flows of the 2016 Drop-down Acquisitions made prior to the acquisition dates for the periods under common control.

Drop-down Acquisitions that occurred after March 31, 2017 are accounted for as transfers of net assets between entities under common control as the acquisitions do not meet the definition of a business in accordance with ASU No. 2017-01. The transfer of net assets is accounted for prospectively in the period in which the transfer occurs at the net carrying value. Any differences between the cash consideration and the net carrying value of the transfer of net assets have been allocated to the General Partner.

Third Party Acquisitions

During the years ended December 31, 2018, 2017 and 2016, the Partnership completed various direct third-party acquisitions. Third-party acquisitions include acquisitions in exchange for Common Units pursuant to our previously filed and effective registration statement on Form S-4, in which we may offer and issue, from time to time, an aggregate of up to 5,000,000 Common Units in connection with the acquisition by us or our subsidiaries of other businesses, assets or securities (the “Unit Exchange Program” or “UEP”).

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The following table presents direct third-party acquisitions completed by the Partnership:

Acquisition Description	No. of Tenant Sites				Investments in Receivables	Consideration (in millions)		
	Wireless Communication	Outdoor Advertising	Renewable Power Generation	Total		Borrowings and Available Cash	Common Units	Total
First Quarter								
UEP	5	1	—	6	—	\$ —	\$ 3.2	\$ 3.2
Domestic	15	12	—	27	—	21.3	—	21.3
Total	20	13	—	33	—	\$ 21.3	\$ 3.2	\$ 24.5
Second Quarter								
International	—	8	—	8	—	\$ 7.3	\$ —	\$ 7.3
UEP	7	1	—	8	—	0.6	1.8	2.4
Domestic	3	1	—	4	—	21.5	—	21.5
Total	10	10	—	20	—	\$ 29.4	\$ 1.8	\$ 31.2
Third Quarter								
International	2	12	—	14	—	\$ 14.2	\$ —	\$ 14.2
UEP	10	—	—	10	—	0.9	1.8	2.7
Domestic	2	11	—	13	—	2.0	—	2.0
Total	14	23	—	37	—	\$ 17.1	\$ 1.8	\$ 18.9
Fourth Quarter								
International	—	8	—	8	—	\$ 0.2	\$ —	\$ 0.2
UEP	4	—	—	4	—	—	0.9	0.9
Domestic	1	1	—	2	—	0.1	—	0.1
Total	5	9	—	14	—	\$ 0.3	\$ 0.9	\$ 1.2
2018 Total	49	55	—	104	—	\$ 68.1	\$ 7.7	\$ 75.8
First Quarter								
International	3	4	—	7	—	\$ 3.6	\$ —	\$ 3.6
UEP	1	—	—	1	—	—	0.1	0.1
Domestic	5	3	—	8	—	1.2	—	1.2
Total	9	7	—	16	—	\$ 4.8	\$ 0.1	\$ 4.9
Second Quarter								
International	2	4	—	6	1	\$ 9.0	\$ —	\$ 9.0
UEP	3	1	—	4	—	—	1.0	1.0
Domestic	1	—	—	1	—	0.5	—	0.5
Total	6	5	—	11	1	\$ 9.5	\$ 1.0	\$ 10.5
Third Quarter								
International	—	2	—	2	—	\$ 4.1	\$ —	\$ 4.1
Domestic	3	—	—	3	—	0.8	—	0.8
Total	3	2	—	5	—	\$ 4.9	\$ —	\$ 4.9
Fourth Quarter								
International	—	3	—	3	—	\$ 11.5	\$ —	\$ 11.5
UEP	3	4	—	7	—	—	2.7	2.7
Domestic	14	5	2	21	—	6.5	—	6.5
Total	17	12	2	31	—	\$ 18.0	\$ 2.7	\$ 20.7
2017 Total	35	26	2	63	1	\$ 37.2	\$ 3.8	\$ 41.0
Second Quarter								
International	2	—	—	2	—	\$ 0.1	\$ —	\$ 0.1
UEP	3	—	—	3	—	—	1.6	1.6
Total	5	—	—	5	—	\$ 0.1	\$ 1.6	\$ 1.7
Third Quarter								
International	4	1	—	5	—	\$ 4.4	\$ —	\$ 4.4
UEP	1	—	—	1	—	—	0.1	0.1
Total	5	1	—	6	—	\$ 4.4	\$ 0.1	\$ 4.5
Fourth Quarter								
International	6	5	—	11	—	\$ 2.0	\$ —	\$ 2.0
UEP	1	1	—	2	—	—	0.9	0.9
Domestic	8	2	6	16	—	76.6	—	76.6
Total	15	8	6	29	—	\$ 78.6	\$ 0.9	\$ 79.5
2016 Total	25	9	6	40	—	\$ 83.1	\$ 2.6	\$ 85.7

4. Real Property Interests

The following summarizes the Partnership's real property interests (in thousands):

	December 31,	
	2018	2017
Land	\$ 128,302	\$ 114,385
Real property interests – perpetual	101,343	114,612
Real property interests – finite life	416,080	481,810
Construction in progress	29,556	7,574
Total land and real property interests	675,281	718,381
Accumulated amortization of real property interests	(39,069)	(37,817)
Land and net real property interests	\$ 636,212	\$ 680,564

During the year ended December 31, 2018, the Partnership completed a sale of one outdoor advertising site to a third party in exchange for cash consideration of \$0.1 million. We recognized a loss on sale of real property interest of less than \$0.1 million upon completion of the sale.

During the year ended December 31, 2017, the Partnership completed a sale of one wireless communication site to a third party in exchange for cash consideration of \$0.2 million. We recognized a loss on sale of real property interest of less than \$0.1 million upon completion of the sale.

On March 22, 2016, the Partnership completed a sale of one wireless communication site to a third party in exchange for cash consideration of \$0.8 million. We recognized a gain on sale of real property interest of \$0.4 million upon completion of the sale.

On March 30, 2016, the Partnership completed a sale of 12 wireless communication sites to Landmark, in exchange for cash consideration of \$2.0 million. The assets were originally acquired by Landmark and sold to the Partnership during the July 21, 2015 and September 21, 2015 acquisitions. Landmark repurchased the pool of assets at the same purchase price sold to the Partnership. As the transaction is between entities under common control, the difference between the cash consideration and the net book value of the assets was allocated to the General Partner and no gain or loss was recognized.

During the years ended December 31, 2018, 2017 and 2016, the Partnership paid total consideration of \$59.9 million, \$118.3 million and \$205.7 million, respectively, for Drop-down Acquisitions. The Drop-down Acquisitions are deemed to be transactions between entities under common control. Drop-down Acquisitions prior to the adoption of ASU No. 2017-01 on April 1, 2017 required the assets and liabilities to be transferred at the historical cost of the parent of the entities and historical periods retroactively adjusted. During the year ended December 31, 2016, the difference between the total consideration of \$205.7 million and the historical cost basis of \$141.1 million, was allocated to the General Partner. For Drop-down Acquisitions after March 31, 2017, the transfer of net assets is accounted for prospectively in the period in which the transfer occurs at the net carrying value, and prior periods have not been retroactively adjusted. During the years ended December 31, 2018 and 2017, the difference between the total consideration of \$59.9 million and \$118.3 million and the net carrying value of \$39.5 million and \$99.8 million, respectively, was allocated to the General Partner.

During 2017, the Partnership started developing an ecosystem of technologies that provide smart enabled infrastructure (“Flex Grid™”) 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 year ended December 31, 2018, the Partnership completed construction on four FlexGrid™ infrastructure sites totaling \$1.5 million. As of December 31, 2018 and 2017, the Partnership's \$29.6 million and \$7.6 million, respectively, of construction in progress primarily related to the construction of the FlexGrid™ solution.

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. Our venture partner provides acquisition opportunities and asset management services to the consolidated joint venture. As of December 31, 2018, the consolidated joint venture had 34 tenant sites and one investment in receivables with total net book value of \$43.5 million. During the year ended December 31, 2018 and 2017, the consolidated joint venture generated rental revenue of \$3.4 million and \$0.8 million, respectively. No revenue was generated during the year ended December 31, 2016.

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%.

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The following table summarizes final allocations for acquisitions made during the years ended December 31, 2018, 2017, and 2016 of estimated fair values of the assets acquired and liabilities assumed (in thousands). Financial information for the year ended December 31, 2016, has been retroactively adjusted for transactions between entities under common control prior to April 1, 2017. See Notes 2 and 3 for additional information.

Period	Land	Investments in real property interests	In-place lease intangibles	Above-market lease intangibles	Below-market lease intangibles	Total
2018	\$ 16,646	\$ 91,314	\$ 7,939	\$ 1,309	\$ (2,031)	\$ 115,177
2017	25,151	107,195	3,781	976	(1,850)	135,253
2016	75,959	34,096	4,003	972	(864)	114,166

Future estimated aggregate amortization of finite lived real property interests for each of the five succeeding fiscal years and thereafter as of December 31, 2018, are as follows (in thousands):

2019	\$ 11,765
2020	11,237
2021	10,646
2022	10,362
2023	10,335
Thereafter	322,666
Total	\$ 377,011

The weighted average remaining amortization period for non-perpetual real property interests is 42 years and 49 years at December 31, 2018 and 2017, respectively.

During the years ended December 31, 2018, 2017 and 2016, six, six and nine of the Partnership's real property interests were impaired and we recognized impairment charges totaling \$0.6 million, \$0.8 million and \$1.3 million, respectively. The carrying value of each real property interest was determined to have a fair value of zero.

During the year ended December 31, 2018, the Partnership recognized a gain on the contribution of real property interests of \$100 million in connection with the formation of an unconsolidated joint venture (the "JV") in which 545 tenant sites were contributed to the JV by the Partnership as described in Note 8, *Investment in Unconsolidated Joint Venture*. The Partnership used \$59.7 million of the net proceeds to repay a portion of the borrowings under the revolving credit facility. The Partnership has determined that the contribution does not meet the criteria for discontinued operations presentation as the contribution does not represent a strategic shift that will have a major effect on its operations and financial results and the Partnership has retained an interest in the assets through its interest in the unconsolidated joint venture.

In June 2018, the Partnership entered into a plan to sell one of its real property interests. The Partnership determined that the sale does not meet the criteria for discontinued operations presentation as the plan to sell does not represent a strategic shift that will have a major effect on its operations and financial results. As a result of this classification, the assets and liabilities of the real property interest are separately presented as AHFS and liabilities associated with AHFS in the consolidated balance sheet as of December 31, 2018. On January 4, 2019, the sale was completed for total consideration of \$13.5 million.

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, 2018
Land	\$ 1,286
Real property interests, net	5,566
Other intangible assets, net	994
AHFS	\$ 7,846
Other intangible liabilities, net	\$ 397
Liabilities associated with AHFS	\$ 397

5. Other Intangible Assets and Liabilities

The following summarizes our identifiable intangible assets, including above/below-market lease intangibles (in thousands):

	December 31,	
	2018	2017
Acquired in-place lease		
Gross amount	\$ 23,261	\$ 20,486
Accumulated amortization	(6,237)	(6,119)
Net amount	<u>\$ 17,024</u>	<u>\$ 14,367</u>
Acquired above-market leases		
Gross amount	\$ 6,542	\$ 6,503
Accumulated amortization	(2,727)	(2,886)
Net amount	<u>\$ 3,815</u>	<u>\$ 3,617</u>
Total other intangible assets, net	<u>\$ 20,839</u>	<u>\$ 17,984</u>
Acquired below-market leases		
Gross amount	\$ (17,097)	\$ (21,218)
Accumulated amortization	7,806	8,385
Total other intangible liabilities, net	<u>\$ (9,291)</u>	<u>\$ (12,833)</u>

We recorded net amortization of above and below-market lease intangibles of \$1.2 million, \$1.2 million and \$1.3 million as an increase to rental revenue for the years ended December 31, 2018, 2017 and 2016, respectively. We recorded amortization of in-place lease intangibles of \$2.1 million, \$1.6 million and \$1.5 million as amortization expense for the years ended December 31, 2018, 2017, and 2016, respectively.

Future aggregate amortization of intangibles for each of the five succeeding fiscal years and thereafter as of December 31, 2018 follows (in thousands):

	Acquired in-place leases	Acquired above-market leases	Acquired below-market leases
2019	\$ 1,725	\$ 692	\$ (1,580)
2020	1,651	532	(1,535)
2021	1,589	426	(1,408)
2022	1,507	344	(1,284)
2023	1,223	308	(831)
Thereafter	9,329	1,513	(2,653)
Total	<u>\$ 17,024</u>	<u>\$ 3,815</u>	<u>\$ (9,291)</u>

6. Future Minimum Rents

At December 31, 2018, future minimum receipts from tenants on leases with non-cancellable terms, including cancellable leases where the tenant is economically compelled to extend the lease term, for each of the next five years and thereafter are as follows (in thousands):

2019	\$ 17,250
2020	16,798
2021	16,250
2022	16,050
2023	14,903
Thereafter	54,773
Total	<u>\$ 136,024</u>

7. Investments in Receivables

Investment in receivables includes 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 included in investments in receivables in our financial statements. Investment in receivables also includes 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. These cash flow financing arrangements are accounted for as receivables in our financial statements.

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Transfer of investments in receivables from the Sponsor and affiliates to the Partnership, which met the conditions to be accounted for as a sale in accordance with ASC 860, *Transfers and Servicing*, were recorded at their estimated fair value. The receivables are unsecured with payments collected over periods ranging from 2 to 99 years. In connection with the Drop-down Acquisitions from our Sponsor and affiliates, the Partnership acquired additional investments in receivables that were recorded at the fair value at the acquisition date, using discount rates ranging from 7% to 14%.

During the year ended December 31, 2018, 16 of the Partnership's investments in receivables were impaired and recognized impairment charges totaling \$0.8 million. The investments in receivables were impaired to net realizable value. Pursuant to the terms of the omnibus agreement, Landmark indemnified the Partnership for the loss related to the impairment of investments in receivables which is treated as a deemed capital contribution.

Interest income recognized on the receivables totaled \$1.6 million, \$1.6 million and \$1.2 million during 2018, 2017, and 2016, respectively.

The following table reflects the activity in investments in receivables (in thousands):

	Year Ended December 31,	
	2018	2017
Investments in receivables – beginning	\$ 20,782	\$ 17,440
Acquisitions	—	4,389
Impairments	(785)	—
Sales	(350)	—
Repayments	(1,108)	(1,180)
Interest accretion	3	7
Foreign currency translation adjustment	(194)	126
Investments in receivables – ending	<u>\$ 18,348</u>	<u>\$ 20,782</u>

Annual amounts due as of December 31, 2018, are as follows (in thousands):

2019	\$ 2,166
2020	2,154
2021	2,212
2022	2,345
2023	2,468
Thereafter	24,263
Total	<u>\$ 35,608</u>
Interest	\$ 17,260
Principal	18,348
Total	<u>\$ 35,608</u>

8. 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.

The Partnership recognized a gain on contribution of real property interests in accordance with ASC 610-20, *Other Income - Gains and Losses from the Derecognition of Nonfinancial Assets* ("ASC 610-20"), which applies to sales or transfers to noncustomers of nonfinancial assets or in substance nonfinancial assets that do not meet the definition of a business. ASC 610-20 refers to the revenue recognition principles under ASU No. 2014-09. Under ASC 610-20, the Partnership determined it does not have a controlling financial interest in the entity that holds the assets and the arrangement meets the criteria to be accounted for as a contract, as such, the Partnership derecognized the assets and recognized a gain on the contribution of the real property interests when control of the underlying assets transferred to the buyer. The gain on the contribution of real property interests is included in the gain on sale of real property interests in the accompanying consolidated statements of operations.

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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 net proceeds from the 2018 Securitization were primarily used to pay down the revolving credit facility by \$120.5 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 the Partnership's contribution of assets and liabilities, at cost, to the unconsolidated JV as of the date of the Transaction (in thousands):

Assets	
Cash, cash equivalents and restricted cash	\$ 1,549
Real property interests, net	153,028
Other intangible assets, net	2,468
Total assets	<u>\$ 157,045</u>
Liabilities	
Secured notes, net	\$ 122,084
Other intangible liabilities, net	3,046
Other liabilities	758
Total liabilities	<u>\$ 125,888</u>
Net equity contributed to the unconsolidated joint venture	<u>\$ 31,157</u>

The following table summarizes the Partnership's gain on the contribution of real property interests to the unconsolidated JV as of the date of the Transaction (in thousands):

Investment in unconsolidated joint venture	\$ 65,611
Proceeds from sale of real property interests	65,585
Less: Net equity contributed to the unconsolidated joint venture	(31,157)
Gain on sale of real property interests	<u>\$ 100,039</u>

The following table summarizes balance sheet information for the unconsolidated JV as of December 31, 2018 (in thousands):

Total assets	\$ 263,228
Total liabilities	128,448
Total equity	134,780
Total liabilities and equity	<u>\$ 263,228</u>

The following table summarizes financial information for the unconsolidated JV from the date of the Transaction to December 31, 2018 (in thousands):

Rental revenue	\$ 3,697
Net income	\$ 117

9. Debt

The following table summarizes the Partnership's debt (in thousands):

	Maturity Date	Outstanding Balance	
		December 31, 2018	December 31, 2017
Revolving credit facility	November 15, 2023	\$ 155,000	\$ 304,000
4.38% senior secured notes	June 30, 2036	\$ 42,058	\$ —
Series 2017-1 Class A	November 15, 2022 (1)	60,900	62,000
Series 2017-1 Class B	November 15, 2022 (1)	17,563	18,000
Series 2016-1 Class A	June 1, 2021 (2)	86,258	89,171
Series 2016-1 Class B	June 1, 2021 (2)	25,100	25,100
Secured Notes		\$ 231,879	\$ 194,271
Discount on Secured Notes		(1,454)	(1,826)
Deferred loan costs		(6,740)	(5,196)
Secured Notes, net		\$ 223,685	\$ 187,249

(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

The Partnership's revolving credit facility with SunTrust Bank, as administrative agent, and a syndicate of lenders will mature on November 15, 2023 and will be available for working capital, capital expenditures, permitted acquisitions and general partnership 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 pound sterling, 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.

In addition, our revolving credit facility contains customary 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 December 31, 2018, the applicable spread was 2.00%.

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 December 31, 2018, the applicable annual commitment rate used was 0.175%.

The revolving credit facility requires monthly interest payments and the outstanding debt balance is due upon maturity on November 15, 2023. As of December 31, 2018, \$155 million was outstanding and there was \$295 million of undrawn borrowing capacity, subject to compliance with certain covenants. As of December 31, 2018, the Partnership was in compliance with all financial covenants required under the revolving credit facility.

Secured Notes

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. We used all the net proceeds of \$41.0 million to repay a portion of the borrowings under our revolving credit facility.

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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 Series 2017-1 Secured Notes, Class A and Class B (the “2017 Secured Notes”), in an aggregate principal amount of \$80.0 million. The net proceeds from the 2017 Securitization were primarily used to pay down the revolving credit facility by \$54.0 million and \$17.5 million held in a restricted reserve accounts, including \$16.0 million into a site acquisition account to be used to acquire additional tenant sites pursuant to the Indenture. 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 Partnership is required to make monthly payments of principal and interest on Class A and Class B 2017 Secured Notes based on a 30-year amortization period, commencing in January 2018. On each payment date on and after the payment date occurring in January 2018, available funds are used to repay the Class A 2017 Secured Notes in an amount sufficient to pay the Class A 2017 Secured Notes monthly amortization amount and to repay the Class B 2017 Secured Notes in an amount sufficient to pay the Class B 2017 Secured Notes monthly amortization amount on such payment date. No other payments of principal will be required to be made prior to the anticipated repayment date in November 2022.

On June 16, 2016, the Partnership completed a securitization transaction (the “2016 Securitization”) involving certain tenant sites and related real property interests owned by certain unrestricted special purpose subsidiaries of the Partnership, through the issuance of the Series 2016-1 Secured Notes, Class A and Class B (the “2016 Secured Notes”), in an aggregate principal amount of \$116.6 million. The net proceeds from the 2016 Securitization were used to pay down the revolving credit facility by \$112.3 million. The Class B notes are subordinated in right of payment to the Class A notes. The 2016 Secured Notes were issued at a discount of \$17,292, which will be accreted and recognized as interest expense over the term of the secured notes. The Class A and Class B 2016 Secured Notes bear interest at a fixed note rate per annum of 3.52% and 7.02%, respectively. The Partnership is required to make monthly payments of principal and interest on the Class A 2016 Secured Notes based on a 30-year amortization period and monthly payments of interest only on the Class B 2016 Secured Notes, commencing in July 2016. On each payment date on and after the payment date occurring in July 2016, available funds are used to repay the Class A 2016 Secured Notes in an amount sufficient to pay the Class A 2016 Secured Notes monthly amortization amount. No other payments of principal will be required to be made prior to the anticipated repayment date in June 2021.

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 December 31, 2018 and 2017, \$3.7 million and \$18.7 million was held in such reserve accounts which are classified as Restricted Cash on the accompanying consolidated and combined balance sheets.

Certain information with respect to the 2017 Securitization and the 2016 Securitization is set forth below. The debt service coverage ratio (“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.

	Issuer or Borrower	Notes Issued	Conditions Limiting Distributions of Excess Cash	
			Cash Trap DSCR	Amortization Period
2017 Securitization	LMRK Issuer Co. 2 LLC	Series 2017-1 Secured Notes, Class A and Class B	1.30x (1)	(2)
2016 Securitization	LMRK Issuer Co. LLC	Series 2016-1 Secured Notes, Class A and Class B	1.30x (1)	(2)

- (1) Once triggered, a Cash Trap DSCR condition continues to exist until the DSCR exceeds the Cash Trap DSCR for two consecutive calendar months. During a Cash Trap DSCR condition, all cash flow in excess of amounts required to make debt service payments, to fund required reserves, to pay management fees and budgeted operating expenses and to make other payments required under the indenture, referred to as excess cash flow, will be deposited into a reserve account instead of being released to the applicable issuer.
- (2) An amortization period commences if the DSCR is equal to or below 1.15x (the “Minimum DSCR”) at the end of any calendar month and continues to exist until the DSCR exceeds the Minimum DSCR for two consecutive calendar months.

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). As of December 31, 2018, the Partnership was in compliance with all financial covenants under the Secured Notes.

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The Secured Notes' annual principal payment amounts due as of December 31, 2018, are as follows (in thousands):

2019	\$	8,206
2020		10,313
2021 (1)		108,013
2022		72,598
2023		2,714
Thereafter (1)		30,035
Total	\$	231,879

(1) Reflects anticipated repayment dates

Interest Expense

For the years ended December 31, 2018, 2017 and 2016, the Partnership incurred interest expense of \$24.3 million, \$18.4 million and \$13.9 million, respectively, and had interest payable of \$0.3 million and \$0.7 million as of December 31, 2018 and 2017, respectively. Additionally, the Partnership recorded deferred loan costs and amortization of discount on secured notes, which is included in interest expense, of \$3.8 million, \$2.2 million and \$1.7 million for the years ended December 31, 2018, 2017 and 2016, respectively. In connection with the amendment of the credit facility on November 15, 2018, the unamortized balance of the deferred loan costs totaling \$0.2 million was recorded as a loss on extinguishment of debt during the year ended December 31, 2018. Additionally, the Partnership capitalized \$3.8 million to deferred loan costs to be amortized over the term of the amended and restated revolving credit facility.

Drop-down Acquisitions

Interest expense for the year ended December 31, 2016 includes retroactive adjustment of \$2.5 million associated with Fund G's secured debt facilities. Additionally, deferred loan costs amortization, which is included in interest expense, has been retroactively adjusted to include \$0.4 million for the year ended December 31, 2016.

In connection with the acquisition of Fund G during the year ended December 31, 2016, \$74.6 million was used to repay Fund G's secured indebtedness. At the time of acquisition, the unamortized balance of the deferred loan costs totaling \$1.7 million was recorded as a loss on extinguishment of debt during the year ended December 31, 2016.

10. Interest Rate Swap Agreements

The following table summarizes the terms and fair value of the Partnerships' interest rate swap agreements (in thousands, except percentages):

Date Entered	Notional Value	Fixed Rate	Index	Effective Date	Maturity Date	Fair Value Asset (Liability) at December 31,	
						2018	2017
December 24, 2014	\$ 70,000	1.52%	1-month USD LIBOR	12/24/2014	12/24/2018	\$ —	\$ 164
February 5, 2015	25,000	1.29	1-month USD LIBOR	4/13/2015	4/13/2019	102	174
August 24, 2015	50,000	1.74	1-month USD LIBOR	10/1/2015	10/1/2022	1,259	840
March 23, 2016	50,000	1.67	1-month USD LIBOR	12/24/2018	12/24/2021	1,117	761
March 31, 2016	20,000	1.56	1-month USD LIBOR	12/24/2018	12/24/2021	508	364
March 31, 2016	25,000	1.63	1-month USD LIBOR	4/13/2019	4/13/2022	569	418
June 12, 2017	50,000	2.10	1-month USD LIBOR	3/2/2018	9/2/2024	1,035	438
November 15, 2018	£ 38,000	1.49	1-month GBP LIBOR	11/30/2020	11/30/2025	(402)	—
						<u>\$ 4,188</u>	<u>\$ 3,159</u>

During the years ended December 31, 2018, 2017 and 2016, the Partnership recorded a gain of \$1.0 million, \$1.7 million and \$2.3 million, respectively, resulting from the change in fair value of the interest rate swap agreements which is reflected as an unrealized gain on derivatives on the consolidated and combined statements of operations. Additionally, during the year ended December 31, 2018, the Partnership recognized less than \$0.1 million of foreign currency transaction loss resulting from the changes in exchange rates as of December 31, 2018 affecting mark-to-market adjustments on our foreign currency interest rate swap agreement denominated in pound sterling. During the year ended December 31, 2016, the Partnership recorded a realized loss on derivatives of \$0.1 million as a result of the termination of the Fund G's interest rate swap agreements.

Prior-period information has been retroactively adjusted to include an unrealized gain on derivative financial instruments related to Fund G's interest rate swap agreements of \$0.1 million during the year ended December 31, 2016.

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The fair value of the interest rate swap agreements is 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 agreements. The Partnership applied various basis point spreads to the underlying interest rate curve of the derivative in order to determine the instruments' value including change in fair value at December 31, 2018. The following table summarizes the results of the analysis performed (in thousands):

Date Entered	Maturity Date	Effects of Change in Interest Rates			
		+50 Basis Points	-50 Basis Points	+100 Basis Points	-100 Basis Points
February 5, 2015	4/13/2019	134	71	165	40
August 24, 2015	10/1/2022	2,111	400	2,940	(483)
March 23, 2016	12/24/2021	1,802	429	2,470	(276)
March 31, 2016	12/24/2021	782	234	1,049	(48)
March 31, 2016	4/13/2022	918	218	1,258	(143)
June 12, 2017	9/2/2024	2,291	(262)	3,510	(1,598)
November 15, 2018	11/30/2025	684	(1,675)	1,784	(2,939)

11. Unit-Based Compensation

Compensation of our Directors

The Non-Employee Director Compensation Plan provides each director that is neither an officer of the General Partner nor an employee or an affiliate of the General Partner with annualized compensation consisting of \$35,000 in cash, payable quarterly, plus an annual grant of Common Units valued at \$35,000 and additional cash compensation for attending meetings of the board of directors of the General Partner or a committee thereof. The chairman of the audit committee of the board of directors shall be entitled to additional annualized cash compensation of \$10,000 and the chairman of any other committee of the board of directors, as may be established at any time, shall be entitled to an amount in cash as determined by the board of directors. On January 25, 2018 the board of directors of the General Partner adopted the Amended and Restated Non-Employee Director Compensation Plan that increased the cash and equity compensation for Non-Employee Directors to \$40,000 in cash, payable quarterly, and an annual grant of Common Units valued at \$40,000. Additionally, the chairman of the audit committee of the board of directors shall be entitled to additional annualized cash compensation of \$15,000.

Our Long-Term Incentive Plan

In connection with the IPO, the board of directors of the General Partner adopted the Landmark Infrastructure Partners LP 2014 Long-Term Incentive Plan (the "LTIP"). The LTIP provides for the grant, from time to time at the discretion of the board of directors of the General Partner or any committee thereof that may be established for such purpose or by any delegate of the board of directors or such committee, subject to applicable law (the "plan administrator"), of equity-based awards. The purpose of the LTIP is to promote the interests of the Partnership and the General Partner by providing incentive compensation awards to individuals providing services to the Partnership or the General Partner to encourage superior performance. The LTIP is also intended to enhance the ability of the Partnership and the General Partner to attract and retain the services of individuals who are essential for the growth and profitability of the Partnership and the General Partner and to encourage these individuals to devote their best efforts to advancing the business of the Partnership and the General Partner. The LTIP will initially limit the number of units that may be delivered pursuant to vested awards to 785,000 Common Units, subject to proportionate adjustment in the event of unit splits and similar events, with such amount increased annually on the first day of each calendar year beginning January 1, 2016 and ending on and including January 1, 2024 by a number of Common Units equal to the least of (i) 1,570,000 Common Units, (ii) 2% of the total number of common units outstanding on the last day of the immediately preceding calendar year and (iii) such smaller number of Common Units as determined by the board of directors of the General Partner. Common Units subject to awards that are cancelled, forfeited, withheld to satisfy exercise prices or tax withholding obligations, or otherwise terminated without delivery of the Common Units will be available for delivery pursuant to other awards. We have granted 3,826, 6,798 and 9,840 units under our LTIP as compensation to our Non-Employee Directors during the years ended December 31, 2018, 2017 and 2016, respectively, and no other awards were granted to any of our executive officers.

12. Equity

The table below summarizes changes in the numbers of units outstanding for the years ended December 31, 2018, 2017 and 2016 (in units):

	Common	Subordinated	Series A Preferred	Series B Preferred	Mezzanine Equity - Series C Preferred
Balance at December 31, 2015	11,820,144	3,135,109	—	—	—
Issuance of Series A Preferred Units - April 4, 2016	—	—	800,000	—	—
Issuance of Series B Preferred Units - August 8, 2016	—	—	—	1,840,000	—
Issuance of units in connection with the Acquired Funds	3,592,430	—	—	—	—
Issuance of Common Units - October 19, 2016	3,450,000	—	—	—	—
Issuance under ATM Programs	405,156	—	63,957	—	—
Issuance under Unit Exchange Program	172,985	—	—	—	—
Unit-based compensation	9,840	—	—	—	—
Balance at December 31, 2016	19,450,555	3,135,109	863,957	1,840,000	—
Issuance of units to Fund G - April 28, 2017	221,729	—	—	—	—
Issuance under ATM Programs	240,426	—	704,445	623,015	—
Issuance under Unit Exchange Program	226,950	—	—	—	—
Unit-based compensation	6,798	—	—	—	—
Balance at December 31, 2017	20,146,458	3,135,109	1,568,402	2,463,015	—
Issuance of units to Fund H - January 18, 2018	1,506,421	—	—	—	—
Conversion of subordinated units	3,135,109	(3,135,109)	—	—	—
Issuance of Series C Preferred Units - April 2, 2018	—	—	—	—	2,000,000
Issuance under ATM Programs	27,830	—	24,747	—	—
Issuance under Unit Exchange Program	508,157	—	—	—	—
Unit-based compensation	3,826	—	—	—	—
Balance at December 31, 2018	25,327,801	—	1,593,149	2,463,015	2,000,000

On February 23, 2017, 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 March 27, 2017 and permits us to issue and sell common and preferred units, from time to time, representing limited partner interests in us and debt securities up to an aggregate amount of \$750.0 million.

Common Units

On February 16, 2016, the Partnership established a Common Unit at-the-market offering program (the “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 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 years ended December 31, 2018, 2017 and 2016, the Partnership issued 27,830, 240,426 and 405,156 Common Units under our Common Unit ATM Program, generating proceeds of approximately \$0.5 million, \$4.2 million and \$6.9 million before issuance costs, respectively.

On February 16, 2016, the Partnership filed a shelf registration statement on Form S-4 with the SEC. The shelf registration statement was declared effective on March 10, 2016 and permits us to offer and issue, from time to time, an aggregate of up to 5,000,000 Common Units in connection with the acquisition by us or our subsidiaries of other businesses, assets or securities. During the years ended December 31, 2018, 2017 and 2016, under the Unit Exchange Program we completed acquisitions of twenty-eight, twelve and six tenant sites in exchange for 508,157, 226,950 and 172,985 Common Units, valued at approximately \$7.6 million, \$3.8 million and \$2.6 million, respectively.

On October 19, 2016, the Partnership completed a public offering of 3,450,000 Common Units, which includes the full exercise of the underwriters’ option to purchase 450,000 Common Units, at a price to the public of \$16.30 per Common Unit, or \$15.53 per Common Unit net of the underwriters’ discount. We received net proceeds of \$53.3 million after deducting the underwriters’ discount and offering expenses paid by us of \$2.9 million. The net proceeds from the offering were used to repay a portion of the borrowings under our revolving credit facility.

In connection with the Fund G drop-down acquisition, the Partnership entered into a contractual obligation to acquire two tenant sites and related real property interests. Upon completion of the acquisitions, the Partnership issued 221,729 Common Units to Fund G on April 28, 2017, as described in Note 3, *Acquisitions*.

Subordinated Units

Our Partnership Agreement provides that, during the subordination period, the Common Units have the right to receive distributions of available cash from operating surplus each quarter in an amount equal to \$0.2875 per Common Unit, which amount is defined in our Partnership Agreement as the minimum quarterly distribution, plus any arrearages in the payment of the minimum quarterly distribution on the Common Units from prior quarters, before any distributions of available cash from operating surplus may be made on the subordinated units. The requirements under our partnership agreement for the conversion of all the subordinated units into common units was satisfied upon the payment of our quarterly cash distribution on February 14, 2018. Therefore, effective February 15, 2018, all of our subordinated units which are owned by Landmark, were converted on a one-for-one basis into common units. The conversion of subordinated units does not impact the amount of cash distributions or total number of outstanding units.

Preferred Units

On April 4, 2016, the Partnership completed a public offering of \$20.0 million of 8.0% Series A Cumulative Redeemable Perpetual Preferred Units (“Series A Preferred Units”), representing limited partner interests in the Partnership, at a price of \$25.00 per unit. We received net proceeds of approximately \$18.4 million after deducting underwriters’ discounts and offering expenses paid by us of \$1.6 million. We used all proceeds to repay a portion of the borrowings under our revolving credit facility.

Distributions on the Series A Preferred Units are cumulative from the date of original issuance and will be payable quarterly in arrears on the 15th day of January, April, July and October of each year, when, as and if declared by the board of directors of our General Partner. The initial distribution on the Series A Preferred Units was paid on July 15, 2016 in an amount equal to \$0.5611 per unit. Distributions on the Series A Preferred Units will accumulate at a rate of 8.0% per annum per \$25.00 stated liquidation preference per Series A Preferred Unit. In connection with the closing of the Series A Preferred Unit offering, on April 4, 2016, the Partnership executed the Second Amended and Restated Agreement of Limited Partnership of Landmark Infrastructure Partners LP for the purpose of updating the form of Partnership Agreement and defining the preferences, rights, powers and duties of holders of Series A Preferred Units.

On June 24, 2016, the Partnership established a Series A Preferred Unit at-the-market offering program (the “Series A Preferred Unit ATM Program”) pursuant to which we may sell, from time to time, Series A Preferred Units having an aggregate offering price of up to \$40.0 million pursuant to our previously filed and effective registration statement on Form S-3. The net proceeds from sales under the Series A Preferred 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 years ended December 31, 2018, 2017 and 2016, the Partnership issued 24,747, 704,445 and 63,957 Series A Preferred Units under our Series A Preferred Unit ATM Program, generating proceeds of approximately \$0.6 million, \$17.7 million and \$1.6 million before issuance costs, respectively. As of December 31, 2018, we have \$20.1 million remaining available to be issued under the Series A Preferred Unit ATM Program.

On August 8, 2016, the Partnership completed a public offering of \$46.0 million of 7.9% Series B Cumulative Redeemable Perpetual Preferred Units, at a price of \$25.00 per unit, representing limited partner interests in the Partnership (“Series B Preferred Units” and together with the Series A Preferred Units the “Preferred Units”). The Partnership issued 1,840,000 Series B Preferred Units, which included the full exercise of the underwriters’ option to purchase an additional 240,000 Series B Preferred Units. We received net proceeds of approximately \$44.3 million after deducting underwriters’ discounts and offering expenses paid by us of \$1.5 million. We used all proceeds to repay a portion of the borrowings under our revolving credit facility.

Distributions on the Series B Preferred Units are cumulative from the date of the original issuance 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 B Preferred Units was paid on November 15, 2016 in an amount equal to \$0.5321527 per unit. Distributions on the Series B Preferred Units will accumulate at a rate of 7.9% per annum per \$25.00 stated liquidation preference per Series B Preferred Unit. The Series B Preferred Units will rank on parity to our Series A Preferred Units with respect to distributions and distributions upon a liquidation event. In connection with the closing of the Series B Preferred Unit offering, on August 8, 2016, the Partnership executed the Third Amended and Restated Agreement of Limited Partnership of Landmark Infrastructure Partners LP for the purpose of updating the form of Partnership Agreement and defining the preferences, rights, powers and duties of holders of Series B Preferred Units.

The Preferred Units represent perpetual equity interests in us, and they have no maturity or mandatory redemption date and will remain outstanding indefinitely unless redeemed by the Partnership or converted into Common Units in connection with a change in control, as described in the Partnership Agreement. As a result, the Preferred Units will not give rise to a claim for payment of a principal amount at a particular date and are not redeemable at the option of investors under any circumstances. Instead, the Preferred Units may be redeemed by us at our option in the event of a change of control or at any time on or after April 4, 2021 for the Series A Preferred Units and on August 8, 2021 for the Series B Preferred Units, in whole or in part, out of funds legally available for such redemption, at a redemption price of \$25.00 per unit plus an amount equal to all accumulated and unpaid distributions thereon to the date of redemption, whether or not declared. In addition, if we do not exercise the option to redeem the Preferred Units following certain changes of control, as described in the Partnership Agreement, then the holders of the Preferred Units have the option to convert the Preferred Units into a number of Common Units as set forth in the Partnership Agreement. If we exercise the right to redeem all outstanding Preferred Units, the holders of Preferred Units will not have the conversion right described above.

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On March 30, 2017, the Partnership established a Series B Preferred Unit at-the-market offering program (the “Series B Preferred Unit ATM Program” and together with the Series A Preferred Unit ATM Program and Common Unit ATM Program the “ATM Programs”) 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 Preferred 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 Series B Preferred Units were issued under our Series B Preferred Unit ATM Program during the years ended December 31, 2018 and 2016. During the year ended December 31, 2017, the Partnership issued 623,015 Series B Preferred Units under our Series B Preferred Unit ATM Program, generating proceeds of approximately \$15.6 million before issuance costs. As of December 31, 2018, we have \$34.4 million remaining available to be issued under the Series B Preferred Unit ATM Program.

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 “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 lessor 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. The Partnership concluded that the Series C Preferred Units are not currently redeemable and are not probable of being redeemed by the holder for cash. If redemption becomes probable, the units will be recorded to redemption value.

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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 and Subordinated Units and IDRs				
March 31, 2016	April 20, 2016	May 13, 2016	\$ 0.3300	\$ 4,954
June 30, 2016	July 27, 2016	August 15, 2016	0.3325	5,089
September 30, 2016	October 26, 2016	November 15, 2016	0.3375	7,628
December 31, 2016	January 25, 2017	February 15, 2017	0.3500	7,985
March 31, 2017	April 20, 2017	May 15, 2017	0.3525	8,133
June 30, 2017	July 19, 2017	August 14, 2017	0.3550	8,222
September 30, 2017	October 18, 2017	November 14, 2017	0.3575	8,303
December 31, 2017	January 24, 2018	February 14, 2018	0.3675	9,304
March 31, 2018	April 19, 2018	May 15, 2018	0.3675	9,384
June 30, 2018	July 19, 2018	August 14, 2018	0.3675	9,431
September 30, 2018 (1)	October 26, 2018	November 14, 2018	0.3675	9,285
December 31, 2018 (1)	January 25, 2019	February 14, 2019	0.3675	9,312
Series A Preferred Units				
June 30, 2016	June 16, 2016	July 15, 2016	\$ 0.5611	\$ 449
September 30, 2016	September 22, 2016	October 17, 2016	0.5000	432
December 31, 2016	December 16, 2016	January 17, 2017	0.5000	432
March 31, 2017	March 16, 2017	April 17, 2017	0.5000	432
June 30, 2017	June 22, 2017	July 17, 2017	0.5000	555
September 30, 2017	September 21, 2017	October 16, 2017	0.5000	713
December 31, 2017	December 21, 2017	January 16, 2018	0.5000	784
March 31, 2018	March 23, 2018	April 16, 2018	0.5000	797
June 30, 2018	June 21, 2018	July 16, 2018	0.5000	797
September 30, 2018	September 20, 2018	October 15, 2018	0.5000	797
December 31, 2018	December 20, 2018	January 15, 2019	0.5000	797
Series B Preferred Units				
September 30, 2016	October 20, 2016	November 15, 2016	\$ 0.5322	\$ 979
December 31, 2016	January 20, 2017	February 15, 2017	0.4938	909
March 31, 2017	April 20, 2017	May 15, 2017	0.4938	934
June 30, 2017	July 19, 2017	August 15, 2017	0.4938	990
September 30, 2017	October 18, 2017	November 15, 2017	0.4938	1,203
December 31, 2017	January 22, 2018	February 15, 2018	0.4938	1,216
March 31, 2018	April 19, 2018	May 15, 2018	0.4938	1,216
June 30, 2018	July 19, 2018	August 15, 2018	0.4938	1,216
September 30, 2018	October 22, 2018	November 15, 2018	0.4938	1,216
December 31, 2018	January 22, 2019	February 15, 2019	0.4938	1,216
Series C Preferred Units				
June 30, 2018 (2)	April 19, 2018	May 15, 2018	\$ 0.2090	\$ 418
June 30, 2018	July 19, 2018	August 15, 2018	0.4400	880
September 30, 2018	October 22, 2018	November 15, 2018	0.4382	876
December 31, 2018	January 22, 2019	February 15, 2019	0.4571	914

(1) The General Partner irrevocably waived its right to receive the incentive distribution and incentive allocations related to the quarterly distribution for the three months ended September 30, 2018 and December 31, 2018.

(2) The first distribution declared by the Partnership for the Series C Preferred Units was prorated for the 43-day period following the closing of the issuance on April 2, 2018. The distribution was paid on May 15, 2018 to unitholders of record as of May 1, 2018.

13. Net Income (Loss) Per Limited Partner Unit

Landmark's subordinated units and 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 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.

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Net income (loss) per unit applicable to limited partners (including subordinated unitholders) 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 and subordinated units. Diluted net income (loss) per unit includes the effects of potentially dilutive units on our common and subordinated units and Series C Preferred Units. Net income (loss) related to the Drop-down Assets prior to the Partnership's acquisition dates of each transaction is allocated to the General Partner.

Effective February 15, 2018, all of our subordinated units, which were owned by Landmark, were converted on a one-for-one basis into common units. The board of directors of the general partner declared a cash distribution for the quarter ended March 31, 2018 payable on May 15, 2018 to common unitholders of record as of May 1, 2018. The subordinated units were only allocated the excess of distributions declared over net income through the conversion date.

The calculation of the undistributed net loss attributable to common and subordinated unitholders for the years ended December 31, 2018, 2017 and 2016 is as follows (in thousands):

	Year Ended December 31,		
	2018	2017	2016
Net income attributable to limited partners	\$ 115,794	\$ 19,257	\$ 9,873
Less:			
Distributions declared on Preferred Units	(10,630)	(6,673)	(2,660)
General partner's incentive distribution rights (1)	(784)	(488)	(110)
Net income attributable to common and subordinated unitholders	104,380	12,096	7,103
Distributions declared on common units	(37,022)	(28,983)	(21,314)
Distributions declared on subordinated units	—	(4,491)	(4,232)
Undistributed net income (loss)	\$ 67,358	\$ (21,378)	\$ (18,443)

- (1) The General Partner irrevocably waived its right to receive the incentive distribution and incentive allocations related to the quarterly distribution for the three months ended September 30, 2018 and December 31, 2018. 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 (loss) per unit related to the Partnership for the years ended December 31, 2018, 2017 and 2016 is as follows (in thousands, except per unit data):

	Year Ended December 31,					
	2018		2017		2016	
	Common Units	Subordinated Units	Common Units	Subordinated Units	Common Units	Subordinated Units
Distributions declared	\$ 37,022	\$ —	\$ 28,983	\$ 4,491	\$ 21,314	\$ 4,232
Undistributed net income (loss)	67,661	(303)	(18,440)	(2,938)	(14,947)	(3,496)
Net income (loss) attributable to common and subordinated units - basic	104,683	(303)	10,543	1,553	6,367	736
Net income (loss) attributable to subordinated units	(303)	—	1,553	—	736	—
Distributions on dilutive preferred units	2,613	—	—	—	—	—
Net income (loss) attributable to common and subordinated units - diluted	\$ 106,993	\$ (303)	\$ 12,096	\$ 1,553	\$ 7,103	\$ 736
Weighted-average units outstanding:						
Basic	24,626	387	19,701	3,135	13,986	3,135
Effect of dilutive subordinated units	387	—	3,135	—	3,135	—
Effect of dilutive preferred units	1,954	—	—	—	—	—
Diluted	26,967	387	22,836	3,135	17,121	3,135
Net income (loss) per common and subordinated unit:						
Basic	\$ 4.25	\$ (0.78)	\$ 0.54	\$ 0.50	\$ 0.46	\$ 0.23
Diluted(1)(2)	\$ 3.97	\$ (0.78)	\$ 0.53	\$ 0.50	\$ 0.41	\$ 0.23

- (1) The Partnership Agreement provides that when the subordination period ends, each outstanding subordinated unit will convert into one Common Unit and will thereafter participate pro rata with the other Common Units in distributions of available cash. Effective February 15, 2018, all of the subordinated units, which were owned by Landmark, were converted on a one-for-one basis into Common Units. The diluted effect of Landmark's subordinated units is reflected using the "if-converted method" which assumes conversion of the subordinated units into Common Units and excludes the subordinated distributions from the calculation, as the "if-converted method" is more dilutive.
- (2) 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 dilutive for the year ended December 31, 2018 and, as a result, have been included in the determination of diluted net income (loss) per common unit.

14. 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 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 (in thousands):

	December 31,			
	2018		2017	
	Carrying amount	Fair Value	Carrying amount	Fair Value
Investment in receivables, net	\$ 18,348	\$ 18,867	\$ 20,782	\$ 20,995
Revolving credit facility	155,000	155,000	304,000	304,000
Secured Notes, net	223,685	224,333	187,249	187,895

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.

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For the years ended December 31, 2018 and 2017, the Partnership measured the following assets and liabilities at fair value on a recurring basis (in thousands):

	December 31,	
	2018	2017
Derivative Assets ⁽¹⁾	\$ 4,590	\$ 3,159
Derivative Liabilities ⁽¹⁾	\$ 402	\$ —

(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.

15. Related-Party Transactions

General and Administrative Reimbursement

Under the amended omnibus agreement, effective the quarter ended December 31, 2018, 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 years ended December 31, 2018, 2017 and 2016, Landmark reimbursed us \$2.8 million, \$3.5 million and \$2.6 million, respectively, for expenses related to certain general and administrative services that exceeded the cap. As of December 31, 2018, \$0.1 million is included within due from affiliates related to the fourth quarter general and administrative reimbursement from Landmark including the unconsolidated JV management fees. Additionally, indemnification of \$1.0 million related to certain assets is included in capital contributions from Sponsor on the Consolidated and Combined Statement of Equity and Mezzanine Equity.

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 years ended December 31, 2018, 2017 and 2016, we incurred \$0.1 million of license fees related to the AIF patent license agreement.

Right of First Offer

In accordance with the Partnership’s omnibus agreement, certain other investment funds managed by Landmark had granted us a right of first offer (“ROFO”) on real property interests that they owned or acquired before selling or transferring those assets to any third party. During the year ended December 31, 2018, the Partnership waived its ROFO on certain assets in investment funds managed by Landmark. During the years ended December 31, 2018, 2017 and 2016, the Partnership completed the following ROFO acquisitions:

Acquisition Date	Acquired Fund	Total No. of Tenant Sites	Total No. of Investments in Receivables	Total Consideration (in millions)	Total Common Units Issued	Common Units Issued to Landmark and Affiliates
January 18, 2018	Fund H	127	—	\$ 59.9	1,506,421	—
Various (1)	Fund G	2	—	14.8	221,729	221,729
August 30, 2016	Fund G	386	5	140.3	3,592,430	25,220

(1) In connection with the Fund G drop-down acquisition, the Partnership entered into a contractual obligation to acquire two tenant sites and related real property interests. The Partnership acquired one of these tenant sites and related real property interests on March 31, 2017 for cash consideration of \$7.5 million and the remaining additional tenant site for \$3.8 million on April 28, 2017. Upon completion of the full \$11.3 million acquisition, the Partnership issued 221,729 Common Units to Fund G on April 28, 2017.

See further discussion in Note 3, *Acquisitions* for additional information.

Management Fee

In accordance with the limited liability company agreements for Fund G, Landmark or its affiliates were paid a management fee for providing various services to the fund. Management fees totaled \$0.2 million for the year ended December 31, 2016. Landmark's right to receive this management fee had been terminated and will instead reimburse Landmark for certain general and administrative expenses incurred by Landmark pursuant to the omnibus agreement, subject to a cap, as described above. For the year ended December 31, 2016, financial information was retroactively adjusted to include management fees of \$0.2 million incurred by Fund G during the period prior to the acquisition by the Partnership.

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 (i) 1.5% of the Secured Tenant Site Assets' operating revenue, as defined by the applicable management agreements for the 2016 and 2017 secured notes and (ii) 0.5% of operating revenue for the 4.38% senior 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 \$53,685, \$18,451 and \$10,215 of Secured Tenant Site Assets' management fees during the years ended December 31, 2018, 2017 and 2016, respectively.

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 year ended December 31, 2018, the unconsolidated JV incurred \$0.1 million of management fees and included in capital contributions from Sponsor on the Consolidated and Combined Statement of Equity and Mezzanine Equity.

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 may 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 December 31, 2018 and 2017, no such fees have been incurred.

Penteon Partnership

On June 13, 2017, the Partnership and its Sponsor entered into a partnership with Penteon Corporation to deploy a nationwide Low Power Wide Area Network (LPWAN) based on the global open standard called LoRaWAN™ and utilizing the real property interests controlled by the Sponsor and the Partnership. As part of the agreement, the Sponsor owns a warrant to purchase up to approximately 25% of Penteon's preferred stock. As of December 31, 2018 and 2017, the Partnership incurred zero and \$0.2 million in leasing costs related to the deployment of LPWAN on its sites.

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 Partnership Agreement) in excess of \$0.2875 per unit per quarter. The General Partner irrevocably waived its right to receive the incentive distribution and incentive allocations related to the quarterly distributions for the three months ended September 30, 2018 and December 31, 2018 totaling \$0.4 million, which is treated as a deemed contribution in the consolidated and combined statements of equity and mezzanine equity and as a deemed distribution for purposes of determining net income per common unit. During the years ended December 31, 2018, 2017 and 2016, we paid \$0.4 million, \$0.5 million and \$0.1 million of incentive distribution rights, respectively.

Due from Affiliates

At December 31, 2018 and 2017, the General Partner and affiliates owed \$1.4 million and \$0.6 million, respectively, to the Partnership primarily for the indemnification related to certain assets, 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.

16. Segment Information

The Partnership had three reportable segments, wireless communication, outdoor advertising, and renewable power generation 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, Australia, and the United Kingdom. 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. 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 three businesses require similar marketing and business strategies. Because our tenant lease arrangements are mostly triple net or 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 year ended December 31, 2018 (in thousands):

	Wireless Communication	Outdoor Advertising	Renewable Power Generation	Corporate	Total
Revenue					
Rental revenue	\$ 37,879	\$ 18,820	\$ 8,066	\$ —	\$ 64,765
Expenses					
Property operating	258	681	208	—	1,147
General and administrative	—	—	—	4,731	4,731
Acquisition-related	—	—	—	3,287	3,287
Amortization	11,902	3,578	672	—	16,152
Impairments	1,169	390	—	—	1,559
Total expenses	13,329	4,649	880	8,018	26,876
Total other income and expenses	105,479	242	811	(28,373)	78,159
Income (loss) before income tax expense	130,029	14,413	7,997	(36,391)	116,048
Income tax expense	—	—	—	227	227
Net income (loss)	\$ 130,029	\$ 14,413	\$ 7,997	\$ (36,618)	\$ 115,821

For the year ended December 31, 2017 (in thousands):

	Wireless Communication	Outdoor Advertising	Renewable Power Generation	Corporate	Total
Revenue					
Rental revenue	\$ 33,456	\$ 11,367	\$ 7,802	\$ —	\$ 52,625
Expenses					
Property operating	22	228	144	—	394
General and administrative	—	—	—	5,286	5,286
Acquisition-related	22	230	—	1,035	1,287
Amortization	10,898	2,070	569	—	13,537
Impairments	645	203	—	—	848
Total expenses	11,587	2,731	713	6,321	21,352
Total other income and expenses	698	144	740	(16,724)	(15,142)
Income (loss) before income tax benefit	22,567	8,780	7,829	(23,045)	16,131
Income tax benefit	—	—	—	(3,145)	(3,145)
Net income (loss)	\$ 22,567	\$ 8,780	\$ 7,829	\$ (19,900)	\$ 19,276

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For the year ended December 31, 2016 (in thousands):

	Wireless Communication	Outdoor Advertising	Renewable Power Generation	Corporate	Total
Revenue					
Rental revenue	\$ 30,440	\$ 8,176	\$ 2,555	\$ —	\$ 41,171
Expenses					
Management fees to affiliate	112	83	1	—	196
Property operating	62	29	16	—	107
General and administrative	—	—	—	3,755	3,755
Acquisition-related	244	52	25	2,585	2,906
Amortization	9,649	1,247	295	—	11,191
Impairments	1,130	145	—	—	1,275
Total expenses	11,197	1,556	337	6,340	19,430
Total other income and expenses	1,067	—	532	(13,419)	(11,820)
Net income (loss)	<u>\$ 20,310</u>	<u>\$ 6,620</u>	<u>\$ 2,750</u>	<u>\$ (19,759)</u>	<u>\$ 9,921</u>

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

	December 31,	
	2018	2017
Segments		
Wireless communication	\$ 433,254	\$ 440,139
Outdoor advertising	216,326	175,825
Renewable power generation	112,338	111,482
Corporate assets	24,695	40,553
Total assets	<u>\$ 786,613</u>	<u>\$ 767,999</u>

The following table represents the Partnership's rental revenues by country (in thousands):

	December 31,		
	2018	2017	2016
Country			
United States	\$ 60,441	\$ 51,144	\$ 41,042
United Kingdom	3,356	814	—
Australia	910	614	66
Canada	58	53	63
Total rental revenue	<u>\$ 64,765</u>	<u>\$ 52,625</u>	<u>\$ 41,171</u>

The following table represents the Partnership's total assets by country (in thousands):

	December 31,	
	2018	2017
Country		
United States	\$ 720,331	\$ 729,109
United Kingdom	53,850	30,391
Australia	11,830	7,938
Canada	602	561
Total assets	<u>\$ 786,613</u>	<u>\$ 767,999</u>

17. 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 combined 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. We believe the impact of past consolidation is already reflected in our occupancy rates. In April 2018, T-Mobile and Sprint announced a proposed 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 December 31, 2018, the Partnership had approximately \$69.1 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.

18. Tenant Concentration

For the years ended December 31, 2018, 2017 and 2016, the Partnership had the following tenant revenue concentrations:

Tenant	Year Ended December 31,		
	2018	2017	2016
Clear Channel Outdoor	11.6%	8.8%	5.8%
T-Mobile	9.6%	11.7%	13.8%
AT&T Mobility	9.3%	11.0%	12.6%
Sprint	7.8%	9.5%	11.4%
Crown Castle	7.7%	9.2%	10.3%
Verizon	7.5%	8.9%	9.7%

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.

19. Income Taxes

The Partnership is not a taxable entity for United States federal income tax purposes or for the majority of states that impose an income tax. Taxes on our net income generally are borne by our partners through the allocation of taxable income. Our consolidated REIT Subsidiary files as a corporation for U.S. federal income tax purposes. The REIT Subsidiary has elected to be treated as a REIT and may deduct earnings distributed to stockholders against the income generated by its REIT operations, therefore it does not have any federal income tax liability. Additionally, our wholly owned subsidiary Asset OpCo conducts certain activities that may not generate qualifying income and will be treated as a corporation for U.S. federal and state income tax purposes. In addition, certain subsidiaries of the Partnership are subject to corporate income tax in the foreign jurisdictions where we own assets and generate taxable income. The following information pertains to the Partnership's income taxes on a consolidated basis.

Income before income tax benefit by geographic area is as follows (in thousands):

	Year Ended December 31,		
	2018	2017	2016
Domestic	\$ 116,045	\$ 15,259	\$ 10,554
Foreign	3	872	(633)
Total	\$ 116,048	\$ 16,131	\$ 9,921

For the years ended December 31, 2018 and 2017, income tax expense (benefit) consisted of the following (in thousands):

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	Year Ended December 31,	
	2018	2017
Current		
Domestic	\$ (10)	\$ —
Foreign	15	70
Deferred		
Domestic	370	(3,215)
Foreign	(148)	—
Income tax expense (benefit)	\$ 227	\$ (3,145)

For the year ended December 31, 2016, income tax expense (benefit) was zero.

The statutory federal income tax rate is 21 percent for the year ended December 31, 2018 and 34 percent for the years ended December 31, 2017 and 2016 and the foreign income tax rates range from 15 percent to 39 percent. The difference between income tax benefit recorded by us and income taxes computed by applying the statutory corporate income tax rates to income before income tax benefit is due to the fact that the majority of our income is not subject to federal, state and foreign income tax as described above.

Reconciliation between the U.S. statutory rate and the effective rate from income before income tax benefit is as follows:

	Year Ended December 31,	
	2018	2017
Statutory tax rate	21%	34%
Adjustment to reflect MLP/REIT status	(21)%	(29)%
Valuation allowance	—%	(32)%
Change in tax law	—%	9%
Other	—%	(1)%
Effective tax rate	—%	(19)%

Deferred income taxes are recorded based on temporary differences between the financial statement carrying amounts and tax basis of assets and liabilities and operating loss carry forwards. Asset OpCo and foreign subsidiaries routinely assesses its ability to realize its deferred tax assets. If an entity concludes that it is more likely than not that some or all of the deferred tax assets will not be realized, the tax asset is reduced by a valuation allowance.

The consolidated domestic and foreign deferred tax asset was \$3.0 million for the year ended December 31, 2018. In the domestic and foreign jurisdictions, we believe it is more likely than not that the deferred tax assets will be realized and does not currently have a valuation allowance. The deferred tax assets primarily relate to difference between book and tax bases of assets and net operating losses.

Asset OpCo generated a domestic NOL, including federal and various states, of \$0.4 million, resulting in a deferred tax asset before valuation allowance of \$0.1 million for the year ended December 31, 2018. Some federal NOL carryforwards begin to expire in 2035 and certain NOLs carryforward indefinitely.

The foreign subsidiaries generated an NOL of \$0.4 million, resulting in a deferred tax asset before valuation allowance of \$0.1 million for the year ended December 31, 2018. The foreign NOLs carryforward indefinitely.

During the year ended December 31, 2018, we recorded an immaterial liability for unrecognized tax benefits. We did not have any significant interest and penalties related to income taxes during the year ended December 31, 2018.

The statutory federal income tax rate is 21 percent for valuation of the deferred tax assets and liabilities in future years resulting in a decrease in deferred tax asset of \$1.5 million from December 31, 2016 to December 31, 2017. Asset OpCo believes it is more likely than not that the deferred tax asset will be realized and reduced its valuation allowance by \$5.3 million, included in income tax benefit for the year ended December 31, 2017, resulting in zero valuation allowance as of December 31, 2017. During the year ended December 31, 2016, Asset OpCo's acquisition activity and results of operations generated \$5.5 million in deferred taxes with a valuation allowance of \$5.3 million. For the years ended December 31, 2017 and 2016, there was no deferred tax liability. The change in deferred taxes is primarily a result of differences between book and tax bases of the contributed and purchased assets into Asset OpCo, and operating loss carry forwards.

Asset OpCo generated a NOL for the year ended December 31, 2017 and 2016 which can be used to offset taxable income in future and prior years, subject to specified limitations. At December 31, 2017 and 2016 Asset OpCo had an NOL carryforward of \$0.1 million and \$5.2 million, translating to a deferred tax asset before valuation allowance of less than \$0.1 million and \$2.1 million, respectively. The federal NOL carryforwards expire beginning in 2035.

As of December 31, 2017 and 2016, we had no liability reported for unrecognized tax benefits. We did not have any significant interest or penalties related to income taxes during the years ended December 31, 2017 and 2016.

20. Supplemental Cash Flow Information

Noncash activities for the years ended December 31, 2018, 2017, and 2016 were as follows (in thousands):

	Year Ended December 31,		
	2018	2017	2016
Capital contributions from Sponsor	\$ 1,733	\$ 491	\$ 545
Purchase price for acquisitions included in due to Landmark and affiliates	436	196	217
Issuance of common units for Acquired Funds	27,342	3,492	64,664
Unit Exchange Program acquisitions	7,582	3,816	2,639
Fair value adjustment of investments in receivables	—	—	239
Distributions payable to preferred unitholders	1,710	1,296	800
Offering costs included in accounts payable and accrued liabilities	—	—	165
Deferred loan costs included in accounts payable and accrued liabilities	—	285	235
Purchase price for acquisitions and development activities included in accounts payable	2,878	642	405
Investment in unconsolidated joint venture	(65,611)	—	—
Total assets contributed to unconsolidated joint venture	157,045	—	—
Total liabilities contributed to unconsolidated joint venture	(125,888)	—	—
Deemed contribution by the General Partner	394	—	—
Deemed distribution to the General Partner	(394)	—	—

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

	Year Ended December 31,		
	2018	2017	2016
Cash paid for interest	\$ 20,882	\$ 15,797	\$ 12,349
Capitalized interest	759	48	—
Income taxes paid	76	28	21

21. Quarterly Financial Data (Unaudited)

The following tables summarize quarterly financial data for the years ended December 31, 2018 and 2017 (in thousands, except unit data). Quarterly financial information has been retroactively adjusted for transactions between entities under common control.

	2018 Quarter Ended			
	March 31	June 30	September 30	December 31
Total rental revenue	\$ 15,695	\$ 16,796	\$ 17,560	\$ 14,714
Net income (loss)	6,741	6,105	105,147	(2,172)
Less: Net income attributable to noncontrolling interest	4	8	8	7
Net income (loss) attributable to limited partners	6,737	6,097	105,139	(2,179)
Net income (loss) per common and subordinated unit				
Common units – basic	0.21	0.12	4.06	(0.21)
Common units – diluted	0.19	0.12	3.71	(0.21)
Subordinated units – basic and diluted	(0.19)	—	—	—
Cash distribution declared per unit	0.3675	0.3675	0.3675	0.3675

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	2017 Quarter Ended			
	March 31	June 30	September 30	December 31
Total rental revenue	\$ 11,841	\$ 12,803	\$ 13,499	\$ 14,482
Net income	3,527	2,677	3,798	9,274
Less: Net income attributable to noncontrolling interest	3	4	4	8
Net income attributable to limited partners	3,524	2,673	3,794	9,266
Net income per common and subordinated unit				
Common units – basic	0.09	0.05	0.08	0.31
Common units – diluted	0.09	0.05	0.08	0.31
Subordinated units – basic and diluted	0.09	0.05	0.08	0.28
Cash distribution declared per unit	0.3525	0.3550	0.3575	0.3675

22. Subsequent Events

On January 4, 2019, the Partnership completed the sale of one of its real property interests held for sale as of December 31, 2018 for total consideration of \$13.5 million.

On January 30, 2019, the Partnership amended its Omnibus Agreement to modify the quarterly cap on the general and administrative reimbursement to 3% 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.

Landmark Infrastructure Partners LP
Schedule III – Real Estate and Accumulated Depreciation
(in thousands)
December 31, 2018

Description	Location	Encumbrances	Initial cost to the Partnership			Gross Amount at Which Carried As of December 31, 2018(1)			Accumulated Depreciation(2)	Date Acquired
			Land	Building and Improvements	Total	Land	Building and Improvements	Total		
Wireless Communication	Mound House, NV	\$ —	\$ 100	\$ —	\$ 100	\$ 100	\$ —	\$ 100	\$ —	2012
Wireless Communication	Las Vegas, NV	—	536	—	536	536	—	536	—	2012
Wireless Communication	Tombstone, AZ	—	594	—	594	594	—	594	—	2012
Outdoor Advertising	Rosemont, IL	—	971	—	971	971	—	971	—	2013
Outdoor Advertising	Gary, IN	—	119	—	119	119	—	119	—	2013
Wireless Communication	Walnut Creek, CA	—	705	—	705	705	—	705	—	2013
Wireless Communication	Los Angeles, CA	—	331	—	331	331	—	331	—	2013
Outdoor Advertising	Largo, FL	—	168	—	168	168	—	168	—	2014
Outdoor Advertising	Grand Prairie, TX	—	301	—	301	301	—	301	—	2014
Outdoor Advertising	Terrell, TX	—	48	—	48	48	—	48	—	2014
Outdoor Advertising	Phoenix, AZ	—	321	—	321	321	—	321	—	2014
Outdoor Advertising	Houston, TX	—	258	—	258	258	—	258	—	2014
Outdoor Advertising	Saint Petersburg, FL	—	200	—	200	200	—	200	—	2014
Outdoor Advertising	Vadnais Heights, MN	—	390	—	390	390	—	390	—	2014
Outdoor Advertising	West Palm Beach, FL	—	94	—	94	94	—	94	—	2014
Outdoor Advertising	West Palm Beach, FL	—	107	—	107	107	—	107	—	2014
Wireless Communication	Orlando, FL	—	531	—	531	531	—	531	—	2014
Outdoor Advertising	Chattanooga, TN	—	73	—	73	73	—	73	—	2014
Outdoor Advertising	Monroe, MI	—	447	—	447	447	—	447	—	2014
Outdoor Advertising	Mary Esther, FL	—	22	—	22	22	—	22	—	2015
Renewable Power Generation	West Deptford, NJ	—	1,813	—	1,813	1,813	—	1,813	—	2015
Wireless Communication	Mary Esther, FL	—	262	—	262	262	—	262	—	2015
Wireless Communication	Milwaukee, WI	—	273	—	273	273	—	273	—	2015
Renewable Power Generation	West Chicago, IL	—	1,275	—	1,275	1,275	—	1,275	—	2015
Renewable Power Generation	Joliet, IL	—	1,275	—	1,275	1,275	—	1,275	—	2015
Outdoor Advertising	Phoenix, AZ	—	325	—	325	325	—	325	—	2015
Renewable Power Generation	Hubbardston, MA	—	1,229	—	1,229	1,229	—	1,229	—	2015
Outdoor Advertising	London, UK	—	3,566	—	3,566	3,566	—	3,566	—	2016
Renewable Power Generation	Valley Center, CA	—	880	—	880	880	—	880	—	2016
Outdoor Advertising	Homebush West, New South Wales	—	478	—	478	478	—	478	—	2016
Outdoor Advertising	Golden Square, Victoria	—	246	—	246	246	—	246	—	2016
Outdoor Advertising	Forbes, New South Wales	—	30	—	30	30	—	30	—	2016
Renewable Power Generation	Rosamond, CA	—	3,215	—	3,215	3,215	—	3,215	—	2016
Renewable Power Generation	Rosamond, CA	—	41,505	—	41,505	41,505	—	41,505	—	2016
Renewable Power Generation	Rosamond, CA	—	14,136	—	14,136	14,136	—	14,136	—	2016
Renewable Power Generation	Leemore, CA	—	11,267	—	11,267	11,267	—	11,267	—	2016
Renewable Power Generation	Jacksonville, FL	—	731	—	731	731	—	731	—	2016
Renewable Power Generation	Florence Township, NJ	—	2,200	—	2,200	2,200	—	2,200	—	2017
Wireless Communication	Appleton, WI	—	594	—	594	594	—	594	—	2017
Outdoor Advertising	Glasgow, UK	—	3,769	—	3,769	3,769	—	3,769	—	2017
Outdoor Advertising	Salford, UK	—	263	—	263	263	—	263	—	2017
Wireless Communication	Encounter Bay, South Australia	—	255	—	255	255	—	255	—	2017

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Outdoor Advertising	Leeds, UK	—	500	—	500	500	—	500	—	2017
Outdoor Advertising	Leeds, UK	—	2,477	—	2,477	2,477	—	2,477	—	2017
Outdoor Advertising	London, UK	—	3,205	—	3,205	3,205	—	3,205	—	2017
Renewable Power										
Generation	Pemberton, NJ	—	1,092	—	1,092	1,092	—	1,092	—	2017
Outdoor Advertising	Liverpool, UK	—	648	—	648	648	—	648	—	2017
Outdoor Advertising	Barnet, UK	—	480	—	480	480	—	480	—	2017
Outdoor Advertising	Bristol, UK	—	5,556	—	5,556	5,556	—	5,556	—	2017
Wireless Communication	Austin, TX	—	745	3,701	4,446	745	3,701	4,446	(97)	2017
Wireless Communication	Charlotte, NC	—	106	393	499	106	393	499	(10)	2017
Wireless Communication	Mars Hill, NC	—	117	—	117	117	—	117	—	2017
Renewable Power										
Generation	Ringoes, NJ	—	2,113	—	2,113	2,113	—	2,113	—	2017
Renewable Power										
Generation	Tehachapi, CA	—	—	1,060	1,060	—	1,060	1,060	(36)	2017
Outdoor Advertising	Orlando, FL	—	180	—	180	180	—	180	—	2018
Outdoor Advertising	Boston, MA	—	480	—	480	480	—	480	—	2018
Outdoor Advertising	Dallas, TX	—	455	—	455	455	—	455	—	2018
Outdoor Advertising	Lithonia, GA	—	184	—	184	184	—	184	—	2018
Outdoor Advertising	Tampa, FL	—	248	—	248	248	—	248	—	2018
Outdoor Advertising	Manchester, UK	—	170	—	170	170	—	170	—	2018
Outdoor Advertising	Wallangarra, Queensland	—	24	—	24	24	—	24	—	2018
Outdoor Advertising	Capalaba, Queensland	—	473	—	473	473	—	473	—	2018
Outdoor Advertising	Liverpool, UK	—	117	—	117	117	—	117	—	2018
Outdoor Advertising	Edinburgh, UK	—	113	—	113	113	—	113	—	2018
Outdoor Advertising	Cardiff, UK	—	3,141	—	3,141	3,141	—	3,141	—	2018
Outdoor Advertising	Manchester, UK	—	68	—	68	68	—	68	—	2018
Outdoor Advertising	Barrow-in-Furness, UK	—	84	—	84	84	—	84	—	2018
Outdoor Advertising	Milsons Point, New South Wales	—	3,523	—	3,523	3,523	—	3,523	—	2018
Outdoor Advertising	Stockton-On-Tees, UK	—	46	—	46	46	—	46	—	2018
Outdoor Advertising	Brighton, MI	—	64	—	64	64	—	64	—	2018
Wireless Communication	Omaha, NE	—	2,661	11,895	14,556	2,661	11,895	14,556	(236)	2018
Wireless Communication	Hartland, WI	—	1,250	18,110	19,360	1,250	18,110	19,360	(244)	2018
Wireless Communication	Wiley Park, New South Wales	—	337	—	337	337	—	337	—	2018
Outdoor Advertising	Birkenhead, England	—	16	—	16	16	—	16	—	2018
Outdoor Advertising	Birmingham, England	—	17	—	17	17	—	17	—	2018
Outdoor Advertising	Glasgow, UK	—	34	—	34	34	—	34	—	2018
Outdoor Advertising	Barrhead, England	—	19	—	19	19	—	19	—	2018
Outdoor Advertising	Manchester, UK	—	45	—	45	45	—	45	—	2018
Outdoor Advertising	Stretford, England	—	26	—	26	26	—	26	—	2018
Outdoor Advertising	Barnsley, England	—	106	—	106	106	—	106	—	2018
Wireless Communication	Franklin, MA	—	1,478	—	1,478	1,478	—	1,478	—	2018
Outdoor Advertising	London, UK	—	1	—	1	1	—	1	—	2018
	Total	\$	—	\$ 128,302	\$ 35,159	\$ 163,461	\$ 128,302	\$ 35,159	\$ 163,461	\$ (623)

(1) The aggregate cost of real estate for federal income tax purposes is \$221.5 million (unaudited).

(2) The Partnership computes depreciation using the straight-line method over 40 years for building and improvements.

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A summary of activity for real estate and accumulated depreciation follows (in thousands):

	Year Ended December 31,		
	2018	2017	2016
<i>Real estate:</i>			
Balances at beginning of year	\$ 119,539	\$ 88,845	\$ 12,887
Acquisitions of real estate	52,290	30,305	75,958
Sales and transfers to assets held for sale	(7,044)	—	—
Other (1)	(1,324)	389	—
Balances at end of year	<u>\$ 163,461</u>	<u>\$ 119,539</u>	<u>\$ 88,845</u>
<i>Accumulated depreciation:</i>			
Balances at beginning of year	\$ 13	\$ —	\$ —
Depreciation expense	681	13	—
Sales and transfers to assets held for sale	(71)	—	—
Balances at end of year	<u>\$ 623</u>	<u>\$ 13</u>	<u>\$ —</u>

(1) Represents impact of foreign exchange translation.

LANDMARK INFRASTRUCTURE PARTNERS LP

List of Subsidiaries

Name

Beam Sign Pty Ltd
Big Bertha Pty Ltd
BF – LMRK JV LLC
Great West Road Partners LP
GWR PP Holdings Limited
GWR Holdings GmbH & Co. KG
GWR Management GmbH
GWR Partners GP LLC
GWR Partners LP LLC
GWR Property Co Ltd.
Landmark Acquisitions ULC
Landmark Canada Holding Company Ltd.
Landmark Infrastructure Asset OpCo II LLC
Landmark Infrastructure Asset OpCo LLC
Landmark Infrastructure Finance Corp.
Landmark Infrastructure Inc.
Landmark Infrastructure OpCo-R LLC
Landmark Infrastructure Operating Company LLC
Landmark Infrastructure REIT LLC
Landmark Infrastructure REITCO I LLC
Landmark Infrastructure REITCO II LLC
Landmark Infrastructure REITCO III LLC
Landmark PR Acquisition Company LLC
LD Acquisition Company LLC
LD Acquisition Company 2 LLC
LD Acquisition Company 5 LLC
LD Acquisition Company 6 LLC
LD Acquisition Company 7 LLC
LD Acquisition Company 8 LLC
LD Acquisition Company 9 LLC
LD Acquisition Company 10 LLC
LD Acquisition Company 11 LLC
LD Acquisition Company 12 LLC
LD FlexGrid Dallas LLC
LD Sixth Street LLC
LD Tall Wall I LLC
LD Tall Wall II LLC
LD Tall Wall III LLC
LDC Asset OpCo PTY Limited
LDC OpCo Acquisition Company PTY Limited
LDC OpCo Holding Company PTY Limited
LDW (1053 GWR) Limited
LDW Holdco 1 Limited
LMRK Guarantor Co III LLC
LMRK Guarantor Co SO LLC
LMRK Guarantor Co. 2 LLC
LMRK Guarantor Co. LLC
LMRK Issuer Co III LLC
LMRK Issuer Co. 2 LLC
LMRK Issuer Co. LLC
LMRK PropCo LLC
LMRK Propco 3 LLC
LMRK PropCo SO LLC
McCrary Holdings I, LLC
MD 7 Capital Three, LLC
MD 7 Funding One, LLC
Poster Property Limited
RE Astoria LandCo LLC
RE Garland A LandCo LLC
RE Garland LandCo LLC
RE Mustang LandCo LLC
RE SO LandCo LLC
Verus Management Two, LLC

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements:

- (1) Registration Statement (Form S-3 No. 333-216190) of Landmark Infrastructure Partners LP;
- (2) Registration Statement (Form S-4 No. 333-209533) of Landmark Infrastructure Partners LP; and
- (3) Registration Statement (Form S-8 No. 333-201065) pertaining to the 2014 Long-Term Incentive Plan of Landmark Infrastructure Partners LP;

of our report dated February 20, 2019, with respect to the consolidated and combined financial statements and schedule of Landmark Infrastructure Partners LP included in this Annual Report (Form 10-K) of Landmark Infrastructure Partners LP for the year ended December 31, 2018.

/s/ Ernst & Young LLP

Los Angeles, California
February 20, 2019

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

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

1. I have reviewed this annual report on Form 10-K 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: February 20, 2019

/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 annual report on Form 10-K 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: February 20, 2019

/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 Annual Report of Landmark Infrastructure Partners LP (the Company) on Form 10-K for the year ended December 31, 2018, 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)
February 20, 2019

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 Annual Report of Landmark Infrastructure Partners LP (the Company) on Form 10-K for the year ended December 31, 2018, 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)
February 20, 2019

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.