GRIFFIN
INDUSTRIAL REALTY

2019 ANNUAL REPORT

<u>Front and Back Covers</u>

Shown here are the two industrial/warehouse buildings in Concord, North Carolina (located in the greater Charlotte area), that were completed and placed in service in the fourth quarter of 2019. The bottom building, 160 International Drive, is approximately 147,000 square feet and was 71% leased as of March 31, 2020. The top building, 180 International Drive, is approximately 136,000 square feet and was not yet leased as of March 31, 2020. These buildings are Griffin's second and third industrial/warehouse buildings in the Charlotte market.

GRIFFIN INDUSTRIAL REALTY, INC.
641 Lexington Avenue
26th Floor
New York, NY 10022

March 31, 2020

To Our Stockholders:

We write this letter in the midst of great uncertainty with COVID-19 spreading and impacting the health of the world's population and crippling the economy. It is too early to understand fully the effects this situation will have on social behaviors, business norms and corporate financial performance in the future, but in the near term there is severe pressure on many industries and workers, particularly those related to the service industry. We have a fairly diversified tenant base and a portfolio of properties that we believe are critical for our customers' missions, supply-chains and production but our tenants will not be immune from the macroeconomic impacts of the current crisis. We expect that the near-term absorption of vacant space will slow, certain tenants may defer rent or default on their leases, construction activities, including tenant improvement projects, may be delayed and potential property sales may be postponed or cancelled. We continue to run our business for the long-term but are cognizant of the current environment and plan to manage our business conservatively to help ensure we remain in a strong position. While we believe that, over time, the industrial/warehouse sector will continue to benefit from the growth in e-commerce, optimization of supply chains and, as this crisis has shown, the likely need for buffer inventories and redundancies, we expect the industry to face some near-term challenges.

It is difficult to write a typical annual letter to Stockholders with the above-mentioned backdrop, but we wanted to provide the history and context leading up to the series of actions we announced in March of this year, as well as review the past twelve months.

History and Geographic Expansion

We have spent the past several years expanding our geographic footprint, establishing both our acquisition and development capabilities in several markets, recycling our capital, notably from land sales, into income generating properties, growing and stabilizing our industrial/warehouse portfolio and selling off non-core assets.

Hartford, CT. When Griffin became an independent company in 1997, we had approximately 386,000 square feet of commercial and industrial space in the greater Hartford market, several thousand acres of land, an operating landscape nursery growing and wholesale business and other non-real estate related assets. Frederick "Mike" Danziger, who led our company for its first 20 years, embarked on an effort to simplify our business over time by selling off the various non-core businesses and assets and growing our real estate assets by concentrating on the development of industrial/warehouse properties, typically built on speculation. His efforts created the platform that enabled our subsequent growth and geographic expansion.

Lehigh Valley, PA. In the aftermath of the 2008 financial crisis, we purchased an industrial/warehouse building and land for development in the Lehigh Valley of Pennsylvania, our first market outside of Hartford, in 2010. We developed our initial industrial/warehouse building in that market in 2012 and this past fall acquired a land site to support what we expect to become our seventh industrial/warehouse building in the Lehigh Valley market, which, when completed, would bring our total square footage there to over 1.4 million square feet. Our efforts in the Lehigh Valley established our ability to purchase both existing buildings as well as identify, entitle, build and lease industrial/warehouse properties outside of Connecticut.

Charlotte, NC. We followed our success in the Lehigh Valley with our entry into the greater Charlotte, North Carolina market in 2017. We initially purchased a 277,000 square foot industrial/warehouse building and soon after entered into an agreement to acquire a 22 acre land site across the street. We subsequently entitled this land, and in the fall of 2019, delivered our first two buildings, totaling 283,000 square feet, in the greater Charlotte market ("160 and 180 International"). Additionally, in fiscal 2019, we closed on the acquisition of 44 acres of land in Charlotte, providing a potential development pipeline for an additional 520,000 square feet spread across three industrial/warehouse buildings.

Orlando, FL. Most recently, we entered our fourth geographic market and acquired three industrial/warehouse buildings totaling 276,000 square feet in the Orlando, Florida market. Two of the buildings are under full-building leases to tenants with a long history of occupancy in the respective properties, and for the third building, we are preparing its approximately 50,000 square foot vacant space for marketing to lease. We believe that Orlando's location, strong economy, population growth and transportation infrastructure creates an attractive long-term market for local and regional distribution.

Since the start of fiscal 2015, Griffin's property portfolio has grown 68%, or 1.9 million square feet as of March 2020, and net operating income from leasing ("Leasing NOI")[1] has grown 90%, or $11.5 million as of the end of fiscal 2019. Importantly, we have accomplished the growth in our portfolio to its current size of 4,638,000 square feet (including 4,205,000 square feet of industrial/warehouse space) through the use of internally generated capital, including significant sales of undeveloped land, as well as non-recourse mortgage loans.

Year in Review

In fiscal 2019 we continued the growth of our business with Griffin's property portfolio increasing 9.4% in square feet. Subsequent to the end of fiscal 2019, we purchased an additional 176,000 square feet in the Orlando market. As of the date of this letter, our Connecticut and Lehigh Valley industrial/warehouse portfolios are 100% leased, although we expect a 201,000 square foot tenant in the Lehigh Valley to vacate in the third quarter of this fiscal year. Overall, our industrial/warehouse portfolio is 95% leased (99% when excluding 160 and 180 International). Our office/flex portfolio currently stands at 72% leased, which includes the two multi-story office buildings ("5 & 7 Waterside") in the greater Hartford area that we previously announced we intend to sell.

Leasing NOI increased approximately 4.2% in fiscal 2019 when compared to fiscal 2018. The slower growth compared to recent years was principally due to the already high occupancy in our existing portfolio, the delivery towards the end of fiscal 2019 of 160 and 180 International, and the lease-up subsequent to the end of fiscal 2019 of 6975 Ambassador Drive, our most recent delivery in the Lehigh Valley. We expect fiscal 2020 Leasing NOI to benefit from the recent leasing we have accomplished in these properties and in our Connecticut portfolio, as well as from our acquisitions in Orlando. At the same time, we note that fiscal 2020 results may be impacted negatively from the current crisis precipitated by COVID-19, including delays in completing tenant improvements and construction, and from potential vacancies, including the one noted above in the Lehigh Valley.

We continue to monetize our land holdings and reinvest those proceeds into our real estate business. In fiscal 2019, Griffin realized net proceeds of $9.5 million from land sales and, subsequent to the end of fiscal 2019, entered into three separate agreements to sell over 580 acres of land for total proceeds of approximately $15 million. Included among these potential sales is an option agreement with

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[1] Leasing NOI, which Griffin defines as rental revenue ($34.2 million in fiscal 2019 and $32.8 million in fiscal 2018) less operating expenses of rental properties ($10.0 million in fiscal 2019 and $9.5 million in fiscal 2018), is not a financial measure in conformity with U.S. generally accepted accounting principles ("U. S. GAAP"). It is presented because Griffin believes it is a useful financial indicator for measuring results of its real estate leasing activities. However, it should not be considered as an alternative to operating income as a measure of operating results in accordance with U.S. GAAP.

a national land conservation organization to sell Meadowood for net proceeds of $5.4 million. While Meadowood is a fully-entitled, 277 acre residential subdivision, we determined that the proposed transaction would provide greater certainty of closing in a shorter period of time and provide other benefits than if we continued to pursue a sale to potential residential developers. There is no guarantee that the foregoing transactions will be completed under their current terms, or at all.

In fiscal 2019, Griffin invested $39.5 million into its real estate assets, the major portions of which were $15.4 million in new building construction (principally 160 and 180 International), $10.1 million for our first purchase in the Orlando, Florida market, $7.9 million for the purchase of undeveloped land in Charlotte and the Lehigh Valley and $5 million for tenant and building improvements. In addition to using cash on hand (including the cash received from asset sales), we funded these investments with new borrowings of $7.1 million, including $5.9 million from our acquisition line of credit (which was subsequently refinanced with a permanent mortgage). As of February 29, 2020, Griffin's weighted average interest rate on its debt outstanding was 4.21% and only $4.1 million (out of a total of $161.7 million) of the Company's debt (excluding borrowings under our revolving lines of credit) is due before the end of fiscal 2024.

Moving Forward

We believe our efforts to increase the size of our portfolio and expand into other markets over the past several years have positioned us well for our next growth stage. As a proven owner, developer and acquirer of well-located industrial and logistics assets in select, high-quality markets, we have an established platform to support future growth. We have a strong record of creating value through development, acquiring both stabilized and value-add assets and reinvesting proceeds from the sale of non-core assets into increasing the size of our industrial/warehouse portfolio. Earlier this month, we announced a series of steps which we believe, upon a stabilization of the current environment, will help us accelerate the growth of our industrial/warehouse portfolio and increase stockholder value, including increasing our ability to access external capital sources and having our new Chairman and Director helping guide us on strategy and execution.

REIT. As previously announced, we intend to pursue conversion to a real estate investment trust ("REIT") for federal income tax purposes. If successful in the conversion process, we expect to elect REIT status commencing January 1, 2021. This decision was based on the Board's and management's consideration of ways to maximize stockholder value and generate growth opportunities, and the recognition that many real estate companies operate under this structure. We believe a REIT conversion may enhance our ability to access capital, lower our overall cost of capital and expand our investor base over time. Additionally, it may allow us to compete better for industrial assets, especially portfolios consisting of multiple buildings rather than the single building acquisitions we have completed historically. While we do not expect a material change in our dividend rate in the near term, we intend to meet the REIT requirements by distributing not less than 90% of our annual REIT taxable income to our stockholders, which will largely eliminate our corporate level income tax. As part of the conversion process, we expect to distribute our accumulated earnings and profits of approximately $14 million to $19 million to stockholders (the "E&P Distribution"), to be paid out in a combination of at least 20% in cash and up to 80% in Griffin common stock. We intend to distribute substantially all of the E&P Distribution in the fourth quarter of calendar year 2020.

Sale of Multi-Story Office Portfolio. With our primary focus on our industrial/warehouse properties, we previously announced our intention to sell 5 & 7 Waterside, which together total 161,000 square feet. The office market in the Hartford area, particularly the north submarket where our office/flex properties are located, remains challenging and these properties require a disproportionate amount of capital to maintain as compared to our industrial/warehouse portfolio. However, as a result of the current market conditions related to the turmoil caused by the COVID-19 pandemic, we suspended the marketing efforts for the sale of 5 & 7 Waterside. We intend to resume the process when we believe the market has stabilized. Upon completing a sale of 5 & 7 Waterside, Griffin's remaining office/flex portfolio would consist of ten single-story properties totaling approximately 272,000 square feet, equating to approximately 6% of our total property portfolio, and comprise approximately the same percentage of our Leasing NOI. We expect this percentage to continue to decline as we grow our industrial/warehouse business and opportunistically may seek to sell Griffin's other office/flex properties over time. There can be no assurances that Griffin will be able to sell 5 & 7 Waterside, or any other office/flex properties, on favorable terms, or at all.

New Chairman and Additional Director. Gordon F. DuGan joined us as Chairman of the Board and Molly North joined us as a director in early March of this year. Already, both have provided valuable insights and guidance as we develop and pursue our strategies for increasing stockholder value.

Gordon has over 25 years of experience in the real estate industry and served as the Chief Executive Officer of Gramercy Property Trust, an industrial-focused REIT, from 2012 to until its sale to Blackstone Real Estate Partners VII in October 2018 for an enterprise value of $7.6 billion. Prior to Gramercy, Gordon was the Chief Executive Officer of W.P. Carey Inc., one of the largest net-leased REITs in the U.S. Gordon brings to us a wealth of experience within the industrial real estate sector and in the capital markets, as well as a deep knowledge of building and growing a high-performing, publicly-traded company. Gordon is taking an expanded role within Griffin, and in addition to serving as Chairman, he will utilize his background and experience in helping us develop and execute our growth strategy including identifying markets, acquisitions and other transactions, recruitment of key personnel and potential capital raising efforts.

Molly has over 20 years of business and real estate experience, with the last 13 years at Al. Neyer, a commercial real estate development and design-build construction firm, where she has served as President & Chief Executive Officer since 2015. Molly is a well-recognized and talented business leader who brings experience growing an organization in targeted geographic markets and deep knowledge of locating, financing and developing real estate development opportunities. Under her leadership, Al. Neyer has constructed over eight million square feet of properties, including more than six million square feet of industrial real estate.

Closing

We remain optimistic about our long-term prospects and future opportunities but recognize the potential challenges ahead. There is great uncertainty related to the COVID-19 pandemic and the governmental response, and as we move forward, the upcoming Presidential election in November. We remain in a solid financial position and are proactively evaluating our spending and contingency plans and will continue to be disciplined in our approach to investments.

Our employees continue to be critical to our success and we greatly appreciate their efforts, especially during this current health crisis. Before closing, we note that this is the first stockholder's letter in Griffin's history without Mike Danziger's signature. Mike stepped down as Chairman of Griffin in March but remains a Director. We continue to benefit from Mike's wisdom, knowledge and experience, and we owe him a deep gratitude for establishing the platform to enable Griffin's past and future success.

We are excited by our progress in fiscal 2019 and while the near-term macroeconomic outlook is uncertain, we look forward to the continued growth of our real estate business.

Gordon F. DuGan	Michael S. Gamzon
Chairman of the Board	*President and Chief Executive Officer*

The information in this Letter to Stockholders includes "forward-looking" statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. The words "believes," "anticipates," "plans," "expects," "intend," "may," "potential" and similar expressions are intended to identify forward-looking statements. These forward-looking statements include, but are not limited to; statements about the impact of the COVID-19 pandemic, including, without limitation, potential impacts on our tenants' operations, tenant defaults on rental payments, construction activities, including tenant improvements, future leasing and property sales; the benefit to the industrial/warehouse real estate sector from e-commerce and optimization of supply chains; development and construction of industrial/warehouse buildings in the Lehigh Valley of Pennsylvania and Charlotte, North Carolina; market conditions in the Orlando, Florida region; the benefit of leasing activities in fiscal 2020; closings of current sale agreements; sales pursuant to the Meadowood option agreement; Griffin's increase in stockholder value and its ability to access capital from external sources; conversion to a REIT and the timing of such conversion; the impact of converting to a REIT on Griffin's ability to access capital, lower overall cost of capital and expand its investor base and industrial/warehouse property portfolio; the amount of the expected E&P Distribution and the percentage of the E&P Distribution expected to be paid in cash versus common stock; the pace of growth of our industrial/warehouse portfolio; the sale of 5 and 7 Waterside; plans regarding the remainder of Griffin's office/flex portfolio; conditions in the real estate industry; Griffin's financial position; anticipated future financial position, growth, and liquidity and other statements that are not historical facts. Although Griffin believes that its plans, intentions and expectations reflected in such forward-looking statements are reasonable, it can give no assurance that such plans, intentions or expectations will be achieved. The projected information disclosed herein is based on assumptions and estimates that, while considered reasonable by Griffin as of the date hereof, are inherently subject to significant business, economic, competitive and regulatory uncertainties and contingencies, many of which are beyond the control of Griffin and which could cause actual results to differ materially from those expressed or implied in the forward-looking statements. Important factors that could affect the outcome of the events set forth in these statements are described in Griffin's Securities and Exchange Commission filings, including the "Business," "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Forward-Looking Statements" sections in Griffin's Annual Report on Form 10-K for the fiscal year ended November 30, 2019. Griffin disclaims any obligation to update any forward-looking statements as a result of developments occurring after the date of this letter except as required by law.

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

FORM 10-K

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

For the fiscal year ended November 30, 2019

OR

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

Commission file number 1-12879

GRIFFIN INDUSTRIAL REALTY, INC.
(Exact name of registrant as specified in its charter)

Delaware (State or Other Jurisdiction of Incorporation or Organization)	**06-0868496** (I.R.S. Employer Identification No.)
641 Lexington Avenue **New York, New York** (Address of principal executive offices)	**10022** (Zip Code)

Registrant's telephone number, including area code (212) 218-7910

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock $0.01 par value per share	GRIF	The Nasdaq Stock Market LLC

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 by Rule 405 of the Securities Act. Yes ☐ No ☒

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

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

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

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

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

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

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

The aggregate market value of the common stock held by non-affiliates of the registrant was approximately $102,655,000 based on the closing sales price on The Nasdaq Stock Market LLC on May 31, 2019, the last business day of the registrant's most recently completed second quarter. Shares of common stock held by each executive officer, director and persons or entities known to the registrant to be affiliates of the foregoing have been excluded in that such persons may be deemed to be affiliates. This assumption regarding affiliate status is not necessarily a conclusive determination for other purposes.

As of January 31, 2020, 5,075,120 shares of common stock were outstanding.

FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K (the "Annual Report") contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). For this purpose, any statements contained in this Annual Report that relate to future events or conditions, including without limitation, the statements in Part I, Item 1. "Business" and Item 1A. "Risk Factors" and in Part II, Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations" as well as located elsewhere in this Annual Report regarding industry prospects or Griffin Industrial Realty, Inc.'s ("Griffin") plans, expectations, or prospective results of operations or financial position, may be deemed to be forward-looking statements. Without limiting the foregoing, the words "believes," "anticipates," "plans," "expects," and similar expressions are intended to identify forward-looking statements. Such forward-looking statements represent management's current expectations and are inherently uncertain. There are a number of important factors that could materially impact the value of Griffin's common stock or cause actual results to differ materially from those indicated by such forward-looking statements. Such factors include: adverse economic conditions and credit markets; a downturn in the commercial and residential real estate markets; risks associated with a concentration of real estate holdings; risks associated with the acquisition or development of properties, current portfolio weaknesses and entering new real estate markets; risks associated with competition with other parties for acquisition of properties; risks associated with the use of third-party managers for day-to-day property management; risks relating to reliance on lease revenues; risks associated with nonrecourse mortgage loans; risks of financing arrangements that include balloon payment obligations; risks associated with restrictive credit facility terms and covenants; reliance on key personnel; risks associated with failure to effectively hedge against interest rate changes; risks related to the discontinuance of LIBOR; risks associated with volatility in the capital markets; risks associated with increased operating expenses; potential environmental liabilities; governmental laws and regulations; inadequate insurance coverage; risks of environmental factors; risks associated with the cost of raw materials, labor or energy costs; illiquidity of real estate investments; risks associated with deficiencies in disclosure controls and procedures or internal control over financial reporting; risks associated with information technology security breaches; litigation risks; risks related to issuance or sales of common stock; risks related to volatility of common stock; risks of future offerings that are senior to common stock, or preferred stock issuances; and the concentrated ownership of Griffin common stock by members of the Cullman and Ernst families. These and the important factors discussed under the caption "Risk Factors" in Part I, Item 1A of this Annual Report for the fiscal year ended November 30, 2019, among others, could cause actual results to differ materially from those indicated by forward-looking statements made in this Annual Report and presented elsewhere by management from time to time. Any such forward-looking statements represent management's estimates as of the date of this Annual Report. While Griffin may elect to update such forward-looking statements at some point in the future, Griffin disclaims any obligation to do so, even if subsequent events cause Griffin's views to change. These forward-looking statements should not be relied upon as representing Griffin's views as of any date subsequent to the date of this Annual Report.

GRIFFIN INDUSTRIAL REALTY, INC.

FORM 10-K

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PART I

ITEM 1. BUSINESS.

Griffin Industrial Realty, Inc. ("Griffin") is a real estate business principally engaged in developing, acquiring, managing and leasing industrial/warehouse properties. Griffin seeks to add to its industrial/warehouse property portfolio through the acquisition and development of land or the purchase of buildings in select markets targeted by Griffin. Griffin also owns several office/flex properties and undeveloped land. Periodically, Griffin may sell certain of its real estate assets that it has owned for an extended time period and the use of which is not consistent with Griffin's core focus on industrial/warehouse properties.

Griffin's industrial/warehouse buildings are located in the north submarket of Hartford, Connecticut, the Lehigh Valley of Pennsylvania, and the greater Charlotte, North Carolina area, and in fiscal 2019, Griffin expanded into central Florida by acquiring 7466 Chancellor Drive ("7466 Chancellor"), an approximately 100,000 square foot fully leased industrial/warehouse building in Orlando, Florida. Griffin expects to continue to seek to acquire and develop properties that are consistent with its core industrial/warehouse focused strategy. Griffin targets properties that are in close proximity to transportation infrastructure (highways, airports, railways and seaports) and can accommodate single and multiple tenants in flexible layouts. Griffin expects that most of such potential acquisitions of either undeveloped land or land and buildings will likely be located outside of the Hartford area in select markets targeted by Griffin.

As of November 30, 2019, Griffin owned forty buildings comprising approximately 4,462,000 square feet that were 90% leased. Approximately 90% of Griffin's square footage is industrial/warehouse space, with the balance being office/flex space. As of November 30, 2019, approximately 93% of Griffin's industrial/warehouse space was leased and approximately 70% of Griffin's office/flex space was leased. As stated in "Item 2. Properties" below, Griffin generally uses nonrecourse mortgage loans and occasionally uses construction loans to finance some of its real estate development activities, and as of November 30, 2019, approximately $144.5 million was outstanding under all such loans. In fiscal 2019, operating income from leasing ("Leasing NOI")[1], which Griffin defines as rental revenue less operating expenses of rental properties, was approximately $24.2 million, while debt service (interest and scheduled principal payments) on nonrecourse mortgage loans and a construction loan was approximately $10.3 million.

In fiscal 2019, the net effect of leasing transactions was an increase of approximately 269,000 square feet of industrial/warehouse space under lease as of November 30, 2019, as compared to November 30, 2018, and a decrease of approximately 10,000 square feet of office/flex space under lease as of November 30, 2019, as compared to November 30, 2018. In fiscal 2019, in addition to the acquisition of 7466 Chancellor, Griffin completed and placed in service two industrial/warehouse buildings ("160 International" and "180 International") aggregating approximately 283,000 square feet on a land parcel in Concord, North Carolina (the "Concord Land") in the greater Charlotte area, that was purchased in fiscal 2018. In the fourth quarter of fiscal 2019, Griffin entered into two leases aggregating approximately 105,000 square feet in 160 International. In fiscal 2019, Griffin also leased approximately 64,000 square feet of previously vacant space in 6975 Ambassador Drive ("6975 Ambassador"), an approximately 134,000 square foot industrial/warehouse building in the Lehigh Valley of Pennsylvania that was built on speculation in fiscal 2018. Additionally, in Connecticut, Griffin leased approximately 30,000 square feet (mostly industrial/warehouse space) of previously vacant space in connection with the expansion and extension of two leases. A lease of approximately 23,000 square feet of industrial/warehouse space in New England Tradeport ("NE Tradeport"), Griffin's industrial park in Windsor and East Granby, Connecticut, expired in fiscal 2019 and was not renewed. A reduction of approximately 17,000 square feet of office/flex space leased resulted from several lease extensions and relocations whereby the tenants reduced their space leased. Such relocations included a tenant in Griffin's two multi-story office buildings in Griffin Center in Windsor, Connecticut that downsized from approximately 34,000 square feet under leases that were set to expire on July 31, 2019, to approximately 25,000 square feet under a new six-year lease. In fiscal 2019, Griffin extended leases aggregating approximately 141,000 square feet, that included two leases for industrial/warehouse

[1] Leasing NOI is not a financial measure in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP"). It is presented because Griffin believes it is a useful financial indicator for measuring results of its real estate leasing activities. However, it should not be considered as an alternative to operating income as a measure of operating results in accordance with U.S. GAAP. In prior years, Griffin referred to this metric as "profit from leasing activities." In fiscal 2019, Griffin changed from profit from leasing activities to Leasing NOI to be more in line with terminology used by other real estate companies.

space in NE Tradeport aggregating approximately 80,000 square feet and several leases for office/flex space aggregating approximately 61,000 square feet.

The net effect of Griffin's leasing transactions in fiscal 2018 was an increase of approximately 256,000 square feet of industrial/warehouse space under lease as of November 30, 2018, as compared to November 30, 2017, and an increase of approximately 4,000 square feet of office/flex space under lease as of November 30, 2018, as compared to November 30, 2017. In fiscal 2018, Griffin completed and placed in service two industrial/warehouse buildings, one of which was an approximately 234,000 square foot build-to-suit building ("220 Tradeport") in NE Tradeport. As a build-to-suit building, Griffin entered into a twelve and a half-year lease for 220 Tradeport prior to the start of construction. The other building completed in fiscal 2018 was 6975 Ambassador. In fiscal 2018, Griffin also leased approximately 70,000 square feet of previously vacant NE Tradeport industrial/warehouse space, including the remaining 63,000 square feet in 330 Stone Road ("330 Stone"), an approximately 137,000 square foot industrial/warehouse building in NE Tradeport that was placed in service and partially leased just prior to the end of fiscal 2017. Griffin also extended leases aggregating approximately 408,000 square feet in fiscal 2018, including a full building lease of 4275 Fritch Drive, an approximately 228,000 square foot industrial/warehouse building in the Lehigh Valley. Also in fiscal 2018, Griffin completed a lease of approximately 11,000 square feet of previously vacant office/flex space. Leases for approximately 55,000 square feet (mostly industrial/warehouse space) expired in fiscal 2018 and were not re-leased.

The net effect of Griffin's construction, acquisition and leasing transactions in fiscal 2017 was an increase of approximately 461,000 square feet of industrial/warehouse space under lease as of November 30, 2017, as compared to November 30, 2016, and a decrease of approximately 11,000 square feet of office/flex space under lease as of November 30, 2017, as compared to November 30, 2016. In fiscal 2017, Griffin entered the Charlotte, North Carolina market with the purchase of 215 International Drive ("215 International"), an approximately 277,000 square foot industrial/warehouse building in Concord, North Carolina. Subsequent to completing the purchase, Griffin leased the approximately 73,000 square feet in that building that was vacant at the time of the acquisition. Also in fiscal 2017, Griffin completed construction, on speculation, of 330 Stone and leased approximately 74,000 square feet of that building to a tenant that relocated from approximately 39,000 square feet in another of Griffin's NE Tradeport industrial/warehouse buildings. The balance of 330 Stone was leased in fiscal 2018. Griffin was able to backfill the approximately 39,000 square feet that was vacated with a new tenant that took occupancy in the first quarter of fiscal 2018. In fiscal 2017, Griffin also leased approximately 104,000 square feet of previously vacant NE Tradeport industrial/warehouse space, including a ten and a half-year lease for approximately 89,000 square feet. Griffin extended leases aggregating approximately 387,000 square feet in fiscal 2017, including a full building lease of 100 International Drive ("100 International"), an approximately 304,000 square foot industrial/warehouse building in NE Tradeport. That lease extension, done in connection with refinancing the mortgage loan on 100 International, resulted in an additional six years of lease term beyond the original lease expiration date of July 31, 2019. In fiscal 2017, Griffin completed a full building lease of approximately 23,000 square feet of office/flex space, replacing the tenant that did not renew its lease of that building.

There is no guarantee that an active or strong real estate market or an increase in inquiries from prospective tenants will result in leasing space that was vacant as of November 30, 2019. Additional capacity or an increase in vacancies in either the industrial/warehouse or office markets could adversely affect Griffin's operating results by potentially resulting in longer times to lease vacant space, eroding lease rates in Griffin's properties or hindering renewals by existing tenants. There can be no assurances as to the directions of the Hartford, Lehigh Valley, Charlotte or Orlando real estate markets in the near future.

In fiscal 2019, Griffin completed several land sales, the largest being the sale of approximately 280 acres of undeveloped land in Simsbury, Connecticut (the "Simsbury Land Sale") for approximately $7.7 million. The proceeds from the Simsbury Land Sale were placed in escrow at closing to be used as part of a like-kind exchange (a "1031 Like-Kind Exchange") under Section 1031 of the Internal Revenue Code of 1986, as amended, that enabled Griffin to defer the gain on the Simsbury Land Sale for income tax purposes. Subsequently, the sale proceeds were used to acquire two undeveloped parcels of land in Charlotte, North Carolina totaling approximately 44 acres (the "Charlotte Land") and an approximately 14 acre parcel of undeveloped land in the Lehigh Valley (the "Lehigh Valley Land"). Griffin plans to construct three industrial/warehouse buildings aggregating approximately 520,000 square feet on the Charlotte Land and an approximately 100,000 square foot industrial/warehouse building on the Lehigh Valley Land.

In fiscal 2019, Griffin also completed the sales of approximately 116 acres of undeveloped land in East Windsor, Connecticut (the "East Windsor Land") and the East Windsor Land's development rights in two separate transactions totaling approximately $1.6 million. Griffin also received approximately $0.5 million from several smaller land sales.

In fiscal 2018, Griffin completed a land sale of approximately 49 acres of undeveloped land in Southwick, Massachusetts (the “2018 Southwick Land Sale”) for approximately $0.9 million. The proceeds from the 2018 Southwick Land Sale were placed in escrow at closing and subsequently used in the acquisition of an approximately 22 acre parcel of undeveloped land in Concord, North Carolina (the ‘Concord Land”) as part of a 1031 Like-Kind Exchange that enabled Griffin to defer the gain on the 2018 Southwick Land Sale for income tax purposes. Construction of 160 International and 180 International commenced in fiscal 2018 and both buildings were completed in fiscal 2019. Additionally, Griffin also completed one smaller land sale in fiscal 2018 for approximately $0.1 million.

In fiscal 2017, Griffin completed several land sales, the largest being the sale of approximately 67 acres of undeveloped land in Phoenix Crossing (the “2017 Phoenix Crossing Land Sale”) for approximately $10.3 million. The land sold under the 2017 Phoenix Crossing Land Sale is part of an approximately 268 acre parcel of land in Bloomfield and Windsor, Connecticut known as Phoenix Crossing. The proceeds from the 2017 Phoenix Crossing Land Sale were placed in escrow at closing and subsequently used in the acquisition of 215 International as part of a 1031 Like-Kind Exchange. In addition to the 2017 Phoenix Crossing Land Sale, Griffin also sold approximately 76 acres of undeveloped land in Southwick, Massachusetts (the “2017 Southwick Land Sale”) for approximately $2.1 million. The proceeds from the 2017 Southwick Land Sale were also placed in escrow at closing and subsequently used for the purchase of approximately 14 acres of undeveloped land in the Lehigh Valley under a 1031 Like-Kind Exchange. In fiscal 2018, Griffin constructed 6975 Ambassador on the Lehigh Valley land acquired.

In fiscal 2017, Griffin also completed two smaller sales of undeveloped land in Phoenix Crossing for a total of approximately $1.3 million and the sale of two small residential lots for a total of approximately $0.2 million. Griffin also recognized the remaining $0.1 million of revenue from the fiscal 2013 sale of approximately 90 acres of undeveloped land in Phoenix Crossing (the “2013 Phoenix Crossing Land Sale”). Under the terms of the 2013 Phoenix Crossing Land Sale, Griffin and the buyer each were required to construct roadways connecting the land parcel that was sold to existing town roads. As a result of Griffin’s continuing involvement with the land sold, the 2013 Phoenix Crossing Land Sale was accounted for under the percentage of completion method, whereby revenue and gain were recognized as costs related to the 2013 Phoenix Crossing Land Sale were incurred. From the closing of the 2013 Phoenix Crossing Land Sale through fiscal 2017, when Griffin completed its required roadwork, Griffin recognized total revenue of approximately $9.0 million and a total pretax gain of approximately $6.7 million from the 2013 Phoenix Crossing Land Sale.

Griffin may seek to acquire additional properties and/or undeveloped land parcels to expand the industrial/warehouse portion of its real estate business. Griffin continues to examine potential properties for acquisition in the Middle Atlantic, Northeast and Southeast regions and selected markets targeted by Griffin. Real estate acquisitions may or may not occur based on many factors, including real estate pricing. Griffin may commence speculative construction projects on its undeveloped land that is either currently owned or acquired in the future if it believes market conditions are favorable for such development. Griffin may also construct additional build-to-suit facilities on its undeveloped land if lease terms are favorable.

Periodically, Griffin may sell certain portions of its real estate assets that it has owned for an extended time period and the use of which is not consistent with Griffin’s core industrial/warehouse development, acquisition and leasing strategy. Such sale transactions may take place either before or after obtaining development approvals and building basic infrastructure.

Griffin’s development of its land is affected by regulatory and other constraints. Subdivision and commercial or residential development of land may also be affected by the potential adoption of initiatives meant to limit or concentrate growth. Development of Griffin’s undeveloped land may also be affected by traffic considerations, potential environmental issues, community opposition and other restrictions to development imposed by governmental agencies. Portions of Griffin’s landholdings in Connecticut are zoned for residential and office uses. The weakness in these markets has adversely affected Griffin, and may continue to do so in the future, by potentially lowering selling prices for land intended for such uses or delaying sales or development of such land.

Griffin maintains a corporate website at www.griffinindustrial.com. Griffin's Annual Report on Form 10-K (including audited financial statements), quarterly reports on Form 10-Q, current reports on Form 8-K and the proxy statement for Griffin's Annual Meeting of Stockholders can be accessed through Griffin's website at www.griffinindustrial.com/investors or through the Securities Exchange Commission (the "SEC") website at http://www.sec.gov. Griffin will provide electronic or paper copies of its foregoing filings free of charge upon request. Griffin was incorporated in 1970.

Industrial/Warehouse Properties

Hartford, Connecticut

All of Griffin's Connecticut industrial/warehouse buildings, aggregating approximately 2,052,000 square feet, are located in the north submarket of Hartford, Connecticut and were 98% leased as of November 30, 2019. Subsequent to November 30, 2019, Griffin leased its remaining vacant industrial/warehouse space in Connecticut. A significant portion of Griffin's industrial/warehouse development in Connecticut is in NE Tradeport, where Griffin has built and currently owns fifteen industrial/warehouse buildings aggregating approximately 1,837,000 square feet. Griffin owns three industrial/warehouse buildings in Connecticut that are not located in NE Tradeport, including a 165,000 square foot industrial building ("1985 Blue Hills") in Windsor, Connecticut. Under the terms of the full building lease of 1985 Blue Hills, which runs through March 31, 2024 with several options for the tenant to renew, the tenant has the option to purchase the building from March 1, 2021 through May 1, 2021 at a purchase price that is the greater of $11.5 million or fair market value as determined under the terms of the lease.

A summary of Griffin's Connecticut industrial/warehouse square footage at the end of each of the past three fiscal years and leases in Griffin's Connecticut industrial/warehouse buildings scheduled to expire during the next three fiscal years are as follows:

	Square Footage Owned	Square Footage Leased	Percentage Leased
November 30, 2017	1,817,000	1,748,000	96 %
November 30, 2018	2,052,000	2,004,000	98 %
November 30, 2019	2,052,000	2,004,000	98 %

	2020	2021	2022
Square footage of leases expiring	39,000	225,000	390,000
Percentage of total space at November 30, 2019	1 %	5 %	9 %
Number of tenants with leases expiring	2	6	7
Annual rental revenue (including tenant reimbursements) of expiring leases	$ 323,000	$ 1,886,000	$ 3,143,000
Annual rental revenue of expiring leases as a percentage of Griffin's total fiscal 2019 rental revenue	1 %	6 %	9 %

In fiscal 2019, Griffin leased approximately 23,000 square feet in NE Tradeport that replaced a lease that expired and was not renewed. Also in fiscal 2019, Griffin renewed two leases aggregating approximately 80,000 square feet in NE Tradeport. The rental rates for leases in NE Tradeport that were renewed in fiscal 2019 were essentially unchanged from the rental rates of the expiring leases. Management believes that the rental rates on the two NE Tradeport leases aggregating approximately 39,000 square feet that are scheduled to expire in fiscal 2020 are at market rates for similar space.

The Q4 2019 CBRE|New England Marketview Report ("Q4 2019 CBRE|New England Report") from CBRE Group, Inc. ("CBRE"), a national real estate services company, stated that the vacancy rate in the north submarket of Hartford increased to 6.5% at the end of 2019 from 5.4% at the end of 2018, and that an additional approximately

0.4 million square feet became available in 2019. Griffin's occupancy performance in fiscal 2019 outpaced the performance of Hartford's north submarket.

In Connecticut, Griffin holds entitlements and/or plans (not yet approved) to develop approximately 1,180,000 square feet of industrial/warehouse space on land owned by Griffin. In NE Tradeport, Griffin holds entitlements to develop an additional approximately 434,000 square feet, consisting of a new industrial/warehouse building of approximately 234,000 square feet on an approximately 34 acre parcel and approved additions aggregating approximately 200,000 square feet to two buildings, and development plans (not yet approved) for an additional approximately 248,000 square foot building. Griffin also holds entitlements to construct an additional approximately 498,000 square feet on two other land parcels in Connecticut, including approximately 267,000 square feet on a 27 acre parcel in Phoenix Crossing (the "Phoenix Crossing Parcel") that is under agreement to be sold for approximately $3.8 million (see below). There is no guarantee that Griffin will develop the entitled square footage or sell the entitled land parcels to a third party for development.

Griffin owns an additional 99 acres of undeveloped land within NE Tradeport, 60 acres of which are in Windsor and the abutting 39 acres of which are in East Granby. Full approvals for the development of this remaining land for industrial use are not in place, and the East Granby land would require a zone change for industrial development. Parts of such acreage may not be developable. Griffin believes that additional infrastructure improvements, which may be significant, may be required to obtain approvals to develop portions of this land, particularly the land in East Granby. Griffin expects to continue to direct much of its real estate efforts in Connecticut on the construction and leasing of industrial/warehouse facilities in NE Tradeport and other suitably located land currently owned. As of November 30, 2019, Griffin also owns approximately 76 acres of undeveloped land in Phoenix Crossing (including the Phoenix Crossing Parcel) that is zoned for industrial and commercial development.

As of November 30, 2019, approximately $84.2 million was invested (net book value) by Griffin in its Connecticut industrial/warehouse buildings, approximately $2.9 million was invested (net book value) by Griffin in the undeveloped NE Tradeport land and approximately $1.5 million was invested in the undeveloped Phoenix Crossing land. As of November 30, 2019, sixteen of Griffin's Connecticut industrial/warehouse buildings were mortgaged for an aggregate of approximately $81.6 million.

On January 7, 2020, Griffin entered into an agreement to sell the Phoenix Crossing Parcel for a purchase price of approximately $3.8 million, before transaction costs. Completion of this transaction is contingent on a number of factors, including the buyer entering into a lease agreement with a third-party who would occupy the development on the land to be acquired and obtaining all necessary final permits from governmental authorities for its specific development plans. There is no guarantee that this transaction will be completed under its current terms, or at all.

Lehigh Valley, Pennsylvania

Since entering the Lehigh Valley market in fiscal 2010, Griffin has grown its portfolio to six industrial/warehouse buildings aggregating approximately 1,317,000 square feet as of November 30, 2019. A summary of Griffin's Lehigh Valley industrial/warehouse square footage at the end of each of the past three fiscal years and leases in Griffin's Lehigh Valley industrial/warehouse buildings scheduled to expire during the next three fiscal years are as follows:

	Square Footage Owned	Square Footage Leased	Percentage Leased
November 30, 2017	1,183,000	1,183,000	100 %
November 30, 2018	1,317,000	1,183,000	90 %
November 30, 2019	1,317,000	1,246,000	95 %

	2020	2021	2022
Square footage of leases expiring	201,000	609,000	132,000
Percentage of total space at November 30, 2019	5 %	14 %	3 %
Number of tenants with leases expiring	1	3	1
Annual rental revenue (including tenant reimbursements) of expiring leases	$ 1,342,000	$ 4,681,000	$ 1,025,000
Annual rental revenue of expiring leases as a percentage of Griffin's total fiscal 2019 rental revenue	4 %	14 %	3 %

In fiscal 2019, Griffin leased approximately 64,000 square feet in 6975 Ambassador. Subsequent to November 30, 2019, the balance of 6975 Ambassador was substantially leased. Griffin also acquired the Lehigh Valley Land for approximately $1.9 million in fiscal 2019 using the proceeds from the Simsbury Land Sale to complete a 1031 Like-Kind Exchange. Griffin expects to build an approximately 100,000 square foot industrial/warehouse building on the Lehigh Valley Land. Approximately $71.2 million was invested (net book value) in Griffin's Lehigh Valley buildings as of November 30, 2019. As of November 30, 2019, all of the Lehigh Valley industrial/warehouse buildings, except 6975 Ambassador, were mortgaged for a total of approximately $47.0 million. Subsequent to November 30, 2019, Griffin entered into a $15.0 million nonrecourse mortgage loan collateralized by 6975 Ambassador and 871 Nestle Way, an approximately 120,000 square foot industrial/warehouse building in the Lehigh Valley. Approximately $3.2 million of the loan proceeds were used to repay the mortgage loan on 871 Nestle Way that was scheduled to mature on January 27, 2020.

Management believes that a lease for approximately 201,000 square feet of industrial/warehouse space that is scheduled to expire in fiscal 2020 will not be renewed. The vacancy rate of Lehigh Valley industrial/warehouse properties, in the counties where Griffin's Lehigh Valley properties are located, as reported in CBRE's Q4 2019 Marketview Lehigh Valley PA Industrial Report (the "Q4 2019 CBRE Lehigh Valley Report") was 4.2% at the end of 2019, with a net absorption of approximately 4.2 million square feet in 2019.

Charlotte, North Carolina

In fiscal 2017, Griffin entered the Charlotte, North Carolina market when it acquired 215 International in Concord, North Carolina, in the greater Charlotte area, which was 74% leased when it was acquired. Subsequent to the purchase of 215 International, one of the tenants in that building leased the remaining approximately 73,000 square feet that had been vacant at the time the building was acquired. A summary of Griffin's Charlotte, North Carolina industrial/warehouse square footage at the end of each of the past three fiscal years and leases in Griffin's Charlotte, North Carolina industrial/warehouse building scheduled to expire during the next three fiscal years are as follows:

	Square Footage Owned	Square Footage Leased	Percentage Leased
November 30, 2017	277,000	277,000	100 %
November 30, 2018	277,000	277,000	100 %
November 30, 2019	560,000	382,000	68 %

	2020	2021	2022
Square footage of leases expiring	—	108,000	—
Percentage of total space at November 30, 2019	— %	2 %	— %
Number of tenants with leases expiring	—	1	—
Annual rental revenue (including tenant reimbursements) of expiring leases	$ —	$ 602,000	$ —
Annual rental revenue of expiring leases as a percentage of Griffin's total fiscal 2019 rental revenue	— %	2 %	— %

In fiscal 2019, Griffin completed and placed in service two industrial/warehouse buildings, 160 International and 180 International, aggregating approximately 283,000 square feet on the Concord Land and entered into two leases aggregating approximately 105,000 square feet of 160 International. In fiscal 2019, Griffin also acquired two undeveloped parcels of land in Charlotte, North Carolina totaling approximately 44 acres on which Griffin plans to construct three industrial/warehouse buildings aggregating approximately 520,000 square feet. The purchase price of approximately $5.6 million for the Charlotte Land was paid using proceeds from the Simsbury Land Sale to complete a 1031 Like-Kind Exchange. As of November 30, 2019, approximately $34.5 million was invested (net book value) in Griffin's three industrial/warehouse buildings in North Carolina, and 215 International was mortgaged under a nonrecourse mortgage loan for approximately $11.7 million.

The Charlotte, North Carolina industrial real estate market remained strong in 2019. CBRE's Q4 2019 Marketview Charlotte Industrial Report reported a vacancy rate of 5.0% for warehouse space at the end of 2019, as compared 5.3% at the end of 2018 and absorption of 5.3 million square feet of warehouse space in 2019, as compared to 4.8 million in 2018.

Orlando, Florida

In fiscal 2019, Griffin entered the Orlando, Florida market by acquiring 7466 Chancellor, which is fully leased to a single tenant. The lease for 7466 Chancellor runs through January 31, 2025. Griffin utilized its acquisition line of credit (the "Acquisition Credit Line") with Webster Bank, N.A. ("Webster Bank") to finance a portion of the acquisition of 7466 Chancellor, and, as of November 30, 2019, there was a balance outstanding on Griffin's Acquisition Credit Line of approximately $5.9 million. Subsequent to November 30, 2019, Griffin repaid the full amount outstanding on its Acquisition Credit Line with proceeds from a mortgage loan secured by 7466 Chancellor.

On January 2, 2020, Griffin entered into an agreement to acquire an approximately 108,000 square foot fully leased industrial/warehouse building in Orlando, Florida for approximately $7.9 million. On January 13, 2020, Griffin entered into an agreement with a different seller to acquire an approximately 68,000 square foot industrial/warehouse building in Orlando, Florida that is approximately 32% leased for approximately $5.7 million. There is no guarantee that either of these building acquisitions will be completed under their current terms, or at all.

Office/Flex Properties

All of Griffin's office/flex properties are located in Griffin Center in Windsor and Bloomfield, Connecticut and Griffin Center South in Bloomfield, which are in the north submarket of Hartford. In Griffin Center, Griffin currently owns two multi-story office buildings that have an aggregate of approximately 161,000 square feet, a single-story office building of approximately 48,000 square feet and a small restaurant building of approximately 7,200 square feet. In Griffin Center South, Griffin currently owns eight office/flex buildings with an aggregate of approximately 217,000 square feet of single-story office/flex space. Griffin's office/flex square footage was approximately 70% leased as of November 30, 2019.

A summary of Griffin's office/flex square footage at the end of each of the past three fiscal years and leases in Griffin's office/flex buildings scheduled to expire during the next three fiscal years are as follows:

	Square Footage Owned	Square Footage Leased	Percentage Leased
November 30, 2017	433,000	308,000	71 %
November 30, 2018	433,000	312,000	72 %
November 30, 2019	433,000	302,000	70 %

	2020	2021	2022
Square footage of leases expiring	22,000	49,000	24,000
Percentage of total space at November 30, 2019	*	1 %	1 %
Number of tenants with leases expiring	3	4	2
Annual rental revenue (including tenant reimbursements) of expiring leases	$ 360,000	$ 812,000	$ 317,000
Annual rental revenue of expiring leases as a percentage of Griffin's total fiscal 2019 rental revenue	1 %	2 %	1 %

* Less than 1%.

As of November 30, 2019, Griffin's total office/flex space of approximately 433,000 square feet comprised approximately 10% of Griffin's total square footage. Griffin expects that its office/flex space will continue to become a smaller percentage of its total space as Griffin plans to focus on the growth of its industrial/warehouse building portfolio either through the acquisition of fully or partially leased buildings, development of buildings on land currently owned or to be acquired, or both. Management believes that the rental rates on the leases for office/flex space of approximately 22,000 square feet that are scheduled to expire in fiscal 2020 are at market rates for similar space.

The Hartford office/flex market remained weak in 2019, as evidenced by vacancy rates at the end of 2019, as stated in the Q4 2019 CBRE|New England Report, of 18.3% for the overall Hartford market. The vacancy rate in the north submarket of Hartford decreased slightly to 31.8% from 33.6% at the end of 2018.

In fiscal 2019, there was a net reduction of approximately 17,000 square feet of office/flex space under lease that was the result of several lease extensions and relocations whereby the tenants reduced their space leased. Such relocations included a tenant in Griffin's two multi-story office buildings in Griffin Center in Windsor, Connecticut that downsized from approximately 34,000 square feet under leases that were set to expire on July 31, 2019, to approximately 25,000 square feet under a new six-year lease. In fiscal 2019, Griffin renewed a lease for approximately 29,000 square feet of office/flex space at a rental rate approximately 13% lower than the expiring rental rate for five and a half years. Griffin also renewed a lease for approximately 15,000 square feet of office/flex space at the same rate as the expiring lease for a two-year term. There was another lease for approximately 7,000 square feet of office/flex space, whereby the tenant expanded its leased space slightly and renewed for a term of five years. That rental rate is approximately 11% lower than the expiring rental rate.

Currently there are approximately 156 acres of undeveloped land in Griffin Center and approximately 75 acres of undeveloped land in Griffin Center South that are owned by Griffin. As of November 30, 2019, approximately $17.1 million was invested (net book value) in Griffin's office/flex buildings and approximately $1.6 million was invested by Griffin in the undeveloped land in Griffin Center and Griffin Center South. Griffin's two multi-story office buildings in Griffin Center are mortgaged for approximately $4.2 million as of November 30, 2019, and Griffin's single story office building in Griffin Center and the eight single-story office/flex buildings, an industrial/warehouse building in Griffin Center South and an industrial/warehouse building in Phoenix Crossing are the collateral for Griffin's $19.5 million revolving line of credit.

Residential Developments

Simsbury, Connecticut

Several years ago, Griffin filed plans for a proposed residential development ("Meadowood") in Simsbury, Connecticut ("Simsbury"). After several years of litigation with Simsbury regarding Meadowood, a settlement was reached. The settlement terms included, among other items, approval for up to 296 homes, certain remediation measures and offsite road improvements to be performed by Griffin and the purchase by Simsbury of a portion of the Meadowood land for open space. The sale of a portion of the Meadowood land to Simsbury closed in fiscal 2008. In fiscal 2012, Griffin completed the required offsite road improvements and in fiscal 2014, Griffin completed the required remediation work. In the 2019 fourth quarter, management decided to pursue alternatives to a large scale long-term residential development for Meadowood that would enable Griffin to realize proceeds in a more timely manner that could be redeployed by Griffin towards its key strategy of increasing its industrial/warehouse portfolio. As a result of these actions, in the fiscal 2019 fourth quarter, Griffin recorded an impairment loss of $3.1 million to lower the carrying value of the real estate assets of Meadowood to their estimated fair value of approximately $5.4 million.

On February 3, 2020, Griffin entered into an option agreement (the "Meadowood Option Agreement") with a national land conservation organization (the "Conservation Organization") to sell the approximately 277 acres of Meadowood (the "Meadowood Land"). For a minimal fee, the Meadowood Option Agreement grants the Conservation Organization the right to purchase the Meadowood Land for open space and farmland preservation whereby Griffin would receive net proceeds of approximately $5.4 million, if the purchase option is exercised. The Meadowood Option Agreement grants the Conservation Organization an initial term of twelve months, with one six-month extension, to exercise its option and acquire the Meadowood Land. Completion of a sale of the Meadowood Land contemplated under the Meadowood Option Agreement is subject to several contingencies, including the satisfactory outcome of due diligence by the Conservation Organization and the Conservation Organization securing funding from several public and private sources to acquire the Meadowood Land. There is no guarantee that a sale of the Meadowood Land will be completed under the current terms of the Meadowood Option Agreement, or at all.

Suffield, Connecticut

In fiscal 2006, Griffin completed the infrastructure for a fifty lot residential subdivision in Suffield, Connecticut called Stratton Farms. Griffin sold twenty-five residential lots in Stratton Farms to a local homebuilder in fiscal 2006 and fiscal 2007. Griffin has subsequently sold seven additional lots, including the sale of one residential lot in fiscal 2019. As of November 30, 2019, Griffin held eighteen Stratton Farms residential lots. The book value for Stratton Farms was approximately $1.0 million at November 30, 2019.

Other Land

Concurrent with Griffin's sale in fiscal 2014 of its landscape nursery business, Imperial Nurseries, Inc. ("Imperial"), Griffin and the buyer, Monrovia Connecticut LLC ("Monrovia") entered into a Lease and Option Agreement, which was amended in fiscal 2016 (as amended, the "Imperial Lease") pursuant to which Monrovia leased Imperial's production nursery located in Granby and East Granby, Connecticut (the "Connecticut Farm") for a ten-year period. The Imperial Lease grants Monrovia options to extend the term for up to an additional fifteen years and to purchase the land, land improvements and other operating assets that were used by Imperial on the Connecticut Farm during the first thirteen years of the lease period for $9.5 million, or $7.0 million if only a certain portion of the Connecticut Farm is purchased, subject in each case to certain adjustments as provided for in the Imperial Lease.

Prior to the fiscal 2009 third quarter, Imperial operated a production nursery in Quincy, Florida (the "Florida Farm"). In fiscal 2009, Imperial shut down its growing operations on the Florida Farm and leased that facility to a grower of landscape nursery plants. After the expiration of that lease, Griffin entered into a new three-year lease of the Florida Farm with another grower that started July 1, 2016. On December 18, 2017, the tenant leasing the Florida Farm filed for protection under Chapter 11 of the U.S. Bankruptcy Code and subsequently rejected the Florida Farm Lease effective September 15, 2018. The lease of the Florida Farm had a rental rate of $0.5 million per year at the time it was terminated. On September 28, 2018, Griffin and the tenant entered into a Stipulated Order whereby Griffin agreed to allow the tenant to remain on the Florida Farm through October 31, 2018 at the then current rental rate under the Florida Farm Lease. Griffin received all rent due under the Florida Farm Lease and the Stipulated Order. In fiscal 2019, Griffin entered into an agreement to sell the Florida Farm, but subsequent to November 30 , 2019 the buyer notified Griffin that they were not moving forward with the proposed transaction. Griffin is currently marketing the Florida Farm for sale or lease.

In fiscal 2019, Griffin leased approximately 364 acres of undeveloped land in Connecticut and Massachusetts to local farmers. Approximately 427 acres and 560 acres were leased to local farmers in fiscal 2018 and fiscal 2017, respectively. The revenue generated from the leasing of farmland is not material to Griffin's total revenue.

On December 10, 2019, Griffin entered into an Option Purchase Agreement (the "East Granby/Windsor Option Agreement") whereby Griffin granted the buyer an exclusive one-year option, in exchange for a nominal fee, to purchase approximately 280 acres of undeveloped land in East Granby and Windsor, Connecticut. The purchase price has a range of a minimum of $6.0 million to a maximum of $7.95 million based upon the final approved use of the land. The buyer may extend the option period for up to three years upon payment of additional option fees. The land subject to the East Granby/Windsor Option Agreement does not have any of the approvals that would be required for the buyer's planned use of the land. A closing on the land sale contemplated by the East Granby/Windsor Option Agreement is subject to several significant contingencies, including the buyer securing contracts under a competitive bidding process for the buyer's projected use and obtaining local and state approvals for that planned use. There is no guarantee that the sale of land as contemplated under the East Granby/Windsor Option Agreement will be completed under its current terms, or at all.

Employees

As of November 30, 2019, Griffin had 32 employees, including 31 full-time employees. Presently, none of Griffin's employees are represented by a union. Griffin believes that relations with its employees are satisfactory.

Competition

The market for leasing industrial/warehouse space and office/flex space is highly competitive. Griffin competes for tenants with owners of numerous properties in the areas where Griffin's buildings are located. Some of these competitors have greater financial resources than Griffin. Griffin's real estate business competes on the bases of location, price, availability of space, convenience and amenities.

There is a great amount of competition for the acquisition of industrial/warehouse buildings and for the acquisition of undeveloped land for construction of such buildings. Griffin competes for the acquisition of industrial/warehouse properties with real estate investment trusts ("REITs"), institutional investors, such as pension funds, private real estate investment funds, insurance company investment accounts, public and private investment companies, individuals and other entities engaged in real estate investment activities. Some of these competitors have greater financial resources than Griffin, and may be able to accept more risk, including risk related to the creditworthiness of tenants or the degree of leverage they may be willing to take on. Competitors for acquisitions may also have advantages from a lower cost of capital or greater operating efficiencies associated with being a larger entity.

Regulation: Environmental Matters

Under various federal and state laws, ordinances and regulations, an owner or operator of real estate may be required to investigate and clean up hazardous or toxic substances or petroleum product releases at such property and may be held liable to a governmental entity or to third parties for property damage and for investigation and cleanup costs incurred by such parties in connection with contamination. The cost of investigation, remediation or removal of such substances may be substantial, and the presence of such substances, or the failure to remediate properly such substances, may adversely affect the owner's ability to sell or rent such property or to borrow using such property as collateral. In connection with the ownership (direct or indirect), operation, management and development of real estate properties, Griffin may be considered an owner or operator of such properties or as having arranged for the disposal or treatment of hazardous or toxic substances and, therefore, potentially liable for removal or remediation costs, as well as certain other related costs, including governmental fines and injuries to persons and property. The value of Griffin's land may be affected by the presence of residual chemicals from the prior use of the land for farming, principally on a portion of the land that is intended for residential use. In the event that Griffin is unable to remediate adequately any of its land intended for residential use, Griffin's ability to develop such property for its intended purposes would be materially affected.

Griffin periodically reviews its properties for the purpose of evaluating such properties' compliance with applicable federal and state environmental laws. In connection with the sale of Imperial, Griffin incurred a small amount of costs to remediate a small area of the Connecticut Farm that is leased to Monrovia under the Imperial Lease. As of the date of this Annual Report, Griffin is in discussions with the Connecticut Department of Energy and Environmental Protection regarding findings of exceedances of certain residual pesticides on a limited portion of the Connecticut Farm being leased to Monrovia. At this time, Griffin does not anticipate experiencing, in the next twelve months, any material expense in complying with such laws on any of its properties. Griffin may incur remediation costs in the future in connection with its development operations. Such costs are not expected to be significant as compared to expected proceeds from development projects or property sales.

ITEM 1A. RISK FACTORS.

Griffin's real estate business is subject to a number of risks. The risk factors discussed below are those that management deems to be material, but they may not be the only risks facing Griffin. Additional risks not currently known or currently deemed not to be material may also impact Griffin. If any of the following risks occur, Griffin's business, financial condition, operating results and cash flows could be adversely affected. Investors should also refer to Griffin's quarterly reports on Form 10-Q for any material updates to these risk factors.

Risks Related to Griffin's Business and Properties

Griffin's real estate portfolio is concentrated in the industrial real estate sector, and its business would be adversely affected by an economic downturn in that sector.

90% of Griffin's buildings are warehouse/distribution facilities and light manufacturing facilities in the industrial real estate sector. This level of concentration exposes Griffin to the risk of economic downturns in the industrial real estate sector to a greater extent than if its properties were more diversified across other sectors of the real estate industry. In particular, an economic downturn affecting the leasing market for industrial properties could have a material adverse effect on Griffin's results of operations, cash flows, financial condition, ability to satisfy debt obligations and ability to pay dividends to stockholders.

Griffin's real estate portfolio is geographically concentrated, which causes it to be especially susceptible to adverse developments in those markets.

In addition to general, regional, national and international economic conditions, Griffin's operating performance is impacted by the economic conditions of the specific geographic markets in which it has concentrations of properties. The portfolio includes holdings in Connecticut, the Lehigh Valley of Pennsylvania, the greater Charlotte, North Carolina area and Orlando, Florida, which represented 56%, 29%, 13% and 2% of Griffin's total portfolio by square footage, respectively, as of November 30, 2019. This geographic concentration could adversely affect Griffin's operating performance if conditions become less favorable in any of the states or regions in which it has a concentration of properties. Griffin cannot assure that any of its markets will grow or that underlying real estate fundamentals will be favorable to owners and operators of properties. Griffin's operations may also be adversely affected if competing properties are built in its target markets. The construction of new facilities by competitors would increase capacity in the marketplace, and an increase in the amount of vacancies in competitors' properties and negative absorption of space could result in Griffin experiencing longer times to lease vacant space, eroding lease rates or hindering renewals by existing tenants. Any adverse economic or real estate developments in Griffin's target markets, or any decrease in demand for industrial space resulting from the regulatory environment, business climate or energy or fiscal problems in these markets, could materially and adversely impact Griffin's results of operations, cash flows, financial condition, ability to satisfy debt obligations and ability to pay dividends to stockholders.

Griffin's ability to grow its portfolio partially depends on its ability to develop properties, which may suffer under certain circumstances.

Griffin intends to continue to develop properties when warranted by its assessment of market conditions. Griffin's general construction and development activities include the risks that:

- Griffin's assessment of market conditions may be inaccurate;
- development activities may require the acquisition of undeveloped land. Competition from other real estate investors may significantly increase the purchase price of that land;
- Griffin may be unable to obtain, or may face delays in obtaining required zoning, land-use, building, occupancy, and other governmental permits and authorizations, which could result in increased costs and require Griffin to abandon its activities entirely with respect to a project;
- construction and leasing of a property may not be completed on schedule, which could result in increased expenses and construction costs, and would result in reduced profitability;
- construction costs (including required offsite infrastructure costs) may exceed Griffin's original estimates due to increases in interest rates and increased materials, labor or other costs, possibly making the property less profitable than projected or unprofitable because Griffin may not be able to increase rents to compensate for the increase in construction costs;
- Griffin may abandon development opportunities after it begins to explore them and as a result, Griffin may fail to recover costs already incurred. If Griffin alters or discontinues its development efforts, costs of the investment may need to be expensed rather than capitalized and Griffin may determine the investment is impaired, resulting in a loss;

- Griffin may expend funds on and devote management's time to projects that it does not complete;
- occupancy rates and rents at newly completed properties and the time it takes to fully or substantially lease such facilities may not meet Griffin's expectations. This may result in lower than projected occupancy and rental rates resulting in an investment that is less profitable than projected or unprofitable; and
- Griffin may incur losses under construction warranties, guaranties and delay damages under Griffin's contracts with tenants and other customers.

Griffin's ability to achieve growth in its portfolio partially depends in part on Griffin's ability to acquire properties, which may suffer under certain circumstances.

Griffin acquires individual properties and in the future, may acquire portfolios of properties. Griffin's acquisition activities and their success are generally subject to the following risks:

- when Griffin is able to locate a desirable property, competition from other real estate investors may significantly increase the purchase price;
- acquired properties may fail to perform as expected;
- the actual costs of repositioning or redeveloping acquired properties may be higher than Griffin's estimates;
- acquired properties have been and may continue to be located in new markets where Griffin faces risks associated with an incomplete knowledge or understanding of the local market, a limited number of established business relationships in the area and a relative unfamiliarity with local governmental and permitting procedures; and
- Griffin may be unable to quickly and efficiently integrate new acquisitions, particularly acquisitions of portfolios of properties and operating entities, into its existing operations, and as a result, Griffin's results of operations and financial condition could be adversely affected.

Griffin may acquire properties subject to liabilities and without any recourse, or with only limited recourse, with respect to unknown liabilities. As a result, if a liability were asserted against Griffin based upon ownership of those properties, Griffin might have to pay substantial sums to settle such liabilities, which could adversely affect its cash flow and financial position.

Weakness in Griffin's office/flex portfolio could negatively impact its business.

Griffin's office/flex portfolio, which comprises 10% of its total square footage and was 70% occupied as of November 30, 2019, is concentrated in the north submarket of Hartford. The demand for office/flex space in this market is weak and competitive, with market vacancy in excess of 30% as of December 31, 2019, according to the Q4 2019 CBRE|New England Report. There is no certainty that Griffin will retain existing tenants or attract new tenants to its office/flex buildings. Re-leasing Griffin's office/flex properties typically requires greater investment per square foot than for Griffin's industrial/warehouse properties and could negatively impact Griffin's results of operations and cash flow.

Griffin may experience increased operating costs, which could adversely affect Griffin's results of operations.

Griffin's properties are subject to increases in operating expenses such as real estate taxes, fuel, utilities, labor, repairs and maintenance, building materials and insurance. While many of Griffin's current tenants generally are obligated to pay a significant portion of these costs, there are no assurances that existing or new tenants will agree to or make such payments. If operating expenses increase, Griffin may not be able to pass these costs on to its tenants and, therefore, any such increases could have an adverse effect on Griffin's results of operations and cash flow. Additionally, for space that has remained or remains unleased, Griffin has incurred, and will continue to incur, all of the building's operating costs for such space without reimbursements from tenants.

Griffin relies on third-party managers for day-to-day property management of certain of its properties.

Griffin relies on local third-party managers for the day-to-day management of its Lehigh Valley, greater Charlotte, North Carolina and Orlando, Florida properties. To the extent that Griffin uses a third-party manager, the cash flows from its Lehigh Valley, greater Charlotte and Orlando properties may be adversely affected if the property manager fails to provide quality services. These third-party managers may fail to manage Griffin's properties effectively or in accordance with their agreements with Griffin, may be negligent in their performance and may engage in criminal or fraudulent activity. If any of these events occur, Griffin could incur losses or face liabilities from the loss or injury to its property or to persons at its properties. In addition, disputes may arise between Griffin and these third-party managers, and Griffin may incur significant expenses to resolve those disputes, or terminate the relevant agreement with these third parties and locate and engage competent and cost-effective alternative service providers to manage the relevant properties. Additionally, third party managers may manage and own other properties that may compete with Griffin's properties, which may result in conflicts of interest and decisions regarding the operation of Griffin's properties that are not in Griffin's best interests. Griffin has and likely would continue to rely on third-party managers in any new markets it enters through its acquisition activities.

Unfavorable events affecting Griffin's existing and potential tenants and its properties, or negative market conditions that may affect Griffin's existing and potential tenants, could have an adverse impact on Griffin's ability to attract new tenants, re-let space, collect rent and renew leases, and thus could have a negative effect on Griffin's results of operations and cash flow.

The substantial majority of Griffin's revenue is derived from lease revenue from its industrial/warehouse and office/flex buildings. Griffin's results of operations and cash flows depend on its ability to lease space to tenants on economically favorable terms. Therefore, Griffin could be adversely affected by various factors and events over which Griffin has limited control, such as:

- inability to retain existing tenants and attract new tenants;
- oversupply of or reduced demand for space and changes in market rental rates in the areas where Griffin's properties are located;
- defaults by Griffin's tenants due to bankruptcy or other factors or their failure to pay rent on a timely basis;
- physical damage to Griffin's properties and the need to repair such damage;
- economic or physical decline of the areas where Griffin's properties are located; and
- potential risk of functional obsolescence of Griffin's properties over time.

If a tenant is unable to pay rent due to Griffin, Griffin may be forced to evict the tenant, or engage in other remedies, which may be expensive and time consuming and may adversely affect Griffin's results of operation and cash flows.

If Griffin's tenants do not renew their leases as they expire, Griffin may not be able to re-lease the space. Furthermore, leases that are renewed, or new leases for space that is re-let, may have terms that are less economically favorable to Griffin than current lease terms, or may require Griffin to incur significant costs, such as for renovations, tenant improvements or lease transaction costs.

Any of these events could adversely affect Griffin's results of operations and cash flows and its ability to make dividend payments and service its indebtedness.

A significant portion of Griffin's costs, such as real estate taxes, insurance costs, and debt service payments, are fixed, which means that they generally are not reduced when circumstances cause a decrease in cash flow from its properties.

Declining real estate valuations and any related impairment charges could materially adversely affect Griffin's financial condition, results of operations, cash flows, ability to satisfy debt obligations and ability to pay dividends on, and the per share trading price of, its common stock.

Griffin reviews the carrying value of its properties when circumstances, such as adverse market conditions, indicate a potential impairment may exist. Griffin bases its review on an estimate of the future cash flows, excluding interest charges, expected to result from the property's use and eventual disposition on an undiscounted basis. Griffin considers factors such as future operating income, trends and prospects, as well as the effects of leasing demand, competition and other factors. With respect to undeveloped land, Griffin evaluates the cash flow to be generated from the potential use or sale of such land as compared to the costs, including entitlement and infrastructure costs for the intended use or costs required to prepare the land for sale. If Griffin's evaluation indicates that it may be unable to recover the carrying value of a real estate investment, an impairment loss would be recorded to the extent that the carrying value exceeds the estimated fair value of the property.

Impairment losses have a direct impact on Griffin's results of operations because recording an impairment loss results in an immediate negative adjustment to Griffin's operating results. The evaluation of anticipated cash flows is highly subjective and is based in part on assumptions regarding future occupancy, rental rates and capital requirements that could differ materially from actual results in future periods. A worsening real estate market may cause Griffin to reevaluate the assumptions used in its impairment analysis. Impairment charges could materially adversely affect Griffin's financial condition, results of operations, cash flows and ability to pay dividends on, and the per share trading price of, its common stock.

Griffin's use of nonrecourse mortgage loans and construction loans could have a material adverse effect on its financial condition.

As of November 30, 2019, Griffin had indebtedness under nonrecourse mortgage loans of approximately \$144.5 million, collateralized by approximately 88% of the total square footage of its industrial/warehouse and office/flex buildings. If a significant number of Griffin's tenants were unable to meet their obligations to Griffin or if Griffin were unable to lease a significant amount of space in its properties on economically favorable lease terms, there would be a risk that Griffin would not have sufficient cash flow from operations for payments of required principal and interest on these loans. If Griffin was unable to make such payments and was to default, the property collateralizing the mortgage loan could be foreclosed upon, and Griffin's financial condition and results of operations would be adversely affected. In addition, two of Griffin's nonrecourse mortgage loans contain cross default provisions. A default under a mortgage loan that has cross default provisions may cause Griffin to automatically default on another loan.

Griffin's use of financing arrangements that include balloon payment obligations could have a material adverse effect on its financial condition.

Approximately 93% of Griffin's nonrecourse mortgage loans as of November 30, 2019 require a lump-sum or "balloon" payment at maturity. Griffin's ability to make a balloon payment at maturity may be uncertain and may depend upon its ability to obtain additional financing. At the time the balloon payment is due, Griffin may or may not be able to refinance the balloon payment on terms as favorable as the original mortgage terms. If Griffin were to be unable to refinance the balloon payment, then it may be forced to sell the property or pay the balloon payment using its existing cash on hand or other liquidity sources, or the property could be foreclosed. Any balloon payments that Griffin makes out of its existing cash or liquidity may have a material adverse effect on its financial condition and leave it with insufficient cash to invest in other properties, pay dividends to stockholders or meet its other obligations.

Griffin's failure to effectively hedge against interest rate fluctuation could have a material adverse effect on its financial condition.

Griffin has entered into several interest rate swap agreements to hedge its interest rate exposures related to its variable rate nonrecourse mortgages on certain of its industrial/warehouse and office/flex buildings. These agreements have costs and involve the risks that these arrangements may not be effective in reducing Griffin's exposure to interest rate fluctuations and that a court could rule that such agreements are not legally enforceable. The failure to hedge effectively against interest rate fluctuations may have a material adverse effect on Griffin's results of operations if interest rates were to rise materially. Additionally, any settlement charges incurred to terminate an interest rate swap agreement may result in increased interest expense, which may also have an adverse effect on Griffin's results of operations.

Griffin may suffer adverse effects as a result of the terms of and covenants relating to its credit facilities.

Griffin's continued ability to borrow under its credit facilities with Webster Bank, including its $19.5 million revolving credit facility and its $15 million acquisition credit facility, is subject to compliance with certain financial and other covenants. Griffin's failure to comply with such covenants under any of its credit facilities could cause a default under such credit facility, and Griffin may then be required to repay amounts outstanding, if any, under such facility with capital from other sources. Under those circumstances, other sources of capital may not be available to Griffin, or may be available only on unattractive terms.

Griffin's risk related to the discontinuation of LIBOR

In July 2017, the Financial Conduct Authority in the United Kingdom, which regulates LIBOR, announced that it intends to stop compelling banks to submit rates for the calculation of LIBOR after 2021. It is expected that a transition away from the widespread use of LIBOR to alternative interest rates will occur over the course of the next two years. As of November 30, 2019, Griffin's had approximately $5.9 million of floating rate debt outstanding under the Acquisition Credit Line, the interest on which is based on LIBOR. Griffin also had approximately $92.4 million of floating rate debt under nonrecourse mortgage loans, the interest on which is based on LIBOR, however, Griffin entered into interest rate swap agreements whereby the floating LIBOR rates under all mortgage loans are hedged, effectively fixing the interest rate on those loans.

In the event that LIBOR is no longer available, the revolving credit line provides for a transition to a comparable rate of interest determined by Webster Bank and the Acquisition Credit Line contemplates that Webster Bank will transition to an alternate rate of interest to the LIBOR rate taking into account then prevailing standards in the market for determining interest rates for commercial loans made by financial institutions in the United States at such time. Such an event would not affect Griffin's ability to borrow or maintain already outstanding borrowings, but the replacement rate or alternate base rate could be higher or more volatile than LIBOR prior to its discontinuance. The full impact of the expected transition away from LIBOR and the potential discontinuation of LIBOR after 2021 is unclear, but these changes could adversely affect Griffin's cash flow, financial condition and results of operations.

Griffin relies on key personnel.

Griffin's success depends to a significant degree upon the contribution of certain key personnel, including but not limited to Griffin's President and Chief Executive Officer, Griffin Industrial, LLC's Senior Vice President and Griffin Industrial, LLC's Vice President of Construction and Development. If any of Griffin's key personnel were to cease employment, Griffin's operating results could suffer. Griffin's ability to retain its senior management group or attract suitable replacements should any members of the senior management group leave is dependent on the competitive nature of the employment market. The loss of services from key members of the management group or a limitation on their availability could adversely affect Griffin's results of operations and cash flows. Griffin has not obtained and does not expect to obtain key man life insurance on any of its key personnel.

Risks Related to the Real Estate Industry

Changing or adverse political and economic conditions and credit markets may impact Griffin's results of operations and financial condition.

Griffin's real estate business may be affected by market conditions and political and economic uncertainty experienced by the U.S. economy as a whole, conditions in the credit markets or by local economic conditions in the markets in which its properties are located. Such conditions may impact Griffin's results of operations, financial condition or ability to expand its operations and pay dividends to stockholders as a result of the following:

- The financial condition of Griffin's tenants may be adversely affected, which may result in tenant defaults under leases due to bankruptcy, lack of liquidity, operational failures or for other reasons;

- A decrease in investment spending, the curtailment of expansion plans or significant job losses may decrease demand for Griffin's industrial/warehouse and office/flex space, causing market rental rates and property values to be negatively impacted;
- Griffin's ability to borrow on terms and conditions that it finds acceptable, or at all, may be limited, which could reduce its ability to pursue acquisition and development opportunities, refinance existing debt, and/or increase future interest expense;
- Reduced values of Griffin's properties may limit its ability to obtain debt financing collateralized by its properties or may limit the proceeds from such potential financings;
- A weak economy may limit sales of land intended for commercial, industrial and residential use;
- Changes in supply or demand for similar or competing properties in an area where Griffin's properties are located may adversely affect Griffin's competitive position and market rental rates in that area; and
- Long periods of time may elapse between the commencement and the completion of Griffin's projects.

An increase in interest rates could adversely impact Griffin's ability to refinance existing debt or to finance new developments and acquisitions.

Rising interest rates could limit Griffin's ability to refinance existing debt on favorable terms, or at all, when it matures. Interest rates have been in recent years, and currently remain, low by historical standards. However, the Federal Reserve raised its benchmark interest rate multiple times in 2017 and 2018, and further interest rate increases may occur. If interest rates increase, so will Griffin's interest costs, which would adversely affect Griffin's cash flow and could affect Griffin's ability to pay principal and interest on its debt.

From time to time, Griffin enters into interest rate swap agreements and other interest rate hedging contracts, including swaps, caps and floors. These agreements, which are intended to lessen the impact of rising interest rates on Griffin, expose Griffin to the risks that the other parties to the agreements might not perform, or that Griffin could incur significant costs associated with the settlement of the agreements, or that the agreements might be unenforceable and the underlying transactions would fail to qualify as highly-effective cash flow hedges under relevant accounting guidance.

In addition, an increase in interest rates could decrease the amounts third parties are willing to lend to Griffin for use towards potential acquisitions or development costs, thereby limiting its ability to grow its property portfolio.

Griffin may not be able to compete successfully with other entities that operate in its industry.

The market for leasing industrial/warehouse space and office/flex space is highly competitive. Griffin competes for tenants with owners of numerous properties in the areas where Griffin's buildings are located. Some of Griffin's competitors for tenants have greater financial resources than Griffin and may be able to offer prospective tenants more attractive financial or other terms than Griffin is able to offer and may be able to accept more risk related to the creditworthiness of tenants. Griffin's competes for tenants on the bases of location, price, availability of space, convenience and amenities.

There is a great amount of competition for the acquisition of industrial/warehouse buildings and for the acquisition of undeveloped land for construction of such buildings. Griffin competes for the acquisition of industrial/warehouse properties with real estate investment trusts ("REITs"), institutional investors, such as pension funds, private real estate investment funds, insurance company investment accounts, public and private investment companies, individuals and other entities engaged in real estate investment activities. Some of these competitors have greater financial resources than Griffin, and may be able to accept more risk, including risk related to the degree of leverage they may be willing to take on and risk related to acquiring properties that are not substantially leased. Competitors for acquisitions may also have advantages from a lower cost of capital or greater operating efficiencies associated with being a larger entity.

Griffin may experience increased costs of raw materials, labor and energy, which could adversely affect its operations.

Griffin's construction activities and maintenance of its current portfolio could be adversely affected by increases in raw materials, labor or energy costs. An increase in the cost of building new facilities could negatively impact Griffin's future operating results through increased depreciation expense. An increase in construction costs would also require increased investment in Griffin's real estate assets, which may lower the return on investment in new facilities. The lack of availability of labor could also result in higher construction costs as a result of increases in wage rates or delay construction of new facilities. Furthermore, as petroleum and other energy costs increase, products used in the construction of Griffin's facilities, such as steel, masonry, asphalt, cement and building products may increase. Additionally, government international trade policies, including implementation of or changes in tariffs, could impact the cost of products used in Griffin's facilities. An increase in energy costs could increase Griffin's building operating expenses and thereby lower Griffin's operating results.

Real estate investments are illiquid, and Griffin may not be able to sell its properties when Griffin determines it is appropriate to do so.

Real estate properties are not as liquid as other types of investments and this lack of liquidity could limit Griffin's ability to react promptly to changes in economic, financial, investment or other conditions. In addition, provisions of the Internal Revenue Code of 1986, as amended, provide for the ability to exchange "like-kind" property to defer income taxes related to a gain on sale. The illiquidity of real estate properties may limit Griffin's ability to find a replacement property to effectuate such an exchange.

Potential environmental liabilities could result in substantial costs.

Griffin has properties in Connecticut, the Lehigh Valley of Pennsylvania, the greater Charlotte area in North Carolina and Orlando, Florida in addition to extensive land holdings in Connecticut, Massachusetts and northern Florida. Under federal, state and local environmental laws, ordinances and regulations, Griffin may be required to investigate and clean up the effects of releases of hazardous substances or petroleum products at its properties because of its current or past ownership or operation of the real estate. If previously unidentified environmental problems arise, Griffin may have to make substantial payments, which could adversely affect its cash flow. As an owner or operator of properties, Griffin may have to pay for investigation and clean-up costs incurred in connection with a contamination. The law typically imposes cleanup responsibility and liability regardless of whether the owner or operator knew of or caused the contamination. Changes in environmental regulations may impact the development potential of Griffin's undeveloped land or could increase operating costs due to the cost of complying with new regulations.

Compliance with the Americans with Disabilities Act and fire, safety and other regulations may require Griffin to make expenditures that adversely impact Griffin's operating results.

All of Griffin's properties are required to comply with the Americans with Disabilities Act ("ADA"). The ADA generally requires that places of public accommodation comply with federal requirements related to access and use by people with disabilities. Compliance with the ADA requirements could require removal of access barriers, and non-compliance could result in imposition of fines by the United States government or an award of damages to private litigants, or both. Expenditures related to complying with the provisions of the ADA could adversely affect Griffin's results of operations and financial condition. In addition, Griffin is required to operate its properties in compliance with fire and safety regulations, building codes and other land use regulations, as they may be adopted by governmental agencies and bodies and become applicable to Griffin's properties. Griffin may be required to make substantial capital expenditures to comply with those requirements and these expenditures could have a material adverse effect on Griffin's operating results and financial condition and Griffin's ability to satisfy debt obligations and issue dividends to stockholders.

Governmental regulations and control could adversely affect Griffin's real estate development activities.

Griffin's operations are subject to governmental regulations that affect real estate development, such as local zoning ordinances, wetlands restrictions, storm water regulations and open space preservation initiatives. Any changes in regulations regarding these matters may impact the ability of Griffin to develop its properties or increase Griffin's costs of development. Subdivision and other residential development may also be affected by the potential adoption of initiatives meant to limit or concentrate residential growth. Commercial and industrial development activities of Griffin's undeveloped land may also be affected by traffic considerations, potential environmental issues, community opposition and other restrictions to development imposed by governmental agencies.

Uninsured losses or a loss in excess of insured limits could adversely affect Griffin's business, results of operations and financial condition.

Griffin carries comprehensive insurance coverage, including property, liability, terrorism and loss of rental revenue. The insurance coverage contains policy specifications and insured limits. However, there are certain losses that are not generally insured against or that are not fully insured against. If an uninsured loss or a loss in excess of insured limits occurs with respect to one or more of Griffin's properties, Griffin could experience a significant loss of capital invested in and potential revenue from the properties affected.

Volatility in the capital and credit markets could materially adversely impact Griffin.

Volatility and disruption in the capital and credit markets could make it more difficult to borrow money. Market volatility could hinder Griffin's ability to obtain new debt financing or refinance maturing debt on favorable terms, or at all. Any financing or refinancing issues could have a material adverse effect on Griffin. Market turmoil and the tightening of credit could lead to an increased lack of consumer confidence and widespread reduction of business activity in general, which also could materially adversely impact Griffin, including its ability to acquire and dispose of assets on favorable terms, or at all.

If Griffin fails to maintain appropriate internal controls in the future, it may not be able to report its financial results accurately, which may adversely affect the per share trading price of its common stock and its business.

Griffin's efforts to comply with Section 404 of the Sarbanes-Oxley Act of 2002, as amended, and the related regulations regarding its required assessment of internal control over financial reporting and its external auditors' audit of that assessment requires the commitment of significant financial and managerial resources. Griffin's system of internal controls may not prevent all errors, misstatements or misrepresentations, and there can be no guarantee that its internal control over financial reporting will be effective in accomplishing all control objectives all of the time. Deficiencies, including any material weakness or significant deficiency, in Griffin's internal control over financial reporting that may occur in the future could result in misstatements of its results of operations, restatements of its financial statements and a decline in its stock price, or otherwise materially adversely affect Griffin's business, reputation, results of operations, financial condition or liquidity.

Information technology ("IT") security breaches and other incidents could disrupt Griffin's operations, compromise confidential information maintained by Griffin, and damage Griffin's reputation, all of which could negatively impact Griffin's business, results of operations and the per share trading price of its common stock.

As part of Griffin's normal business activities, it uses IT and other computer resources to carry out important operational activities and to maintain its business records. Griffin's computer systems, including its backup systems, are subject to interruption or damage from power outages, computer and telecommunications failures, computer viruses, security breaches (including through cyber-attack and data theft), usage errors and catastrophic events, such as fires, floods, tornadoes and hurricanes. If Griffin's computer systems and its backup systems are compromised, degraded, damaged or breached, or otherwise cease to function properly, Griffin could suffer interruptions in its operations or unintentionally allow misappropriation of proprietary or confidential information, which could damage its reputation and require Griffin to incur significant costs to remediate or otherwise resolve these issues. There can be no assurance that the security efforts and measures Griffin has implemented will be effective or that attempted security breaches or disruptions would not be successful or damaging.

Griffin is subject to litigation that may adversely impact operating results.

From time to time, Griffin may be a party to legal proceedings and claims arising in the ordinary course of business which could become significant. Given the inherent uncertainty of litigation, Griffin can offer no assurance that a future adverse development related to existing litigation or any future litigation will not have a material adverse impact on its business, consolidated financial position, results of operations or cash flows.

Griffin is exposed to the potential impacts of future climate change and climate-change related risks.

Griffin is exposed to potential physical risks from possible future changes in climate. Griffin's properties may be exposed to rare catastrophic weather events, such as severe storms, hurricanes and/or floods. If the frequency of extreme weather events increases due to climate change, Griffin's exposure to these events could increase.

As a real estate owner and developer, Griffin may be adversely impacted in the future by stricter energy efficiency standards for buildings. Griffin may be required to make improvements to its existing properties to meet such standards and the costs to meet these standards may increase Griffin's costs for new construction.

Griffin's properties may contain or develop harmful mold or suffer from other air quality issues, which could lead to liability for adverse health effects and costs of remediation.

When excessive moisture accumulates in buildings or on building materials, mold growth may occur, particularly if the moisture problem remains undiscovered or is not addressed. Some molds may produce airborne toxins or irritants. Indoor air quality issues can also stem from inadequate ventilation, chemical contamination from indoor or outdoor sources, and other biological contaminants such as pollen, viruses and bacteria. Indoor exposure to airborne toxins or irritants above certain levels can be alleged to cause a variety of adverse health effects and symptoms, including allergic or other reactions. As a result, the presence of significant mold or other airborne contaminants at any of Griffin's properties could require Griffin to undertake a costly remediation program to contain or remove the mold or other airborne contaminants from the affected property or increase indoor ventilation. In addition, the presence of significant mold or other airborne contaminants could expose Griffin to liability from its tenants, employees of its tenants or others if property damage or personal injury is alleged to have occurred.

Risks Related to Griffin's Organization and Structure

The concentrated ownership of Griffin common stock by members of the Cullman and Ernst families may limit other Griffin stockholders' ability to influence Griffin's corporate and management policies.

Members of the Cullman and Ernst families (the "Cullman and Ernst Group"), which include Frederick M. Danziger, Griffin's Chairman, Michael S. Gamzon, a director and Griffin's President and Chief Executive Officer and Edgar M. Cullman, Jr., a director of Griffin, members of their families and trusts for their benefit, partnerships in which they own substantial interests and charitable foundations on whose boards of directors they sit, owned, directly or indirectly, approximately 44.9% of the outstanding common stock of Griffin as of November 30, 2019. There is an informal understanding that the persons and entities included in the Cullman and Ernst Group will vote together the shares owned by each of them. As a result, the Cullman and Ernst Group may effectively control the determination of Griffin's corporate and management policies and may limit other Griffin stockholders' ability to influence Griffin's corporate and management policies.

Griffin's board of directors may change its investment and financing policies without stockholder approval and Griffin may become more highly leveraged, which may increase Griffin's risk of default under its debt obligations.

Griffin's investment and financing policies are exclusively determined by its board of directors. Accordingly, Griffin's stockholders do not control these policies. Further, Griffin's charter and bylaws do not limit the amount or percentage of indebtedness, funded or otherwise, that Griffin may incur. Griffin's board of directors may alter or eliminate its current policy on borrowing at any time without stockholder approval. If this policy changed, Griffin could become more highly leveraged which could result in an increase in its debt service. Higher leverage also increases the risk of default on Griffin's obligations. In addition, a change in Griffin's investment policies, including the manner in which Griffin allocates its resources across the portfolio or the types of assets in which Griffin seeks to invest, may increase its exposure to interest rate risk, real estate market fluctuations and liquidity risk. Changes to Griffin's policies with regard to the foregoing could adversely affect Griffin's financial condition, results of operations, cash flows and its ability to pay dividends on, and the per share trading price of, its common stock.

Risks Related to Griffin's Common Stock

Issuances or sales of Griffin's common stock or the perception that such issuances or sales might occur could adversely affect the per share trading price of Griffin's common stock.

Griffin's ability to develop and acquire proprieties in part depends on Griffin's access to capital which may in the future include the issuance of common equity. Griffin's board of directors can authorize the issuance of additional securities without stockholder approval. Furthermore, on May 10, 2018, Griffin filed a shelf registration statement on Form S-3 with the SEC that allows it to offer up to $30 million of securities from time to time in one or more public offerings of its common stock.

The issuance or sale of Griffin common stock, including under Griffin's shelf registration statement, in connection with future property, portfolio or business acquisitions, to repay indebtedness or for general corporate purposes, or the availability of shares for resale in the open market, could have an adverse effect on the per share trading price of Griffin's common stock and would be dilutive to existing stockholders.

The exercise of any options or the issuance of any common stock granted to certain directors, executive officers and other employees under Griffin's 2009 Stock Option Plan or other equity incentive plan could also have an adverse effect on the per share trading price of its common stock and be dilutive to existing stockholders. The existence of such options could also adversely affect the terms upon which Griffin may be able to obtain additional capital through the sale of equity securities.

The market price and trading volume of Griffin's common stock may be volatile.

The trading volume in Griffin's common stock may fluctuate and cause significant price variations to occur. If the per share trading price of Griffin's common stock declines significantly, stockholders may be unable to resell their shares at or above the price paid for them. Griffin cannot assure stockholders that the per share trading price of its common stock will not fluctuate or decline significantly in the future.

Some of the factors that could negatively affect Griffin's share price or result in fluctuations in the price or trading volume of its common stock include:

- actual or anticipated variations in Griffin's quarterly operating results or dividends;
- changes in Griffin's results of operations or cash flows;
- publication of research reports about Griffin or the real estate industry;
- prevailing interest rates;
- the market for similar securities;
- lack of liquidity or low trading volume of Griffin common stock;
- changes in market valuations of similar companies;
- adverse market reaction to any additional or future issuance of debt or equity Griffin incurs in the future;
- additions or departures of key management personnel;
- actions by institutional stockholders;
- speculation in the press or investment community;
- the realization of any of the other risk factors presented in this annual report;
- the extent of investor interest in Griffin's securities or attractiveness of Griffin's equity securities in comparison to other equity securities, including securities issued by other real estate-based companies;
- Griffin's underlying asset value;
- investor confidence in the stock and bond markets, generally;
- changes in tax laws;
- future equity issuances; and
- general market and economic conditions.

In the past, securities class action litigation has often been instituted against companies following periods of volatility in the price of their common stock. This type of litigation could result in substantial costs and divert Griffin's management's attention and resources, which could have an adverse effect on Griffin's financial condition, results of operations, cash flows and Griffin's ability to pay dividends on, and the per share trading price of, its common stock.

Future offerings of debt securities, which would be senior to Griffin common stock upon liquidation, and/or preferred stock, which may be senior to Griffin common stock for purposes of dividend distributions or upon liquidation, may adversely affect the per share trading price of its common stock.

In the future, Griffin may attempt to increase its capital resources by making offerings of debt or additional equity securities, including medium-term notes, senior or subordinated notes and classes or series of its preferred stock under the Shelf Registration Statement. Upon liquidation, holders of Griffin debt securities and shares of Griffin preferred stock, and lenders with respect to other borrowings will be entitled to receive its available assets prior to distribution to the holders of its common stock. Additionally, any convertible or exchangeable securities that Griffin issues in the future may have rights, preferences and privileges more favorable than those of its common stock and may result in dilution to owners of its common stock. Holders of Griffin common stock are not entitled to preemptive rights or other protections against dilution. Any shares of Griffin preferred stock that are issued in the future under the Shelf Registration Statement or otherwise, could have a preference on liquidating distributions or a preference on dividend payments that could limit Griffin's ability pay dividends to the holders of its common stock. Because Griffin's decision to issue securities in any future offering under the Shelf Registration Statement or otherwise will depend on market conditions and other factors beyond its control, Griffin cannot predict or estimate the amount, timing or nature of its any such future offerings. Thus, Griffin's stockholders bear the risk of any such future offerings reducing the per share trading price of its common stock and diluting their interest in Griffin.

ITEM 1B. UNRESOLVED STAFF COMMENTS.

Not applicable.

ITEM 2. PROPERTIES.

Land Holdings

As of November 30, 2019, Griffin's land holdings were as follows:

Location	Land Area (in acres) Developed	Undeveloped
Connecticut		
Bloomfield	34	151 (a)
East Granby	15	525 (b)
Granby	—	333 (b)
Simsbury	—	484 (c)
Suffield	—	28 (d)
Windsor	274 (e)	532 (f)
Florida		
Orlando	5	—
Quincy	—	1,066 (g)
Massachusetts		
Southwick	—	297
North Carolina		
Charlotte	—	44
Concord	40	—
Pennsylvania		
Allentown	—	14
Breinigsville	17	—
Hanover Township	49	—
Lower Nazareth Township	51	—
Upper Macungie Township	14	—

Note: The development of some of Griffin's undeveloped land may be limited by difficulties in obtaining entitlements, government regulations such as zoning, traffic considerations, potential environmental issues, initiatives intended to limit or concentrate residential growth, other restrictions to development imposed by governmental agencies and the nature of the land itself (i.e. the presence of wetlands or topography of the land).

(a) Includes 75 acres of undeveloped land in Griffin Center South, 56 acres of undeveloped land in Griffin Center and 15 acres of undeveloped land in Phoenix Crossing.

(b) Includes 347 acres in East Granby and 323 acres in Granby that comprise the Connecticut Farm that is leased to Monrovia under the Imperial Lease. East Granby also includes 82 acres under the East Granby/Windsor Option Agreement (see Part I, "Item 1. Business-Other Land").

(c) Includes 277 acres for the site of the approved Meadowood residential development. On February 3, 2020, Griffin entered into the Meadowood Option Agreement for the sale of the Meadowood Land (see Part I, "Item 1. Business-Residential Developments, Simsbury, Connecticut").

(d) Includes 17 acres for the Stratton Farms residential development.

(e) Includes land entitled to expand two existing industrial/warehouse buildings by a total of 200,000 square feet.

(f) Includes 198 acres under the East Granby/Windsor Option Agreement, 100 acres of undeveloped land in Griffin Center, 94 acres of undeveloped land in NE Tradeport and 61 acres of undeveloped land in Phoenix Crossing. Approximately 27 acres of the Phoenix Crossing undeveloped land is under agreement to be sold (see Part I, "Item 1. Business-Industrial/Warehouse Properties, Hartford, Connecticut").

(g) Reflects the Florida Farm.

Developed Properties

As of November 30, 2019, Griffin owned forty buildings, comprised of twenty-eight industrial/warehouse buildings, eleven office/flex buildings and a small restaurant building. A listing of those facilities is as follows:

Connecticut Industrial/Warehouse Properties	
100 International Drive, Windsor, CT*	304,200 sq. ft.
220 Tradeport Drive, Windsor, CT*	234,000 sq. ft.
1985 Blue Hills Avenue, Windsor, CT*	165,000 sq. ft.
755 Rainbow Road, Windsor, CT*	148,500 sq. ft.
758 Rainbow Road, Windsor, CT*	138,400 sq. ft.
754 Rainbow Road, Windsor, CT*	136,900 sq. ft.
330 Stone Road, Windsor, CT*	136,900 sq. ft.
759 Rainbow Road, Windsor, CT*	126,900 sq. ft.
75 International Drive, Windsor, CT*	117,000 sq. ft.
20 International Drive, Windsor, CT*	99,800 sq. ft.
40 International Drive, Windsor, CT*	99,800 sq. ft.
35 International Drive, Windsor, CT*	97,600 sq. ft.
16 International Drive, East Granby, CT*	58,400 sq. ft.
25 International Drive, Windsor, CT*	57,200 sq. ft.
15 International Drive, East Granby, CT*	41,600 sq. ft.
14 International Drive, East Granby, CT*	40,100 sq. ft.
131 Phoenix Crossing, Bloomfield, CT**	31,200 sq. ft.
210 West Newberry Road, Bloomfield, CT**	18,400 sq. ft.
Pennsylvania Industrial/Warehouse Properties	
4270 Fritch Drive, Lower Nazareth, PA*	302,600 sq. ft.
5220 Jaindl Blvd., Hanover Township, PA*	280,000 sq. ft.
5210 Jaindl Blvd., Hanover Township, PA*	252,000 sq. ft.
4275 Fritch Drive, Lower Nazareth, PA*	228,000 sq. ft.
6975 Ambassador Drive, Allentown, PA*	134,000 sq. ft.
871 Nestle Way, Breinigsville, PA*	119,900 sq. ft.
North Carolina Industrial/Warehouse Properties	
215 International Drive, Concord, NC*	277,300 sq. ft.
160 International Drive, Concord, NC	146,800 sq. ft.
180 International Drive, Concord, NC	136,000 sq. ft.
Florida Industrial/Warehouse Property	
7466 Chancellor Drive, Orlando, FL*	100,000 sq. ft.

Connecticut Office/Flex Properties

5 Waterside Crossing, Windsor, CT*	80,500 sq. ft.
7 Waterside Crossing, Windsor, CT*	80,500 sq. ft.
29 - 35 Griffin Road South, Bloomfield, CT**	57,500 sq. ft.
21 Griffin Road North, Windsor, CT**	48,300 sq. ft.
55 Griffin Road South, Bloomfield, CT**	40,300 sq. ft.
340 West Newberry Road, Bloomfield, CT**	39,000 sq. ft.
206 West Newberry Road, Bloomfield, CT**	22,800 sq. ft.
204 West Newberry Road, Bloomfield, CT**	22,300 sq. ft.
330 West Newberry Road, Bloomfield, CT**	11,900 sq. ft.
310 West Newberry Road, Bloomfield, CT**	11,400 sq. ft.
320 West Newberry Road, Bloomfield, CT**	11,100 sq. ft.
1936 Blue Hills Avenue, Windsor, CT	7,200 sq. ft.

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* Included as collateral under one of Griffin's nonrecourse mortgage loans as of January 31, 2020.

** Included as collateral under Griffin's revolving line of credit with Webster Bank as of January 31, 2020.

Griffin subleases approximately 1,920 square feet in New York City for its executive offices from Bloomingdale Properties, Inc. ("Bloomingdale Properties"), an entity that is controlled by certain members of the Cullman and Ernst Group. The sublease with Bloomingdale Properties was approved by Griffin's Audit Committee and the lease rates under the sublease were at market rate at the time the sublease was signed.

As with many companies engaged in real estate investment and development, Griffin holds its real estate portfolio subject to mortgage debt. See Note 5 to Griffin's consolidated financial statements for information concerning the mortgage debt associated with Griffin's properties.

ITEM 3. LEGAL PROCEEDINGS.

From time to time, Griffin is involved, as a defendant, in various litigation matters arising in the ordinary course of business. In the opinion of management, based on the advice of legal counsel, the ultimate liability, if any, with respect to these matters is not expected to be material to Griffin's financial position, results of operations or cash flows.

ITEM 4. MINE SAFETY DISCLOSURES.

Not applicable.

PART II

ITEM 5. MARKET FOR THE REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES.

Market Information

Griffin's common stock is traded on The Nasdaq Stock Market LLC under the symbol GRIF. As of January 31, 2020, there were 141 holders of record of Griffin common stock, which does not include beneficial owners whose shares are held of record in the names of brokers or nominees. The closing market price as quoted on The Nasdaq Stock Market LLC on such date was $40.50 per share.

Dividend Policy

Griffin's dividend policy is to consider the payment of an annual dividend at the end of its fiscal year, which enables the Board of Directors to evaluate both Griffin's prior full year results and its cash needs for the succeeding year when determining whether to declare an annual dividend and the amount thereof, if any.

ITEM 6. SELECTED FINANCIAL DATA.

The following table sets forth selected statement of operations data for fiscal years 2015 through 2019 and balance sheet data as of the end of each fiscal year. The selected statement of operations data for fiscal 2017, fiscal 2018 and fiscal 2019 and the selected balance sheet data for fiscal 2018 and fiscal 2019 are derived from the audited consolidated financial statements included in Item 8 of this Annual Report. The selected statement of operations data for fiscal 2015 and fiscal 2016 and the balance sheet data for fiscal 2015, fiscal 2016 and fiscal 2017 were derived from the audited consolidated financial statements for those years. This selected financial data should be read in conjunction with the consolidated financial statements and accompanying notes, Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations" and other financial information included elsewhere in this Annual Report. Historical results are not necessarily indicative of future performance.

	2019	2018	2017	2016	2015
	(dollars in thousands, except per share data)				
Statement of Operations Data:					
Total revenue	$ 44,045	$ 33,800	$ 43,884	$ 30,851	$ 28,088
Depreciation and amortization expense	11,801	11,404	10,064	8,797	7,668
Impairment loss	3,100	—	—	—	—
Operating income	9,599	4,971	12,622	5,627	4,314
Net income (loss) income	3,668	(1,653)	4,627	576	425
Basic net income (loss) per share	0.72	(0.33)	0.92	0.11	0.08
Diluted net income (loss) per share	0.72	(0.33)	0.92	0.11	0.08
Balance Sheet Data:					
Total assets	268,495	263,469	249,037	223,623	208,050
Mortgage and construction loans, net of debt issuance costs	142,575	145,052	129,203	109,697	89,185
Stockholders' equity	90,762	94,828	93,053	90,803	94,809
Cash dividends declared per common share	0.50	0.45	0.40	0.30	0.30

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

Overview

Griffin Industrial Realty, Inc. ("Griffin") is a real estate business principally engaged in developing, acquiring, managing and leasing industrial/warehouse properties. Griffin seeks to add to its industrial/warehouse property portfolio through the acquisition and development of land or the purchase of buildings in select markets targeted by Griffin. Griffin also owns several office/flex properties and undeveloped land. Periodically, Griffin may sell certain of its real estate assets that it has owned for an extended time period and the use of which is not consistent with Griffin's core focus on industrial/warehouse properties.

The notes to Griffin's consolidated financial statements included in Part II, Item 8 "Financial Statements and Supplemental Data" of this Annual Report contain a summary of the significant accounting policies and methods used in the preparation of Griffin's consolidated financial statements. In the opinion of management, because of the relative magnitude of Griffin's real estate assets, accounting methods and estimates related to those assets are critical to the preparation of Griffin's consolidated financial statements. Griffin uses accounting policies and methods under accounting principles generally accepted in the United States of America ("U.S. GAAP"). The following are the critical accounting estimates and methods used by Griffin:

Revenue and gain recognition: Revenue includes rental revenue from Griffin's industrial and commercial properties and proceeds from property sales. Rental revenue is accounted for on a straight-line basis over the applicable lease terms in accordance with the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 840, "Leases." Gains on property sales are recognized in accordance with FASB ASC 606, "Revenue from Contracts with Customers," based on the specific terms of each sale. When the percentage of completion method is used to account for a sale of real estate, gains on sales are recognized over time as performance obligations are satisfied.

Impairment of long-lived assets: Griffin reviews annually, as well as when conditions may indicate, its long-lived assets to determine if there are any indicators of impairment, such as a prolonged vacancy in one of Griffin's rental properties. If indicators of impairment are present, Griffin evaluates the carrying value of the assets in relation to the operating performance and expected future undiscounted cash flows or the estimated fair value based on expected future cash flows of the underlying assets. Development costs that have been capitalized are reviewed periodically for future recoverability.

Stock based compensation: Griffin determines stock-based compensation based on the estimated fair values of stock options as determined on their grant dates using the Black-Scholes option-pricing model. In determining the estimated fair values of stock options issued, Griffin makes assumptions on expected volatility, risk-free interest rates, expected option terms and dividend yields.

Derivative instruments: Griffin evaluates each interest rate swap agreement to determine if it qualifies as an effective cash flow hedge. Changes in the fair value of each interest rate swap agreement that management determines to be an effective cash flow hedge are recorded as a component of other comprehensive income. The fair value of each interest rate swap agreement is determined based on observable market participant data, such as yield curves, as of the fair value measurement date.

Income taxes: In accounting for income taxes under FASB ASC 740, "Income Taxes," management estimates future taxable income from operations, the sale of appreciated assets, the remaining years before the expiration of net operating loss carryforwards, future reversals of existing temporary differences and tax planning strategies in determining if it is more likely than not that Griffin will realize the benefits of its deferred tax assets. Deferred tax assets and deferred tax liabilities are measured using the enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and deferred tax liabilities of a change in tax rates on income is recognized in the period that the tax rate change is enacted.

Summary

In the fiscal year ended November 30, 2019 (“fiscal 2019”), Griffin had net income of approximately $3.7 million as compared to a net loss of approximately $1.7 million in the fiscal year ended November 30, 2018 (“fiscal 2018”). Net income in fiscal 2019, as compared to the net loss in fiscal 2018, principally reflected: (a) an increase of approximately $4.6 million in operating income in fiscal 2019 as compared to fiscal 2018; and (b) an increase of approximately $0.1 million in investment income in fiscal 2019 as compared to fiscal 2018; partially offset by (c) an increase of approximately $0.7 million in the income tax provision in fiscal 2019 as compared to fiscal 2018; and (d) an increase of approximately $0.1 million in interest expense in fiscal 2019 as compared to fiscal 2018.

The higher operating income in fiscal 2019, as compared to fiscal 2018, reflected: (a) an approximately $7.0 million increase in gain from property sales; (b) an approximately $1.0 million increase in operating income from leasing (“Leasing NOI”)[2], which Griffin defines as rental revenue less operating expenses of rental properties; (c) an approximately $0.1 million decrease in general and administrative expense in fiscal 2019 as compared to fiscal 2018; and (d) a gain on insurance recovery of approximately $0.1 million for storm damage to the approximately 1,066 acre parcel of undeveloped land in Quincy, Florida (the “Florida Farm”); partially offset by (e) an impairment loss on real estate assets of $3.1 million; and (f) an approximately $0.4 million increase in depreciation and amortization expense in fiscal 2019 as compared to fiscal 2018. The higher gain from property sales in fiscal 2019, as compared to fiscal 2018, principally reflected a gain of approximately $7.3 million in fiscal 2019 from the sale of approximately 280 acres of undeveloped land in Simsbury, Connecticut (the “Simsbury Land Sale”).

The increase in Leasing NOI to approximately $24.2 million in fiscal 2019, from approximately $23.2 million in fiscal 2018, principally reflected an approximately $1.4 million increase in rental revenue in fiscal 2019, as compared to fiscal 2018, partially offset by an increase of approximately $0.5 million in operating expenses of rental properties in fiscal 2019, as compared to fiscal 2018. The increase in rental revenue principally reflects more space under lease in fiscal 2019 as compared to fiscal 2018. The increase in operating expenses of rental properties principally reflects a full year of expenses in fiscal 2019 for both 6975 Ambassador Drive (“6975 Ambassador”), an approximately 134,000 square foot industrial/warehouse building in the Lehigh Valley of Pennsylvania and 220 Tradeport Drive (“220 Tradeport”), an approximately 234,000 square foot industrial/warehouse building in New England Tradeport (“NE Tradeport”), Griffin’s industrial park in Windsor and East Granby, Connecticut, as compared to expenses for those buildings only being incurred during the fourth quarter of fiscal 2018 (the “2018 fourth quarter”). 6975 Ambassador and 220 Tradeport were both placed in service in the 2018 fourth quarter. The impairment loss reflects the write down of the real estate assets of Griffin’s approved but unbuilt residential development (“Meadowood”) in Simsbury, Connecticut. The higher depreciation and amortization expense in fiscal 2019, as compared to fiscal 2018, principally reflected higher depreciation and amortization related to 220 Tradeport and 6975 Ambassador, partially offset by a reduction of depreciation and amortization expense on tenant improvements related to leases that terminated in fiscal 2019. The higher interest expense in fiscal 2019, as compared to fiscal 2018, principally reflected the higher amount of debt outstanding in fiscal 2019 as compared to fiscal 2018.

Griffin had an income tax benefit of approximately $0.2 million in fiscal 2019 as compared to an income tax provision of approximately $0.5 million in fiscal 2018. The income tax benefit in fiscal 2019 principally reflected a credit of approximately $0.9 million included in the fiscal 2019 income tax provision from a change in Connecticut tax law that more than offset approximately $0.7 million of income taxes provided on fiscal 2019 pretax income of approximately $3.5 million. The income tax provision in fiscal 2018 principally reflected a charge of approximately $1.0 million for the re-measurement of Griffin’s deferred tax assets and liabilities due to the reduction of the U.S. federal corporate statutory tax rate from 35% to 21% under the Tax Cuts and Jobs Act (“TCJA”), partially offset by a tax benefit of approximately $0.5 million on Griffin’s pretax loss of approximately $1.1 million in fiscal 2018.

[2] Leasing NOI is not a financial measure in conformity with U.S. GAAP. It is presented because Griffin believes it is a useful financial indicator for measuring results of its real estate leasing activities. However, it should not be considered as an alternative to operating income as a measure of operating results in accordance with U.S. GAAP. In prior years, Griffin referred to this metric as “profit from leasing activities.” In fiscal 2019, Griffin changed from profit from leasing activities to Leasing NOI to be more in line with terminology used by other real estate companies.

Results of Operations

Fiscal 2019 Compared to Fiscal 2018

Total revenue increased to approximately $44.0 million in fiscal 2019 from approximately $33.8 million in fiscal 2018, reflecting increases of approximately $8.8 million in revenue from property sales and approximately $1.4 million in rental revenue. Rental revenue increased to approximately $34.2 million in fiscal 2019 from approximately $32.8 million in fiscal 2018. The approximately $1.4 million increase in rental revenue in fiscal 2019 over fiscal 2018 was principally due to: (a) an increase of approximately $1.3 million from 220 Tradeport, which was completed and fully leased in the 2018 fourth quarter; and (b) an increase of approximately $0.6 million from leasing previously vacant space; partially offset by (c) a decrease of approximately $0.5 million in rental revenue from leases that expired.

A summary of the total square footage and leased square footage of the buildings in Griffin's real estate portfolio is as follows:

	Total Square Footage	Leased Square Footage	Percentage Leased
As of November 30, 2019.	4,462,000	4,034,000	90%
As of November 30, 2018.	4,078,000	3,777,000	93%

The approximately 384,000 square foot increase in total square footage as of November 30, 2019, as compared to November 30, 2018, was due to: (a) placing into service in the fiscal 2019 fourth quarter (the "2019 fourth quarter") upon the completion of construction, on speculation, two industrial/warehouse buildings ("160 International" and "180 International"), aggregating approximately 283,000 square feet in Concord, North Carolina in the greater Charlotte area; and (b) the acquisition in the 2019 fourth quarter of 7466 Chancellor Drive ("7466 Chancellor"), an approximately 100,000 square foot industrial/warehouse building in Orlando, Florida, and Griffin's first property in that market.

The approximately 257,000 square foot net increase in leased square footage as of November 30, 2019, as compared to November 30, 2018, was principally due to: (a) approximately 105,000 square feet in 160 International being leased; (b) the acquisition of 7466 Chancellor, which is fully leased: (c) approximately 64,000 square feet in 6975 Ambassador being leased; (d) leasing approximately 30,000 square feet of previously vacant primarily industrial/warehouse space in connection with the expansion and extension of two leases; partially offset by (e) a reduction of approximately 23,000 square feet due to the expiration of a lease of industrial/warehouse space in NE Tradeport; and (f) a reduction of approximately 17,000 square feet as the result of several lease extensions and relocations of office/flex space whereby the tenants reduced their space leased. Such relocations included a tenant in Griffin's two multi-story office buildings in Griffin Center in Windsor, Connecticut, that downsized from an aggregate of approximately 34,000 square feet under leases that were scheduled to expire on July 31, 2019, to approximately 25,000 square feet under a new six-year lease. In fiscal 2019, Griffin extended leases aggregating approximately 141,000 square feet, that included two leases for industrial/warehouse space in NE Tradeport aggregating approximately 80,000 square feet and several leases for office/flex space aggregating approximately 60,000 square feet.

As of November 30, 2019, Griffin's approximately 4,029,000 square feet of industrial/warehouse space, which comprised approximately 90% of Griffin's total square footage, was 93% leased (97% leased excluding 160 International and 180 International). The only significant vacancies, excluding the vacancies in 160 International and 180 International, were approximately 70,000 square feet in 6975 Ambassador and approximately 48,000 square feet in NE Tradeport. Both of those spaces were leased in the fiscal 2020 first quarter. Griffin's office/flex buildings aggregating approximately 433,000 square feet (10% of Griffin's total square footage) in the Hartford, Connecticut area, were approximately 70% leased as of November 30, 2019.

Revenue from property sales increased to approximately $9.8 million in fiscal 2019 from approximately $1.0 million in fiscal 2018. Property sales revenue in fiscal 2019 included: (a) approximately $7.7 million from the Simsbury Land Sale which closed after the buyer procured the required entitlements and approvals for its planned development of a facility to generate solar electricity on the land acquired; (b) a total of approximately $1.6 million from the sales of approximately 116 acres of undeveloped land in East Windsor, Connecticut (the "East Windsor Land") and the East Windsor Land's development rights in two separate transactions; and (c) approximately $0.5 million from several smaller land sales, including approximately $0.1 million from the sale of a residential lot at Stratton Farms ("Stratton Farms"), Griffin's residential subdivision in Suffield, Connecticut. The aggregated cost related to the property sales in fiscal 2019 was approximately $2.0 million, resulting in a total pretax gain of approximately $7.8 million from property sales in fiscal 2019.

Revenue from property sales of approximately $1.0 million in fiscal 2018 reflected approximately $0.8 million from the sale of approximately 49 acres of undeveloped land in Southwick, Massachusetts (the "2018 Southwick Land Sale"), approximately $0.1 million from the sale of a Stratton Farms residential lot and approximately $0.1 million from the buyer's forfeiture of a deposit on a potential land sale that was not completed. The aggregated costs related to such property sales and the deposit forfeiture in fiscal 2018 was approximately $0.1 million, resulting in a total pretax gain of approximately $0.9 million from property sales in fiscal 2018. Property sales occur periodically and changes in revenue from year to year from property sales may not be indicative of any trends in Griffin's real estate business.

Operating expenses of rental properties increased to approximately $10.0 million in fiscal 2019 from approximately $9.5 million in fiscal 2018. The increase of approximately $0.5 million in operating expenses of rental properties in fiscal 2019, as compared to fiscal 2018, principally reflected: (a) an increase of approximately $0.2 million in operating expenses for 6975 Ambassador being in service for the entire year in fiscal 2019; (b) an increase of approximately $0.2 million in operating expenses for 220 Tradeport being in service for the entire year in fiscal 2019; and (c) increases aggregating approximately $0.1 million in operating expenses across all other properties.

Depreciation and amortization expense increased to approximately $11.8 million in fiscal 2019 from approximately $11.4 million in fiscal 2018. The increase of approximately $0.4 million in depreciation and amortization expense in fiscal 2019, as compared to fiscal 2018, principally reflected: (a) an increase of approximately $0.5 million related to 220 Tradeport; (b) an increase of approximately $0.2 million related to 6975 Ambassador; and (c) increases aggregating approximately $0.1 million across all other properties; partially offset by (d) a decrease of approximately $0.3 million related to tenant improvements becoming fully depreciated in fiscal 2018 as a result of leases that terminated in that year.

General and administrative expenses decreased by less than $0.1 million in fiscal 2019 to remain essentially unchanged at approximately $7.7 million. The less than $0.1 million decrease in fiscal 2019, as compared to fiscal 2018, principally reflected: (a) an approximately $0.4 million decrease in compensation expenses in fiscal 2019; and (b) an expense of approximately $0.1 million in fiscal 2018 for removal of structures on Griffin's land that remained from the tobacco growing operations of former affiliates of Griffin; partially offset by (c) an increase of approximately $0.3 million related to Griffin's non-qualified deferred compensation plan; and (d) a net increase of approximately $0.1 million in all other general and administrative expenses. The decrease in compensation expenses principally reflects the effect of the retirement of Frederick M. Danziger as Griffin's Executive Chairman and the resignation of the Director of Acquisitions in fiscal 2019. Mr. Danziger remained as Non-executive Chairman of Griffin's Board of Directors. The higher expense related to Griffin's non-qualified deferred compensation plan reflected the effect of higher stock market performance on participant balances in fiscal 2019, as compared to fiscal 2018, which resulted in a greater increase in the non-qualified deferred compensation plan liability in fiscal 2019 as compared to fiscal 2018.

In the 2019 fourth quarter, management decided to pursue alternatives to a large scale long-term residential development for Meadowood that would enable Griffin to realize proceeds in a more timely manner that could be redeployed by Griffin towards its key strategy of increasing its industrial/warehouse portfolio. As a result of these actions, in the fiscal 2019 fourth quarter, Griffin recorded an impairment loss of $3.1 million to lower the carrying value of the real estate assets of Meadowood to their estimated fair value of approximately $5.4 million. On February 3, 2020, Griffin entered into an option agreement that contemplates a sale of the Meadowood land that, if exercised, would generate net cash proceeds to Griffin of approximately $5.4 million (see "Liquidity and Capital Resources" below).

Interest expense increased to approximately $6.4 million in fiscal 2019 from approximately $6.3 million in fiscal 2018. The increase of approximately $0.1 million in interest expense in fiscal 2019, as compared to fiscal 2018, principally reflected: (a) an approximately $0.4 million increase in interest expense on the 2018 State Farm Loan (as defined below) as a result of the higher amount outstanding thereunder in fiscal 2019 as compared to fiscal 2018; offset by (b) a decrease of approximately $0.2 million across all other mortgage loans in fiscal 2019 as compared to fiscal 2018; and (c) a decrease of $0.1 million in fiscal 2019, as compared to fiscal 2018, due to an interest rate swap agreement that expired in the first quarter of fiscal 2019.

Investment income increased to approximately $0.3 million in fiscal 2019 from approximately $0.2 million in fiscal 2018. The increase of approximately $0.1 million in investment income in fiscal 2019, as compared to fiscal 2018, principally reflected the earnings on Griffin's short-term investments, which are repurchase agreements with Webster Bank, N.A. ("Webster Bank") that are collateralized with securities issued by the United States Government or its sponsored agencies.

Griffin had an income tax benefit of approximately $0.2 million in fiscal 2019 as compared to an income tax provision of approximately $0.5 million in fiscal 2018. The income tax benefit in fiscal 2019 principally reflected a credit of approximately $0.9 million included in the fiscal 2019 income tax provision from a change in Connecticut tax law that more than offset approximately $0.7 million of income taxes provided on fiscal 2019 pretax income of approximately $3.5 million. The credit of approximately $0.9 million included in the fiscal 2019 income tax benefit was due to a partial reduction to the valuation allowance on Connecticut state deferred tax assets as a result of the change in Connecticut's tax law whereby the capital based tax is being phased out over four consecutive years beginning January 1, 2021. The income tax provision in fiscal 2018 principally reflected a charge of approximately $1.0 million for the re-measurement of Griffin's deferred tax assets and liabilities due to the reduction of the U.S. federal corporate statutory tax rate from 35% to 21% as the TCJA became effective for Griffin in the fiscal 2018 first quarter, partially offset by a tax benefit of approximately $0.5 million on Griffin's pretax loss of approximately $1.1 million in fiscal 2018.

For a discussion of Griffin's results of operations for fiscal 2017, including a year-to-year comparison between fiscal 2018 and fiscal 2017, refer to Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Griffin's Annual Report Form 10-K/A for the year ended November 30, 2018.

Off Balance Sheet Arrangements

Griffin does not have any off balance sheet arrangements.

Liquidity and Capital Resources

In fiscal 2019, net cash provided by operating activities increased to approximately $11.3 million from approximately $8.4 million in fiscal 2018. The approximately $2.8 million increase in net cash provided by operating activities in fiscal 2019, as compared to fiscal 2018, principally reflected the approximately $1.0 million increase in Leasing NOI in fiscal 2019, as compared to fiscal 2018, and an increase in cash from changes in assets and liabilities in fiscal 2019, as compared to fiscal 2018. The increase in cash from changes in assets and liabilities principally reflected the increase in deferred revenue of approximately $1.8 million in fiscal 2019, as compared to an increase of approximately $0.3 million in fiscal 2018. The favorable change in deferred revenue in fiscal 2019, as compared to fiscal 2018, principally reflected cash received from tenants for tenant and building improvements that will be recognized as rental revenue over the tenants' respective lease terms.

Net cash used in investing activities was approximately $15.0 million in fiscal 2019, as compared to approximately $45.3 million in fiscal 2018. The net cash used in investing activities in fiscal 2019 reflected: (a) cash payments of approximately $29.4 million for additions to real estate assets; (b) cash payments of approximately $10.2 million for the acquisition of 7466 Chancellor; and (c) cash payments of approximately $1.0 million for deferred leasing costs and other uses; partially offset by (d) $16.0 million of cash received as a result of a decrease in short-term investments; and (e) net cash proceeds of approximately $9.5 million from property sales.

The approximately $29.4 million of cash payments for additions to real estate assets in fiscal 2019 reflected the following:

New building construction (including site work)	$ 15.4 million
Purchases of undeveloped land	$ 7.9 million
Tenant and building improvements related to leasing	$ 5.0 million
Development costs and infrastructure improvements	$ 1.1 million

Cash payments for new building construction (including site work) in fiscal 2019 included approximately $15.0 million for the construction, on speculation, of 160 International and 180 International which were started in the 2018 fourth quarter and completed in fiscal 2019. Including cash paid in fiscal 2018 and remaining cash to be paid subsequent to November 30, 2019, the total cost of construction (including site work) for 160 International and 180 International is expected to be approximately $16.3 million. Cash payments for new building construction (including site work) in fiscal 2019 also included the approximately $0.4 million of final payments for the construction of 220 Tradeport and 6975 Ambassador, which were both completed in the 2018 fourth quarter. The total cost of site work and construction (excluding tenant improvement costs) of 220 Tradeport and 6975 Ambassador was approximately $13.2 million and approximately $8.1 million, respectively.

Cash payments of $7.9 million for purchases of undeveloped land in fiscal 2019 were comprised of (a) approximately $5.7 million for the purchase of approximately 44 acres in two adjoining land parcels in Charlotte, North Carolina (the “Charlotte Land”); and (b) approximately $2.2 million for the purchase of approximately 14 acres of undeveloped land in the Lehigh Valley (the “Lehigh Valley Land”). These acquired land parcels were replacement properties in a like-kind exchange (a “1031 Like-Kind Exchange”) under Section 1031 of the Internal Revenue Code of 1986, as amended for income tax purposes, for the Simsbury Land Sale. Griffin has obtained governmental approvals required for its planned construction of three industrial/warehouse buildings aggregating approximately 520,000 square feet on the Charlotte Land and an approximately 100,000 square foot industrial/warehouse building on the Lehigh Valley Land.

Cash payments of approximately $5.0 million in fiscal 2019 for tenant and building improvements related to leasing principally reflected tenant improvement work for leases signed in the latter part of fiscal 2018 and fiscal 2019. The cash spent on development costs and infrastructure improvements in fiscal 2019 principally reflected approximately $0.5 million for initial planning and development of the Lehigh Valley Land and approximately $0.4 million for the initial planning and development of the Charlotte Land.

On October 25, 2019, Griffin paid cash of approximately $10.2 million for the acquisition of 7466 Chancellor, using approximately $5.9 million borrowed under the Acquisition Credit Line (as defined below), with the balance paid from cash on hand. Subsequent to November 30, 2019, Griffin closed on a nonrecourse mortgage loan of $6.5 million collateralized by 7466 Chancellor (see below). 7466 Chancellor was a replacement property under a reverse like-kind exchange (a “Reverse 1031 Like-Kind Exchange”) under Section 1031 of the Internal Revenue Code of 1986, as amended, to defer taxable gains on subsequent sales of real property. On February 3, 2020, Griffin sold a parcel of undeveloped land to complete the Reverse 1031 Like-Kind Exchange (see below).

Cash payments of approximately $1.0 million for deferred leasing costs and other in fiscal 2019 principally reflected lease commissions paid to real estate brokers for new leases.

The approximately $16.0 million of cash from short-term investments in fiscal 2019 reflected the net reduction of Griffin’s investment in repurchase agreements with Webster Bank from $17.0 million as of November 30, 2018 to approximately $1.0 million as of November 30, 2019. As of November 30, 2019, Griffin held one repurchase agreement that is scheduled to mature on February 14, 2020.

The approximately $9.5 million of net cash proceeds from property sales, after transaction costs, in fiscal 2019 principally reflected approximately $7.6 million from the Simsbury Land Sale, approximately $1.6 million from the sales of the East Windsor Land and the East Windsor Land development rights and approximately $0.3 million from several smaller property sales (see “Results of Operations – Fiscal 2019 Compared to Fiscal 2018” above). The net cash proceeds from the Simsbury Land Sale were deposited into escrow at closing for the purchase of replacement properties under a 1031 Like-Kind Exchange.

In fiscal 2018, net cash used in investing activities of approximately $45.3 million reflected: (a) cash payments of approximately $28.6 million for additions to real estate assets; (b) net cash of $17.0 million used for short-term investments; and (c) cash payments of approximately $0.8 million for deferred leasing costs and other uses; partially offset by (d) cash proceeds of approximately $1.0 million from property sales; and (e) approximately $0.1 million of cash proceeds from a fiscal 2017 property sale returned from escrow.

The approximately $28.6 million of cash payments for additions to real estate assets in fiscal 2018 reflected the following:

New building construction (including site work)	$ 20.7 million
Tenant and building improvements related to leasing	$ 4.6 million
Purchase of undeveloped land	$ 2.7 million
Development costs and infrastructure improvements	$ 0.6 million

Cash payments for new building construction (including site work) in fiscal 2018 included approximately $12.8 million for the construction of 220 Tradeport and approximately $7.7 million for the construction, on speculation, of 6975 Ambassador. Griffin completed construction of both 220 Tradeport and 6975 Ambassador in the 2018 fourth quarter. Cash payments for new building construction (including site work) in fiscal 2018 also included the approximately $0.1 million of final payments for the construction of 330 Stone, which was completed in the fiscal 2017 fourth quarter, and approximately $0.1 million for the start of construction, on speculation, of 160 International and 180 International.

Cash payments for tenant and building improvements related to leasing in fiscal 2018 principally related to the full building lease at 220 Tradeport (approximately $2.0 million), the approximately 74,000 square foot lease at 330 Stone that commenced just prior to the end of fiscal 2017 (approximately $1.5 million) and approximately $1.1 million related to other new leases and lease renewals signed in the latter part of fiscal 2017 and fiscal 2018.

The cash payment of approximately $2.7 million, including acquisition costs, for the purchase of undeveloped land in fiscal 2018 was for the purchase of undeveloped land in Concord, North Carolina (the “Concord Land”), an approximately 22 acre parcel in the greater Charlotte area on which 160 International and 180 International were built. Approximately $0.8 million of the purchase price of the Concord Land was paid using proceeds from the 2018 Southwick Land Sale to complete a 1031 Like-Kind Exchange (see below).

Net cash payments of $17.0 million used for short-term investments in fiscal 2018 reflected the investment in repurchase agreements with Webster Bank that are collateralized with securities issued by the United States Government or its sponsored agencies. As of November 30, 2018, these repurchase agreements had maturities of up to six months, and a weighted average maturity of less than 90 days. Cash payments of approximately $0.8 million for deferred leasing costs and other uses in fiscal 2018 reflected approximately $0.7 million for lease commissions and other costs related to new and renewed leases and approximately $0.1 million for purchases of equipment.

The approximately $1.0 million of cash proceeds from property sales in fiscal 2018 reflected approximately $0.8 million from the 2018 Southwick Land Sale, approximately $0.1 million from the sale of a Stratton Farms residential lot and approximately $0.1 million from a buyer’s forfeiture of a deposit on a potential land sale that did not close. The approximately $0.1 million of cash proceeds from property sales returned from escrow in fiscal 2018 reflected the amount remaining after approximately $1.8 million of the approximately $1.9 million of total cash proceeds from the 2017 Southwick Land Sale, deposited into escrow at closing, were used to purchase the Lehigh Valley land site for 6975 Ambassador in fiscal 2017 to complete a 1031 Like-Kind Exchange.

Net cash provided by financing activities was approximately $1.0 million in fiscal 2019, as compared to approximately $15.4 million in fiscal 2018. The net cash provided by financing activities in fiscal 2019 reflected: (a) proceeds of approximately $5.9 million from borrowing under Griffin’s Acquisition Credit Line (defined below) for the acquisition of 7466 Chancellor; (b) proceeds of approximately $1.3 million received from the 2018 State Farm Loan (defined below) at the time it was converted from a construction loan to a nonrecourse permanent mortgage loan (see below); and (c) approximately $0.1 million of cash received from the exercise of stock options; partially offset by (d) approximately $4.0 million of recurring principal payments on mortgage loans; and (e) a payment of approximately $2.3 million for a dividend on Griffin’s common stock (“Common Stock”) that was declared in the 2018 fourth quarter and paid in the first quarter of fiscal 2019.

On March 29, 2018, a subsidiary of Griffin closed on a construction to permanent mortgage loan (the “2018 State Farm Loan”) with State Farm Life Insurance Company to provide a significant portion of the funds for the construction of 220 Tradeport and tenant improvements related to the full building lease of that building. As a build-to-suit transaction, prior to the start of construction, Griffin entered into a twelve and a half-year lease for 220 Tradeport. In fiscal 2019, Griffin received cash proceeds of approximately $1.3 million from the 2018 State Farm Loan, increasing the amount outstanding under the 2018 State Farm Loan to approximately $14.1 million. On August 1, 2019, Griffin converted the 2018 State Farm Loan to a $14.1 million nonrecourse permanent mortgage loan that matures on April 1, 2034, with monthly payments of principal and interest that began on September 1, 2019. Monthly principal payments under the 2018 State Farm Loan are based on a twenty-five-year amortization schedule. Under the terms of the 2018 State Farm Loan, the interest rate on the loan remains at 4.51% for the term of the permanent mortgage loan.

On September 19, 2019, Griffin executed an amendment (the "Revolving Credit Line Amendment") to its $15 million revolving credit line (the "Webster Credit Line" and, as amended by the Revolving Credit Line Amendment, the "Amended Webster Credit Line") with Webster Bank that had been extended to September 30, 2019. The Revolving Credit Line Amendment (i) provided for an extension of the maturity date to September 30, 2021, with an option to extend for an additional year through September 30, 2022; (ii) reduced the interest rate from the one month London Interbank Offered Rate ("LIBOR") plus 2.75% to the one month LIBOR rate plus 2.50%; and (iii) increased the amount of the Amended Webster Credit Line from $15.0 million to $19.5 million, while adding an approximately 31,000 square foot industrial/warehouse building in Bloomfield, Connecticut to the Webster Credit Line's original collateral, which is comprised of Griffin's properties in Griffin Center South in Bloomfield, Connecticut, aggregating approximately 235,000 square feet, and an approximately 48,000 square foot single-story office building in Griffin Center in Windsor, Connecticut. In the event that Webster Bank determines that LIBOR is no longer available, the Amended Webster Credit Line contemplates that Webster Bank will transition to a comparable rate of interest to the LIBOR rate. Under the terms of the Revolving Credit Line Amendment, Griffin must maintain: (a) a maximum loan to value ratio of 72%; (b) a minimum liquidity, as defined in the Revolving Credit Line Amendment, of $5.0 million; and (c) a fixed charge coverage ratio, defined as EBITDA minus cash income taxes and dividends paid, divided by debt service ("Fixed Charge Coverage Ratio"), of at least 1.1 to 1.0. As of November 30, 2019, the Amended Webster Credit Line secured certain standby letters of credit aggregating approximately $0.5 million that are related to Griffin's development activities.

On September 19, 2019, Griffin and Webster Bank also entered into an additional credit line of $15.0 million to be used to finance property acquisitions (the "Acquisition Credit Line"). The Acquisition Credit Line is unsecured, expires on September 30, 2021, with an option to extend for an additional year through September 30, 2022, and may be used to fund up to 65% of the purchase price of real estate acquisitions. Interest on advances under the Acquisition Credit Line are at the one-month LIBOR rate plus 2.75%. In the event that LIBOR is no longer readily determinable or widely available, the Acquisition Credit Line contemplates that Webster Bank shall transition to an alternate rate of interest to the LIBOR rate taking into account then prevailing standards in the market for determining interest rates for commercial loans made by financial institutions in the United States at such time. Amounts borrowed under the Acquisition Credit Line are expected to be repaid from proceeds from long-term financing of the property acquired. If amounts borrowed under the Acquisition Credit Line are not repaid within 135 days from the date the properties are acquired, Griffin has agreed to either (a) repay the portion of the Acquisition Credit Line allocable to such advance or (b) execute a first-lien mortgage in favor of Webster Bank. Under the terms of the Acquisition Credit Line, Griffin must maintain (i) a minimum debt service coverage ratio of the aggregate acquired property (as defined in the Acquisition Credit Line) equal to or greater than 1.25 times; (ii) total stockholders' equity and minimum net worth of not less than $80.0 million; (iii) a minimum liquidity, as defined in the Acquisition Credit Line, of $5.0 million; (iv) a ratio of total debt plus preferred stock, to total assets not to exceed 50% of the total fair market value of Griffin's assets; and (v) a Fixed Charge Coverage Ratio of at least 1.1 to 1.0. As of November 30, 2019, approximately $5.9 million was outstanding under the Acquisition Credit Line for the purchase of 7466 Chancellor that was subsequently repaid with the proceeds from a nonrecourse mortgage secured by 7466 Chancellor (see below).

In fiscal 2018, the net cash provided by financing activities reflected proceeds from mortgage and construction loans of approximately $31.6 million and approximately $1.8 million from the exercise of stock options; partially offset by: (a) approximately $15.4 million of principal payments on mortgage loans; (b) a payment of approximately $2.0 million for a dividend on Common Stock that was declared in the fiscal 2017 fourth quarter and paid in fiscal 2018; and (c) approximately $0.6 million for payments of debt issuance costs.

The proceeds of $31.6 million from mortgage and construction loans in fiscal 2018 reflected approximately $18.8 million from the 2018 People's Mortgage (defined below) and approximately $12.8 million from the 2018 State Farm Loan. The principal payments on mortgage loans of approximately $15.4 million reflected a payment of approximately $11.8 million in connection with a mortgage loan refinancing and approximately $3.6 million of recurring principal payments.

On March 15, 2017, a subsidiary of Griffin closed on a $12.0 million nonrecourse mortgage (the "2017 People's Mortgage") with People's United Bank, N.A. ("People's Bank"). On January 30, 2018, that subsidiary refinanced the 2017 People's Mortgage with a new approximately $18.8 million nonrecourse mortgage loan (the "2018 People's Mortgage") with People's Bank. The 2017 People's Mortgage had a balance of approximately $11.8 million at the time of refinancing. The 2018 People's Mortgage is collateralized by the same two NE Tradeport industrial/warehouse buildings (aggregating approximately 275,000 square feet) that collateralized the 2017 People's Mortgage, in addition to 330 Stone. Upon closing the 2018 People's Mortgage, Griffin received cash proceeds of $7.0 million (before transaction costs), net of the approximately $11.8 million used to refinance the 2017 People's Mortgage. The 2018 People's Mortgage has a ten-year term with monthly principal payments based on a twenty-five-year amortization schedule. The interest rate for the 2018 People's Mortgage is a floating rate of the one-month LIBOR rate plus 1.95%. At the time the 2018 People's Mortgage closed, Griffin entered into an interest rate swap agreement with People's Bank that, combined with an interest rate swap agreement with People's Bank that was entered into at the time the 2017 People's Mortgage closed, effectively fixes the interest rate of the 2018 People's Mortgage at 4.57% over the mortgage loan's ten-year term. Under the terms of the 2018 People's Mortgage, Griffin entered into a master lease for 759 Rainbow Road ("759 Rainbow"), one of the buildings that collateralize the 2018 People's Mortgage. The master lease would become effective only if the full building tenant in 759 Rainbow does not renew its lease when it is scheduled to expire in fiscal 2022 and would stay in effect until either the space is re-leased to a new tenant or the maturity date of the 2018 People's Mortgage.

On December 20, 2019, two wholly owned subsidiaries of Griffin entered into a $6.5 million nonrecourse mortgage loan (the "2020 Webster Mortgage") with Webster Bank. The 2020 Webster Mortgage is collateralized by 7466 Chancellor and has a ten-year term with monthly principal payments based on a twenty-five-year amortization schedule. The interest rate for the 2020 Webster Mortgage is a floating rate of the one-month LIBOR rate plus 1.75%. At the time the 2020 Webster Mortgage closed, Griffin entered into an interest rate swap agreement with Webster Bank that effectively fixes the interest rate on the 2020 Webster Mortgage at 3.6% for the entire loan term. Approximately $5.9 million of the proceeds from the 2020 Webster Mortgage were used to repay Webster Bank for the borrowing under the Acquisition Credit Line that was used to finance a portion of the purchase price of 7466 Chancellor (see above).

On January 23, 2020, two wholly owned subsidiaries of Griffin entered into a $15.0 million nonrecourse mortgage loan (the "2020 State Farm Mortgage") with State Farm Life Insurance Company. The 2020 State Farm Mortgage is collateralized by two industrial/warehouse buildings, 6975 Ambassador and 871 Nestle Way, that aggregate approximately 254,000 square feet in the Lehigh Valley of Pennsylvania. The 2020 State Farm Mortgage has a ten-year term with monthly principal payments based on a twenty-five-year amortization schedule. The interest rate for the 2020 State Farm Mortgage is 3.48%. Approximately $3.2 million of the proceeds from the 2020 State Farm Mortgage were used to repay the mortgage loan on 871 Nestle Way that was scheduled to mature on January 27, 2020.

On February 3, 2020, Griffin closed on the sale of approximately seven acres of undeveloped land in Windsor, Connecticut for a purchase price of approximately $0.8 million in cash to complete a Reverse 1031 Like-Kind Exchange.

On April 11, 2018, Griffin filed a universal shelf registration statement on Form S-3 (the "Universal Shelf") with the SEC. Under the Universal Shelf, Griffin may offer and sell up to $50 million of a variety of securities including common stock, preferred stock, warrants, depositary shares, debt securities, units or any combination of such securities during the three year period that commenced upon the Universal Shelf becoming effective on April 25, 2018. Under the Universal Shelf, Griffin may periodically offer one or more types of securities in amounts, at prices and on terms announced, if and when the securities are ever offered. On May 10, 2018, Griffin filed a prospectus supplement with the SEC under which it may issue and sell, from time to time, up to an aggregate of $30 million of its Common Stock under an "at-the-market" equity offering program (the "ATM Program") through Robert W. Baird & Co. Incorporated ("Baird"), as sales agent. Under the sales agreement with Baird, Griffin sets the parameters for the sales of its Common Stock under the ATM Program, including the number of shares to be issued, the time period during which sales are requested to be made, limitations on the number of shares that may be sold in any one trading day and any minimum price below which sales of shares may not be made. Sales of Common Stock, if any, under the ATM Program would be made in offerings as defined in Rule 415 of the Securities Act of 1933, as amended. In addition, with the prior consent of Griffin, Baird may also sell shares in privately negotiated transactions. Griffin expects to use the net proceeds, if any, from the ATM Program for acquisitions of target properties consistent with Griffin's investment strategies, repayment of debt and general corporate purposes. If Griffin obtains additional capital by issuing equity, the interests of its existing stockholders will be diluted. If Griffin incurs additional indebtedness, that indebtedness may impose financial and other covenants that may significantly restrict Griffin's operations.

On December 10, 2019, Griffin entered into an Option Purchase Agreement (the "East Granby/Windsor Option Agreement") whereby Griffin granted the buyer an exclusive one-year option, in exchange for a nominal fee, to purchase approximately 280 acres of undeveloped land in East Granby and Windsor, Connecticut. The purchase price has a range of a minimum of $6.0 million to a maximum of $7.95 million based upon the final approved use of the land. The buyer may extend the option period for an additional two years upon payment of additional option fees. The land subject to the East Granby/Windsor Option Agreement does not have any of the approvals that would be required for the buyer's planned use of the land. A closing on the land sale contemplated by the East Granby/Windsor Option Agreement is subject to several significant contingencies, including the buyer securing contracts under a competitive bidding process that would require changes in the use of the land and obtaining local and state approvals for that planned use. There is no guarantee that the land sale contemplated under the East Granby/Windsor Option Agreement will be completed under its current terms, or at all.

On January 2, 2020, Griffin entered into an Agreement of Sale and Purchase to acquire an approximately 108,000 square foot fully leased industrial/warehouse building in Orlando, Florida for a purchase price of approximately $7.9 million, before transaction costs. On January 13, 2020, Griffin entered into another Agreement of Sale and Purchase to acquire a mostly vacant approximately 68,000 square foot industrial/warehouse building in Orlando, Florida for a purchase price of approximately $5.7 million, before transaction costs. There is no guarantee that either of these building acquisitions will be completed under their current terms, or at all.

On January 7, 2020, Griffin entered into an agreement to sell approximately 27 acres of undeveloped land in Windsor, Connecticut for a purchase price is approximately $3.8 million, before transaction costs. Completion of this transaction is contingent on a number of factors, including the buyer entering into a lease agreement with a third-party for a development on the land to be acquired and obtaining all necessary final permits from governmental authorities for such development plans for the site it would acquire. There is no guarantee that this transaction will be completed under its current terms, or at all.

On February 3, 2020, Griffin entered into an option agreement (the "Meadowood Option Agreement") with a national land conservation organization (the "Conservation Organization") to sell the approximate 277 acres of Meadowood (the "Meadowood Land"). For a minimal fee, the Meadowood Option Agreement grants the Conservation Organization the right to purchase the Meadowood Land for open space and farmland preservation whereby Griffin would receive net proceeds of approximately $5.4 million, if the purchase option is exercised. The Meadowood Option Agreement grants the Conservation Organization an initial term of twelve months, with one six-month extension, to exercise its option to acquire the Meadowood Land. Completion of a sale of the Meadowood Land contemplated under the Meadowood Option Agreement is subject to several contingencies, including the satisfactory outcome of due diligence by the Conservation Organization and the Conservation Organization securing funding from several public and private sources to acquire the Meadowood Land. There is no guarantee that a sale of the Meadowood Land contemplated under the Meadowood Option Agreement will be completed under its current terms, or at all.

Griffin cannot give assurance that it could issue Common Stock under the ATM Program or obtain additional capital under the Universal Shelf on favorable terms, or at all. See "Risk Factors-Risks Related to the Real Estate Industry-Volatility in the capital and credit markets could materially adversely impact Griffin" and "Risk Factors-Risks Related to Griffin's Common Stock-Issuances or sales of Griffin's common stock or the perception that such issuances or sales might occur could adversely affect the per share trading price of Griffin's common stock" included in Part I, Item 1A of this Annual Report.

In the near-term, Griffin plans to continue to invest in its real estate business, including acquisition of the industrial/warehouse buildings under agreement, construction of additional buildings on its undeveloped land, expenditures for tenant improvements as new leases and lease renewals are signed, infrastructure improvements required for future development of its real estate holdings and the potential acquisition of additional properties and/or undeveloped land parcels in the Middle Atlantic, Northeast and Southeast regions to expand the industrial/warehouse portion of its real estate portfolio. Real estate acquisitions may or may not occur based on many factors, including real estate pricing. Griffin may commence speculative construction projects on its undeveloped land that is either currently owned or acquired in the future if it believes market conditions are favorable for such development. Griffin may also construct additional build-to-suit facilities on its undeveloped land if lease terms are favorable.

As of November 30, 2019, Griffin had cash, cash equivalents and short-term investments totaling approximately $6.9 million. Management believes that its cash, cash equivalents and short-term investments as of November 30, 2019, cash generated from leasing operations and property sales, proceeds from mortgage loans closed subsequent to November 30, 2019 and borrowing capacity under the Amended Webster Credit Line and Acquisition Credit Line will be sufficient to meet its working capital requirements, to purchase industrial/warehouse buildings currently under agreement, to make other investments in real estate assets, and to pay dividends on its Common Stock, when and if declared by the Board of Directors, for at least the next twelve months.

Forward-Looking Information

The above information in Management's Discussion and Analysis of Financial Condition and Results of Operations includes "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Exchange Act of 1934, as amended. These forward-looking statements include, but are not limited to, statements about the completion of building purchases currently under agreement or the possibility of sales pursuant to certain option agreements; completion of property sales under agreement, near-term expectations regarding any potential issuance of securities under the ATM Program or the Universal Shelf, and anticipated use of any future proceeds from the ATM program; anticipated closing dates of such purchases and Griffin's plans with regard to the foregoing properties; the acquisition and development of additional properties and/or undeveloped land parcels; construction of additional buildings, tenant improvements and infrastructure improvements; Griffin's anticipated future liquidity and capital expenditures; and other statements with the words "believes," "anticipates," "plans," "expects" or similar expressions. Although Griffin believes that its plans, intentions and expectations reflected in such forward-looking statements are reasonable, it can give no assurance that such plans, intentions or expectations will be achieved. The forward-looking statements made herein are based on assumptions and estimates that, while considered reasonable by Griffin as of the date hereof, are inherently subject to significant business, economic, competitive and regulatory uncertainties and contingencies, many of which are beyond the control of Griffin. Griffin's actual results could differ materially from those anticipated in these forward-looking statements as a result of various important factors, including those set forth under the heading Item 1A "Risk Factors" and elsewhere in this Annual Report.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Not applicable.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

GRIFFIN INDUSTRIAL REALTY, INC.

Consolidated Balance Sheets

(dollars in thousands, except per share data)

	Nov. 30, 2019	Nov. 30, 2018
ASSETS		
Real estate assets at cost, net	$ 238,614	$ 213,621
Cash and cash equivalents	5,874	8,592
Short-term investments	1,011	17,000
Deferred income taxes	3,281	1,556
Real estate assets held for sale, net	2,137	2,652
Other assets	17,578	20,048
Total assets	$ 268,495	$ 263,469
LIABILITIES AND STOCKHOLDERS' EQUITY		
Mortgage and construction loans, net of debt issuance costs	$ 142,575	$ 145,052
Deferred revenue	10,918	10,599
Revolving lines of credit	5,875	—
Accounts payable and accrued liabilities	4,318	3,333
Dividend payable	2,538	2,279
Other liabilities	11,509	7,378
Total liabilities	177,733	168,641
Commitments and Contingencies (Note 10)		
Stockholders' Equity		
Common stock, par value $0.01 per share, 10,000,000 shares authorized, 5,668,043 and 5,635,706 shares issued, respectively, and 5,075,120 and 5,065,173 shares outstanding, respectively	57	56
Additional paid-in capital	113,256	112,071
Retained earnings (deficit)	919	(211)
Accumulated other comprehensive (loss) income, net of tax	(3,141)	2,395
Treasury stock, at cost, 592,923 and 570,533 shares, respectively	(20,329)	(19,483)
Total stockholders' equity	90,762	94,828
Total liabilities and stockholders' equity	$ 268,495	$ 263,469

See Notes to Consolidated Financial Statements.

GRIFFIN INDUSTRIAL REALTY, INC.

Consolidated Statements of Operations

(dollars in thousands, except per share data)

	For the Fiscal Years Ended		
	Nov. 30, 2019	Nov. 30, 2018	Nov. 30, 2017
Rental revenue	$ 34,217	$ 32,777	$ 29,939
Revenue from property sales	9,828	1,023	13,945
Total revenue	44,045	33,800	43,884
Operating expenses of rental properties	9,995	9,532	8,866
Depreciation and amortization expense	11,801	11,404	10,064
General and administrative expenses	7,677	7,749	8,552
Costs related to property sales	1,999	144	3,780
Total expenses	31,472	28,829	31,262
Impairment loss	(3,100)	—	—
Gain on insurance recovery	126	—	—
Operating income	9,599	4,971	12,622
Interest expense	(6,408)	(6,270)	(5,690)
Investment income	264	151	93
Gain on sales of common stock of Centaur Media plc	—	—	275
Income (loss) before income tax benefit (provision)	3,455	(1,148)	7,300
Income tax benefit (provision)	213	(505)	(2,673)
Net income (loss)	$ 3,668	$ (1,653)	$ 4,627
Basic net income (loss) per common share	$ 0.72	$ (0.33)	$ 0.92
Diluted net income (loss) per common share	$ 0.72	$ (0.33)	$ 0.92

See Notes to Consolidated Financial Statements.

GRIFFIN INDUSTRIAL REALTY, INC.

Consolidated Statements of Comprehensive Income (Loss)

(dollars in thousands)

	For the Fiscal Years Ended		
	Nov. 30, 2019	Nov. 30, 2018	Nov. 30, 2017
Net income (loss)	$ 3,668	$ (1,653)	$ 4,627
Other comprehensive (loss) income, net of tax:			
Reclassifications included in net income (loss)	24	473	651
Unrealized (loss) gain on cash flow hedges	(5,560)	2,242	(45)
Increase in fair value of Centaur Media plc.	—	—	159
Total other comprehensive (loss) income, net of tax	(5,536)	2,715	765
Total comprehensive (loss) income	$ (1,868)	$ 1,062	$ 5,392

See Notes to Consolidated Financial Statements.

GRIFFIN INDUSTRIAL REALTY, INC.

Consolidated Statements of Changes in Stockholders' Equity

For the Fiscal Years Ended November 30, 2019, 2018 and 2017

(dollars in thousands)

	Shares of Common Stock Issued	Common Stock	Additional Paid-in Capital	Retained Earnings (Deficit)	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Total
Balance at November 30, 2016	5,541,029	$ 55	$ 108,438	$ 179	$ (1,049)	$ (16,820)	$ 90,803
Repurchase of common stock	—	—	—	—	—	(1,474)	(1,474)
Reversal of tax benefit on forfeited stock options	—	—	(17)	—	—	—	(17)
Stock-based compensation expense	—	—	349	—	—	—	349
Dividend declared, $0.40 per share	—	—	—	(2,000)	—	—	(2,000)
Total other comprehensive income, net of tax	—	—	—	—	765	—	765
Net income	—	—	—	4,627	—	—	4,627
Balance at November 30, 2017	5,541,029	55	108,770	2,806	(284)	(18,294)	93,053
Adoption of ASU No. 2016-09 - Cumulative effect of recognition of tax benefit from exercise of stock options	—	—	—	879	—	—	879
Adoption of ASU No. 2018-02 – Reclassification of taxes	—	—	—	36	(36)	—	—
Exercise of stock options, including shares tendered related to stock options exercised and tax withholdings	94,677	1	2,951	—	—	(1,189)	1,763
Stock-based compensation expense	—	—	350	—	—	—	350
Dividend declared, $0.45 per share	—	—	—	(2,279)	—	—	(2,279)
Total other comprehensive income, net of tax	—	—	—	—	2,715	—	2,715
Net loss	—	—	—	(1,653)	—	—	(1,653)
Balance at November 30, 2018	5,635,706	56	112,071	(211)	2,395	(19,483)	94,828
Exercise of stock options, including shares tendered related to stock options exercised and tax withholdings	32,337	1	924	—	—	(846)	79
Stock-based compensation expense	—	—	261	—	—	—	261
Dividend declared, $0.50 per share	—	—	—	(2,538)	—	—	(2,538)
Total other comprehensive loss, net of tax	—	—	—	—	(5,536)	—	(5,536)
Net income	—	—	—	3,668	—	—	3,668
Balance at November 30, 2019	5,668,043	$ 57	$ 113,256	$ 919	$ (3,141)	$ (20,329)	$ 90,762

See Notes to Consolidated Financial Statements.

GRIFFIN INDUSTRIAL REALTY, INC.

Consolidated Statements of Cash Flows

(dollars in thousands)

	For the Fiscal Years Ended		
	Nov. 30, 2019	Nov. 30, 2018	Nov. 30, 2017
Operating activities:			
Net income (loss)	$ 3,668	$ (1,653)	$ 4,627
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation and amortization	11,801	11,404	10,064
Gain on sales of properties	(7,829)	(879)	(10,165)
Impairment loss	3,100	—	—
Noncash rental revenue including straight-line rents	(1,567)	(1,669)	(2,097)
Deferred income taxes	(301)	428	2,623
Amortization of debt issuance costs	313	297	333
Stock-based compensation expense	261	350	349
Gain on insurance recovery	(126)	—	—
Payment of employee withholding taxes on options exercised	(87)	(39)	—
Amortization of terminated swap agreement	31	211	98
Gain on sales of common stock of Centaur Media plc	—	—	(275)
Changes in assets and liabilities:			
Other assets	207	(123)	(1,238)
Accounts payable and accrued liabilities	(119)	(339)	303
Deferred revenue	1,782	253	3,681
Other liabilities	135	200	1,076
Net cash provided by operating activities	11,269	8,441	9,379
Investing activities:			
Additions to real estate assets	(29,365)	(28,621)	(17,605)
Changes in short-term investments, net	15,989	(17,000)	—
Acquisition of land and building	(10,168)	—	(18,440)
Proceeds from sales of properties, net of expenses	9,475	998	13,027
Deferred leasing costs and other	(959)	(802)	(1,556)
Proceeds from sales of properties returned from escrow, net	—	91	3,444
Proceeds from sales of common stock of Centaur Media plc	—	—	1,216
Net cash used in investing activities	(15,028)	(45,334)	(19,914)
Financing activities:			
Proceeds from revolving lines of credit	5,875	—	—
Principal payments on mortgage loans	(3,953)	(15,439)	(19,287)
Dividends paid to stockholders	(2,279)	(2,000)	(1,514)
Proceeds from mortgage and construction loans	1,265	31,623	39,125
Proceeds from exercise of stock options	166	1,802	—
Payment of debt issuance costs	(33)	(569)	(595)
Repurchase of common stock	—	—	(1,474)
Payment for termination of interest rate swap agreement	—	—	(341)
Net cash provided by financing activities	1,041	15,417	15,914
Net (decrease) increase in cash and cash equivalents	(2,718)	(21,476)	5,379
Cash and cash equivalents at beginning of period	8,592	30,068	24,689
Cash and cash equivalents at end of period	$ 5,874	$ 8,592	$ 30,068

See Notes to Consolidated Financial Statements.

1. Summary of Significant Accounting Policies

Basis of Presentation and Consolidation

Griffin Industrial Realty, Inc. ("Griffin") is a real estate business principally engaged in developing, acquiring, managing and leasing industrial/warehouse properties. Griffin seeks to add to its industrial/warehouse property portfolio through the acquisition and development of land or the purchase of buildings in select markets targeted by Griffin. Griffin also owns several office/flex properties and undeveloped land. Periodically, Griffin may sell certain of its real estate assets that it has owned for an extended time period and the use of which is not consistent with Griffin's core focus on industrial/warehouse properties.

Griffin's audited consolidated financial statements reflect its accounts and its consolidated subsidiaries. Griffin consolidates the subsidiaries it controls through (i) voting rights or similar rights or (ii) by means other than voting rights if Griffin is the primary beneficiary of a variable interest entity ("VIE"). There are no VIEs in which Griffin is not a primary beneficiary.

Exchange Accommodation Titleholder

Griffin may acquire property using a reverse like-kind exchange structure (a "Reverse 1031 Like-Kind Exchange") under Section 1031 of the Internal Revenue Code of 1986, as amended, to defer taxable gains on the subsequent sale of real estate property. As such, the acquired property (the "Parked Property") is in the possession of a qualified intermediary engaged to execute the Reverse 1031 Like-Kind Exchange until the subsequent sale transaction and the Reverse 1031 Like-Kind Exchange are completed. Griffin retains essentially all of the legal and economic benefits and obligations related to the Parked Property prior to the completion of the Reverse 1031 Like-Kind Exchange. As such, a Parked Property is included in Griffin's consolidated financial statements as a consolidated VIE until legal title is transferred to Griffin upon completion of the Reverse 1031 Like-Kind Exchange.

Fiscal Year

Griffin reports on a twelve month fiscal year that ends on November 30.

Real Estate Assets

Real estate assets are recorded at cost. Interest, property taxes, insurance and other incremental costs directly related to a project are capitalized during the construction period of major facilities and land improvements. The capitalization period begins when activities to develop the parcel commence and ends when the asset constructed is completed. The capitalized costs are recorded as part of the asset to which they relate and are amortized over the asset's estimated useful life. Depreciation is determined on a straight-line basis over the estimated useful asset lives for financial reporting purposes and for tax purposes. Repair and maintenance costs are expensed as incurred.

Real estate assets and any related intangible assets that are acquired that meet the definition of a business combination in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 805, "Business Combinations," are recorded at fair value. Real estate assets and any related intangible assets that are treated as a single identifiable asset are also recorded at fair value. Griffin's intangible assets consist of: (i) the value of in-place leases; and (ii) the value of the associated relationships with tenants. Purchase accounting is applied to the assets associated with the real estate acquired. Acquisition costs incurred in a business combination are expensed and included in general and administrative expenses and acquisition costs in an asset acquisition are capitalized. Amortization of the value of in-place leases, included in depreciation and amortization expense, is on a straight-line basis over the lease terms. Amortization of the value of relationships with tenants, included in depreciation and amortization expense, is on a straight-line basis over the lease terms and anticipated renewal periods.

Griffin classifies a property as "held for sale" when all of the following criteria for a plan of sale have been met: (1) management, having the authority to approve the action, commits to a plan to sell the property; (2) the property is available for immediate sale in its present condition, subject only to terms that are usual and customary; (3) an active program to locate a buyer and other actions required to complete the plan to sell, have been initiated; (4) the sale of the property is probable and is expected to be completed within one year or the property is under a contract to be sold; (5)

the property is being actively marketed for sale at a price that is reasonable in relation to its current fair value; and (6) actions necessary to complete the plan of sale indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn. When all of these criteria have been met, the property is classified as "held for sale." Assets classified as "held for sale" are reported at the lower of their carrying value or fair value less costs to sell. Depreciation of assets ceases upon designation of a property as "held for sale."

Cash and Cash Equivalents

Griffin considers all highly liquid investments with a maturity of three months or less at the date of purchase to be cash equivalents. At November 30, 2019 and 2018, $4,299 and $4,980, respectively, of the cash and cash equivalents included on Griffin's consolidated balance sheet was held in cash equivalents.

Investments

Griffin's short-term investments were comprised of repurchase agreements with Webster Bank, N.A. ("Webster Bank") that are collateralized with securities issued by the United States Government or its sponsored agencies and are accounted for as held-to-maturity securities under FASB ASC 320, "Investments – Debt and Equity Securities" ("ASC 320"). The repurchase agreements are carried at their resell amounts, which approximates fair value due to their short-term nature. Interest on repurchase agreements is reflected as interest receivable that is included in other assets.

In fiscal 2017, Griffin sold all remaining shares of its investment in the common stock of Centaur Media plc ("Centaur Media") (see Note 9). Centaur Media had been accounted for as an available-for-sale security under ASC 320, whereby increases or decreases in its fair value, net of income taxes, along with the effect of changes in the foreign currency exchange rate, net of income taxes, were recorded as a component of other comprehensive income (loss). Realized gains and losses on sales of available-for-sale securities were determined based on the average cost method.

Stock-Based Compensation

Griffin accounts for stock options at fair value in accordance with FASB ASC 718, "Compensation - Stock Compensation" and FASB ASC 505-50, "Equity – Equity-Based Payments to Non-Employees." For stock options that have graded vesting features, Griffin recognizes compensation cost over the requisite service period separately for each tranche of the award as though they were, in substance, multiple awards.

Impairment of Investments in Long-Lived Assets

Griffin reviews annually, as well as when conditions may indicate, its long-lived assets to determine if there are indicators of impairment, such as a prolonged vacancy in one of its properties. If indicators of impairment are present, Griffin evaluates the carrying value of the assets in relation to the operating performance and expected future undiscounted cash flows or the estimated fair value based on expected future cash flows of the underlying assets. If the undiscounted cash flows are less than the carrying value of an asset, Griffin would reduce the carrying value of a long-lived asset to its fair value if that asset's fair value is determined to be less than its carrying value.

Griffin also reviews annually, as well as when conditions may indicate, the recoverability of its development costs, including expected remediation costs on projects that are included in real estate assets and real estate assets held for sale. To the extent that the carrying value exceeds the fair value of a project, including development costs, an impairment loss would be recorded.

Revenue and Gain Recognition

Revenue includes rental revenue from Griffin's industrial and commercial properties and proceeds from property sales. Rental revenue is accounted for on a straight-line basis over the applicable lease term in accordance with FASB ASC 840, "Leases." Rental revenue also includes payments received from tenants for certain building improvements owned by Griffin that are recognized over the lease term. Gains on property sales are recognized in accordance with FASB ASC 606, "Revenue from Contracts with Customers," based on the specific terms of each sale.

When the percentage of completion method is used to account for a sale of real estate, gains on property sales are recognized over time as performance obligations are satisfied.

Income Taxes

Griffin provides for income taxes utilizing the asset and liability method, and records deferred tax assets and liabilities based on the difference between the financial statement and tax bases of assets and liabilities as measured by the tax rates that are anticipated to be in effect when these differences reverse. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the results of operations in the period that includes the enactment date. A valuation allowance is established when it is necessary to reduce deferred tax assets to amounts for which realization is more likely than not. Griffin and its subsidiaries file a consolidated federal income tax return.

Griffin evaluates each tax position taken in its tax returns and recognizes a liability for any tax position deemed less likely than not to be sustained under examination by the relevant taxing authorities. Griffin has analyzed its federal and significant state filing positions with respect to FASB ASC 740, "Income Taxes" ("ASC 740"). Griffin believes that its income tax filing positions will be sustained on examination and does not anticipate any adjustments that would result in a material change on its financial statements. As a result, no accrual for uncertain income tax positions has been recorded pursuant to ASC 740.

Griffin's policy for recording interest and penalties, related to uncertain tax positions, is to record such items as part of its provision for federal and state income taxes.

Environmental Matters

Environmental expenditures related to land and buildings are expensed or capitalized as appropriate, depending upon their future economic benefit. Expenditures that relate to an existing condition caused by past operations, and that do not have future economic benefit, are expensed. Expenditures that create future benefit or contribute to future revenue generation are capitalized. Liabilities related to future remediation costs are recorded when environmental assessments and/or cleanups are probable, and the costs can be reasonably estimated.

Interest Rate Swap Agreements

As of November 30, 2019, Griffin was a party to several interest rate swap agreements to hedge its interest rate exposures. Griffin does not use derivatives for speculative purposes. Griffin applies FASB ASC 815, "Derivatives and Hedging," ("ASC 815") as amended, which establishes accounting and reporting standards for derivative instruments and hedging activities. ASC 815 requires Griffin to recognize all derivatives as either assets or liabilities on its consolidated balance sheet and measure those instruments at fair value. The changes in the fair values of the interest rate swap agreements are measured in accordance with ASC 815 and reflected in the carrying values of the interest rate swap agreements on Griffin's consolidated balance sheet. The estimated fair values are based primarily on projected future swap rates.

Griffin applies cash flow hedge accounting to its interest rate swap agreements that are designated as hedges of the variability of future cash flows from floating rate liabilities based on benchmark interest rates. The changes in the fair values of Griffin's interest rate swap agreements are recorded as components of accumulated other comprehensive income (loss) ("AOCI") in stockholders' equity, to the extent they are effective. Any ineffective portions of the changes in the fair values of these instruments would be recorded as interest expense or interest income.

Conditional Asset Retirement Obligations

Griffin accounts for its conditional asset retirement obligations in accordance with FASB ASC 410, "Asset Retirement and Environmental Obligations," which requires an entity to recognize a liability for the fair value of a conditional asset retirement obligation if the fair value can be reasonably estimated even though uncertainty exists about the timing and/or method of settlement. The conditional asset retirement obligations relate principally to tobacco barns and other structures on Griffin's land holdings that contain asbestos, primarily in roofing materials. These structures remain from the tobacco growing operations of former affiliates of Griffin, are not material to Griffin's operations and do not have any book value.

Treasury Stock

Treasury stock is recorded at cost as a reduction of stockholders' equity on Griffin's consolidated balance sheets.

Income (Loss) Per Share

Basic net income (loss) per common share is calculated by dividing net income (loss) by the weighted average number of common shares outstanding during the year. The calculation of diluted net income (loss) per common share reflects adjusting Griffin's outstanding shares assuming the exercise of all potentially dilutive Griffin stock options.

Risks and Uncertainties

Griffin's future results of operations involve a number of risks and uncertainties. Factors that could affect Griffin's future operating results and cause actual results to vary materially from historical results include, but are not limited to, the geographical concentration of Griffin's real estate holdings, credit risk and market risk.

Griffin's real estate holdings are concentrated in the Hartford, Connecticut area, the Lehigh Valley of Pennsylvania, the greater Charlotte, North Carolina area and Orlando, Florida. The market and economic challenges experienced by the U.S. economy as a whole or the local economic conditions in the markets in which Griffin holds properties may affect Griffin's real estate business. Griffin's results of operations, financial condition or ability to expand may be adversely affected as a result of: (i) poor economic conditions or unfavorable financial changes to Griffin's tenants, which may result in tenant defaults under leases or may lead to a curtailment of expansion plans; (ii) significant job losses, which could adversely affect the demand for rental space causing market rental rates and property values to be negatively impacted; (iii) the ability of Griffin to borrow on terms and conditions that it finds acceptable; and (iv) possibly reduced values of Griffin's properties potentially limiting the proceeds from a sale of its properties or from debt financing collateralized by its properties.

Griffin conducts business based on evaluations of its prospective tenants' financial condition and may require some collateral in the form of security deposits or standby letters of credit. These evaluations require significant judgment and are based on multiple sources of information.

Griffin does not use derivatives for speculative purposes. Griffin applies ASC 815, which established accounting and reporting standards for derivative instruments and hedging activities. This accounting guidance requires Griffin to recognize all derivatives as either assets or liabilities on its consolidated balance sheet and to measure those instruments at fair value. The estimated fair value is based primarily on projected future swap rates.

Griffin applies cash flow hedge accounting to its interest rate swap agreements designated as hedges of the variability of future cash flows from floating rate liabilities due to the benchmark interest rates. Changes in the fair value of these interest rate swaps are recorded as a component of AOCI in stockholders' equity to the extent they are effective. Amounts recorded to AOCI are then reclassified to interest expense as interest on the hedged borrowing is recognized. Any ineffective portion of the change in fair value of these instruments would be recorded to interest expense.

Griffin's cash equivalents consisted of overnight investments that are not significantly exposed to interest rate risk. Griffin's short-term investments consist of repurchase agreements that are not significantly exposed to interest rate risk.

Reclassifications

Certain prior year balances have been reclassified to conform to the current year's presentation.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and revenue and expenses during the periods reported. Actual results could differ from those estimates. Griffin's significant estimates include the impairment evaluation of its long-lived assets, deferred income taxes, derivative financial instruments, revenue and gain recognition including the estimated costs to complete required offsite improvements related to land sold and assumptions used in determining stock compensation.

Recent Accounting Pronouncements Adopted

In May 2014, the FASB issued Accounting Standards Update ("ASU" or "Update") No. 2014-09, "Revenue from Contracts with Customers (Topic 606)." ASU No. 2014-09 outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. ASU No. 2014-09 is not applicable to rental revenue from leases. ASU No. 2014-09 supersedes most current revenue recognition guidance, including industry specific guidance, and requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. Additionally, ASU No. 2014-09 requires improved disclosures to help users of financial statements better understand the nature, amount, timing and uncertainty of revenue that is recognized. ASU No. 2014-09 permits the use of either the retrospective or cumulative effect transition method.

Griffin concluded that it has two material revenue streams: (i) rental revenue; and (ii) revenue from property sales. As noted above, rental revenue is not subject to ASU No. 2014-09 because it is subject to the guidance of FASB ASC Topic 840, Leases. Revenue from property sales was evaluated based on the criteria established under ASU No. 2014-09, which served as the basis for the accounting analysis and documentation as it relates to the impact of ASU No. 2014-09. Griffin determined that there was no change in the recognition of revenue from property sales upon adoption of ASU No. 2014-09. In cases where there are no further performance obligations, Griffin recognizes revenue from property sales at the time of closing. Griffin adopted the modified retrospective method for ASU No. 2014-09 when it became effective for Griffin in the three months ended February 28, 2019 (the "2019 first quarter"). As there was no change to its recognition of revenue, Griffin did not record a cumulative effect adjustment to its consolidated balance sheet at the time of adoption.

In March 2016, the FASB issued ASU No. 2016-09, "Compensation – Stock Compensation: Improvements to Employee Share-Based Payment Accounting," which relates to the accounting for employee share-based payments. ASU No. 2016-09 addresses several aspects of the accounting for share-based payment award transactions, including: (a) income tax consequences; (b) classification of awards as either equity or liabilities; and (c) classification on the statement of cash flows. ASU No. 2016-09 became effective for Griffin in the three months ended February 28, 2018 (the "2018 first quarter"). Griffin recorded a deferred tax asset of $879 (see Note 4) with a corresponding increase in retained earnings upon adoption. The adoption of ASU No. 2016-09 did not affect the classification of any current awards and did not have a retrospective impact on Griffin's cash flows as no tax benefits from stock options were recognized in the periods presented. As part of the adoption of ASU No. 2016-09, Griffin is continuing its policy of estimating the forfeiture rate of options.

In January 2017, the FASB issued ASU No. 2017-01, "Business Combinations (Topic 805) – Clarifying the Definition of a Business," which provides a more robust framework to use in determining when a set of assets and activities is a business. ASU No. 2017-01 also provides greater consistency in applying the guidance by making the definition of a business more operable. ASU No. 2017-01 became effective for Griffin in the 2018 first quarter. The adoption of ASU No. 2017-01 did not have a significant impact on Griffin's consolidated financial statements upon adoption in fiscal 2018.

In May 2017, the FASB issued ASU No. 2017-09, "Compensation – Stock Compensation: Scope of Modification Accounting," which clarifies when to account for a change to the terms or conditions of a share-based payment award as a modification. ASU No. 2017-09 requires modification only if the fair value, vesting conditions or the classification of the award changes as a result of the change in terms or conditions. ASU No. 2017-09 became effective for Griffin in the 2018 first quarter and was applied on a prospective basis. The adoption of ASU No. 2017-09 did not have an impact on Griffin's consolidated financial statements.

In February 2018, the FASB issued ASU No. 2018-02, "Income Statement – Reporting Comprehensive Income (Topic 220): Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income," which is intended to eliminate the stranded tax effects within AOCI resulting from the Tax Cuts and Jobs Act ("TCJA") that was enacted on December 22, 2017. The effective date for ASU No. 2018-02 is for fiscal years beginning after December 15, 2018, and interim periods within those fiscal years with early adoption permitted for public entities for which financial statements have not yet been released. Griffin elected to early adopt and apply the provisions of ASU No. 2018-02 in the 2018 first quarter. This adoption resulted in a one-time reclassification of the effect of re-measuring Griffin's net deferred tax assets related to interest rate swap agreements within AOCI and retained earnings resulting from the reduction in the U.S. federal statutory tax rate from 35% to 21%. The reclassification resulted in a decrease to AOCI and an increase to retained earnings of $36, with no net impact to total stockholders' equity.

Recent Accounting Pronouncements Not Yet Adopted

In February 2016, the FASB issued ASU No. 2016-02, "Leases," which establishes a right-of-use ("ROU") model that requires a lessee to record a ROU asset and a lease liability on the balance sheet for all leases with terms longer than twelve months. The accounting applied by lessors under ASU No. 2016-02 is largely unchanged from that applied under current accounting principles generally accepted in the United States of America ("U.S. GAAP"). Leases will be either classified as finance or operating, with classification affecting the pattern of expense recognition in the income statement. ASU No. 2016-02 also requires significant additional disclosures about the amount, timing and uncertainty of cash flows from leases. In July 2018, the FASB issued ASU No. 2018-10, "Codification Improvements to Topic 842, Leases," which provides narrow amendments to clarify how to apply certain aspects of the new lease standard and ASU No. 2018-11, "Leases (Topic 842): Targeted Improvements," which provides an alternative transition method that permits an entity to use the effective date of ASU No. 2016-02 as the date of initial application through the recognition of a cumulative effect adjustment to the opening balance of retained earnings upon adoption. An entity's reporting for the comparative periods presented in the financial statements in which it adopts the new lease standard will continue to be in accordance with current U.S. GAAP under FASB ASC Topic 840, "Leases." In December 2018, the FASB issued ASU No. 2018-20, "Leases (Topic 842): Narrow Scope Improvements for Lessors," which provides clarification on implementation issues associated with adopting ASU No. 2016-02. In March 2019, the FASB issued ASU No. 2019-01, "Leases (Topic 842): Codification Improvements," which clarifies the determination of fair value of an underlying asset by lessors that are not manufacturers or dealers, presentation on the statement of cash flows for sales-type and direct financing leases and transition issues related to Topic 250, Accounting Changes and Error Corrections.

Griffin will use the modified retrospective method upon adoption of ASU No. 2016-02, ASU No. 2018-10, ASU No. 2018-11, ASU No. 2018-20 and ASU No. 2019-01 when they become effective for Griffin on December 1, 2019 and, therefore, Griffin will not restate comparative periods. Upon adoption, Griffin expects to elect the package of practical expedients permitted under the transition guidance, which permits Griffin to not reassess its prior conclusions about lease identification, lease classification and the initial direct costs. Griffin does not expect to elect the practical expedient to use hindsight in determining the lease term and in assessing impairment of right-of-use assets. Griffin does expect to elect the practical expedient pertaining to land easements that allows an entity to choose to not apply ASC 842 to certain existing land easements at transition. Griffin will make an accounting policy election to keep leases with an initial term of twelve months or less off of the balance sheet. Griffin's leases with its tenants are classified as operating leases under current guidance and will remain operating leases upon the adoption of ASC 842, therefore, as a lessor there is no significant impact upon adoption. As a lessee, Griffin has two operating leases that will result in the recognition of right-of-use assets and corresponding lease liabilities of approximately $860 related to Griffin's executive office in New

York City. Griffin does not expect the adoption of ASC 842 will have a material impact on its consolidated statements of operations or cash flows.

In August 2017, the FASB issued ASU No. 2017-12, "Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities," which is intended to improve the financial reporting for hedging relationships to better represent the economic results of a company's risk management activities in its financial statements and make certain targeted improvements to simplify the application of the hedge accounting guidance. ASU No. 2017-02 will make more financial and nonfinancial hedging strategies eligible for hedge accounting, amend the presentation and disclosure requirements and change how entities assess effectiveness. In April 2019, the FASB issued ASU No. 2019-04, "Codification Improvements to Topic 326, Financial Instruments – Credit Losses, Topic 815, Derivatives and Hedging, and Topic 825, Financial Instruments," which provides clarification on implementation issues associated with adopting ASU No. 2017-12. ASU No. 2017-12 and ASU No. 2019-04 will become effective for Griffin in fiscal 2020. Griffin does not expect the application of either ASU No. 2017-12 or ASU No. 2019-04 to have an impact on its consolidated financial statements.

In June 2018, the FASB issued ASU No. 2018-07, "Compensation – Stock Compensation (Topic 718): Improvements to Nonemployee Share-Based Payment Accounting," to include share-based payment transactions for acquiring goods and services from nonemployees. ASU No. 2018-07 simplifies the accounting for nonemployee share-based payments by aligning it more closely with the accounting for employee awards. ASU No. 2018-07 will become effective for Griffin in fiscal 2020. Early adoption is permitted, but no earlier than Griffin's adoption of Topic 606 (see above). Griffin does not expect the application of ASU No. 2018-07 to have an impact on its consolidated financial statements.

In August 2018, the FASB issued ASU No. 2018-13, "Fair Value Measurement (Topic 820): Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement." ASU No. 2018-13 removes, modifies and adds certain disclosure requirements in FASB ASC 820, "Fair Value Measurement ("ASC 820"). The amendments on changes in unrealized gains and losses, the range and weighted average of significant unobservable inputs used to develop Level 3 fair value measurements and the narrative description of measurement uncertainty should be applied prospectively in the year of adoption. All other amendments should be applied retrospectively to all periods presented upon their effective date. ASU No. 2018-13 will become effective for Griffin in fiscal 2021. Early adoption is permitted upon issuance for any removed or modified disclosures. Griffin does not expect the application of ASU No. 2018-13 to have an impact on its consolidated financial statements.

In October 2018, the FASB issued ASU No. 2018-16, "Derivatives and Hedging (Topic 815): Inclusion of the Secured Overnight Financing Rate (SOFR) Overnight Index Swap Rate ("OIS Rate") as a Benchmark Interest Rate for Hedge Accounting Purposes." ASU No. 2018-16 permits the use of the OIS Rate based on the Secured Overnight Financing Rate as a U.S. benchmark interest rate for hedge accounting purposes under Topic 815 in addition to the interest rates on direct Treasury obligations of the U.S. government, the London Interbank Offered Rate ("LIBOR") and the OIS Rate based on the Federal Funds Effective Rate. For entities that have not already adopted ASU No. 2017-12 (see above), the amendments in ASU No. 2018-16 are required to be adopted concurrently with the amendments in ASU No. 2017-12. Griffin intends to adopt ASU No. 2018-16 when ASU No. 2017-12 becomes effective. Griffin does not expect the application of ASU No. 2018-16 to have an impact on its consolidated financial statements.

There are various other Updates recently issued which represent technical corrections to the accounting literature or apply to specific industries. Griffin does not expect the application of any of these other Updates to have an impact on its consolidated financial statements.

2. Fair Value

Griffin applies the provisions of ASC 820, which establishes a fair value hierarchy that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. An asset's or liability's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. ASC 820 establishes three levels of inputs that may be used to measure fair value, as follows:

(dollars in thousands unless otherwise noted, except per share data)

Level 1 applies to assets or liabilities for which there are quoted market prices in active markets for identical assets or liabilities. Griffin's available-for-sale securities were considered Level 1 within the fair value hierarchy prior to their sale in fiscal 2017 (see Note 9).

Level 2 applies to assets or liabilities for which there are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, such as quoted prices for similar assets or liabilities in active markets; quoted prices for assets or liabilities in markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which significant inputs are observable or can be derived principally from, or corroborated by, observable market data. Level 2 assets and liabilities include Griffin's interest rate swap agreements (see Note 5). These inputs are readily available in public markets or can be derived from information available in publicly quoted markets, therefore, Griffin has categorized these derivative instruments as Level 2 within the fair value hierarchy. Level 2 assets also include Griffin's short-term investments in repurchase agreements with Webster Bank (see Note 1). The repurchase agreements with Webster Bank are carried at their resell amounts, which approximates fair value due to their short-term nature.

Level 3 applies to assets or liabilities for which there are unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the assets or liabilities. On October 25, 2019, Griffin closed on the acquisition of 7466 Chancellor Drive ("7466 Chancellor"), an approximately 100,000 square foot industrial/warehouse building in Orlando, Florida (see Note 3). The purchase was treated as an asset acquisition in accordance with ASC 805 and all assets acquired were recorded at their fair values. The fair values of the real estate assets acquired were based on both publicly available data and unobservable inputs. The fair values of the intangible assets acquired, comprised of the value of the in-place lease and the associated tenant relationship, were based on unobservable inputs. Griffin derived the fair values of the intangible assets based on a discounted cash flow analysis using assumptions that included the rental rate of the in-place lease, the commission percentage expected to be paid on the subsequent leasing of the vacant space and the likelihood that the tenant will renew its lease.

During fiscal 2019, Griffin did not transfer any assets or liabilities in or out of Levels 1 and 2. The following are Griffin's financial assets and liabilities carried at fair value and measured at fair value on a recurring basis:

	November 30, 2019		
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Interest rate swap asset	$ —	$ —	$ —
Interest rate swap liabilities	$ —	$ 4,052	$ —

(dollars in thousands unless otherwise noted, except per share data)

	November 30, 2018		
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Interest rate swap assets	$ —	$ 3,157	$ —
Interest rate swap liabilities	$ —	$ 56	$ —

The carrying and estimated fair values of Griffin's financial instruments are as follows:

	Fair Value Hierarchy Level	November 30, 2019		November 30, 2018	
		Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value
Financial assets:					
Cash and cash equivalents	1	$ 5,874	$ 5,874	$ 8,592	$ 8,592
Short-term investments	2	$ 1,011	$ 1,011	$ 17,000	$ 17,000
Interest rate swap assets	2	$ —	$ —	$ 3,157	$ 3,157
Financial liabilities:					
Mortgage and construction loans, net of debt issuance costs	2	$ 142,575	$ 145,235	$ 145,052	$ 144,712
Revolving lines of credit	2	$ 5,875	$ 5,875	$ —	$ —
Interest rate swap liabilities	2	$ 4,052	$ 4,052	$ 56	$ 56

The amounts included in the consolidated financial statements for cash and cash equivalents, short-term investments, leasing receivables from tenants and accounts payable and accrued liabilities approximate their fair values because of the short-term maturities of these instruments. The amount included in the consolidated financial statements for the revolving lines of credit approximate their fair values because of their variable interest rates. The fair values of the mortgage and construction loans, net of debt issuance costs, are estimated based on current rates offered to Griffin for similar debt of the same remaining maturities and, additionally, Griffin considers its credit worthiness in determining the fair value of its mortgage and construction loans. The fair values of the interest rate swaps (used for purposes other than trading) are determined based on discounted cash flow models that incorporate the cash flows of the derivatives as well as the current OIS Rate and swap curve along with other market data, taking into account current interest rates and the credit worthiness of the counterparty for assets and the credit worthiness of Griffin for liabilities.

The fair value of Griffin's nonfinancial assets for the acquisition of 7466 Chancellor in fiscal 2019 of $10,168 are considered Level 3 in the fair value hierarchy. There were no liabilities assumed in connection with this acquisition. These assets were initially recorded at fair value and will not be re-measured at fair value on a recurring basis.

(dollars in thousands unless otherwise noted, except per share data)

3. Real Estate Assets

Real estate assets consist of:

	Estimated Useful Lives	Nov. 30, 2019	Nov. 30, 2018
Land		$ 30,750	$ 21,961
Land improvements	10 to 30 years	40,992	38,280
Buildings and improvements	10 to 40 years	220,086	204,258
Tenant improvements	Shorter of useful life or terms of related lease	30,318	29,163
Machinery and equipment	3 to 20 years	7,557	10,958
Construction in progress		3,542	562
Development costs		10,404	13,443
		343,649	318,625
Accumulated depreciation		(105,035)	(105,004)
		$ 238,614	$ 213,621

Total depreciation expense and capitalized interest related to real estate assets were as follows:

	For the Fiscal Years Ended		
	Nov. 30, 2019	Nov. 30, 2018	Nov. 30, 2017
Depreciation expense	$ 10,416	$ 9,853	$ 8,831
Capitalized interest	$ 351	$ 352	$ 103

In fiscal 2019, Griffin recorded an impairment loss of $3,100 to reduce the carrying value of the real estate assets of the approved but unbuilt residential development (“Meadowood’) in Simsbury, Connecticut to their estimated fair value of approximately $5,400. Subsequent to the end of fiscal 2019, Griffin entered into an option agreement for the potential sale of Meadowood (see Note 11). There were no impairment losses recognized in fiscal 2018 or fiscal 2017.

On October 25, 2019, Griffin, through two consolidated VIEs, purchased 7466 Chancellor for $10,168, including acquisition costs. Griffin provided all of the funding to the two VIEs to purchase 7466 Chancellor. Griffin determined that the fair value of the assets acquired approximated the purchase price. Of the $10,168 purchase price, $9,353 represented the fair value of real estate assets and $815 represented the fair value of the acquired intangible assets, comprised of the values of the in-place lease at the time of acquisition and the associated tenant relationship (see Notes 2 and 9). The intangible assets are included in other assets on Griffin’s consolidated balance sheet. The fair value of the real estate assets primarily reflects the building and land improvements that are being depreciated principally over forty years and building and tenant improvements that are being depreciated over a period of five to twenty years. The intangible assets are being amortized over a period of five to ten years.

The acquisition of 7466 Chancellor was made utilizing a Reverse 1031 Like-Kind Exchange that was entered into at closing. As such, as of November 30, 2019, 7466 Chancellor is in the possession of a qualified intermediary engaged to execute the Reverse 1031 Like-Kind Exchange until the sale transaction and the Reverse 1031 Like-Kind Exchange are completed. Griffin retains essentially all of the legal and economic benefits and obligations related to 7466 Chancellor prior to the completion of the Reverse 1031 Like-Kind Exchange. Accordingly, 7466 Chancellor is included in Griffin’s consolidated financial statements as a consolidated VIE until legal title is transferred to Griffin upon completion of the Reverse 1031 Like-Kind Exchange.

On May 3, 2019, Griffin closed on the sale of approximately 280 acres (the “Simsbury Land Sale”) of undeveloped land in Simsbury, Connecticut. Griffin received cash proceeds of $7,700, before transaction costs, and recorded a pretax gain of $7,349 on the Simsbury Land Sale. The buyer plans to use the land to generate solar electricity. The net cash proceeds, after transaction costs, of $7,627 from the Simsbury Land Sale were deposited into escrow and subsequently used for the acquisition (see below) of replacement properties in a like-kind exchange (“1031 Like-Kind Exchange”) under Section 1031 of the Internal Revenue Code of 1986, as amended, for income tax purposes.

(dollars in thousands unless otherwise noted, except per share data)

On July 16, 2019, Griffin closed on the purchase of approximately 36 acres of undeveloped land in Charlotte, North Carolina for $4,725, before transaction costs, and on July 18, 2019, Griffin closed on the purchase of an adjacent approximately 8 acres of undeveloped land for $855, before transaction costs, resulting in a combined land parcel of approximately 44 acres (the “Charlotte Land”). Both land purchases were replacement properties under the 1031 Like-Kind Exchange for the Simsbury Land Sale. Griffin plans to construct three industrial/warehouse buildings aggregating approximately 520,000 square feet on the Charlotte Land.

On October 24, 2019, Griffin closed on the purchase of approximately 14 acres (the “Lehigh Valley Land”) of undeveloped land in the Lehigh Valley of Pennsylvania for $1,850, before transaction costs. The Lehigh Valley Land purchase was also a replacement property under a 1031 Like-Kind Exchange for the Simsbury Land Sale. Griffin plans to construct an approximately 100,000 square foot industrial/warehouse building on the Lehigh Valley Land.

On December 26, 2018, Griffin closed on the sale of development rights for approximately 116 acres (the “East Windsor Land”) of undeveloped land in East Windsor, Connecticut. Griffin received cash proceeds of $866, before transaction costs, and recorded a pretax gain of $52 on the sale of the development rights. On April 1, 2019, Griffin closed on the sale of the East Windsor Land for $700, before transaction costs, and recorded a pretax gain of $42 on the sale of the land. The gain on the development rights and the gain on the subsequent sale of the land were not significant as the cost basis of the East Windsor Land was relatively high. In fiscal 2019, there was also $562 of revenue from several smaller property sales that resulted in a pretax gain of $386.

Real estate assets held for sale consist of:

	Nov. 30, 2019	Nov. 30, 2018
Land	$ 323	$ 1,645
Land improvements	388	—
Buildings and improvements	417	—
Development costs	1,009	1,007
	$ 2,137	$ 2,652

In fiscal 2019, real estate assets held for sale, net, was reduced by $515 reflecting; (a) a reduction of $1,741 for property sales that closed; partially offset by (b) an increase of $1,226 from real estate assets, net, being transferred into real estate assets held for sale, net, as a result of entering into agreements to sell such real estate. Included in real estate assets transferred into real estate assets held for sale, net, in fiscal 2019 was approximately seven acres of undeveloped land in Windsor (see Note 10).

Also included in real estate assets held for sale, net, on November 30, 2019 were the assets of Griffin’s nursery farm in Quincy, Florida (the “Florida Farm”) and an approximately 7,200 square foot restaurant building (the “Restaurant Building”) in Griffin Center in Windsor, Connecticut as Griffin had entered into agreements to sell these properties in fiscal 2019. Subsequent to November 30, 2019, Griffin was notified by the buyers of both the Florida Farm and the Restaurant Building that they would not go forward with the respective purchase agreements. The potential buyer of the Restaurant Building did, however, enter into a lease of that building subsequent to November 30, 2019 with an option to purchase the building at a later date. Griffin expects to reclassify these properties from real estate assets held for sale, net, to real estate assets, net, in the first quarter of fiscal 2020.

(dollars in thousands unless otherwise noted, except per share data)

4. Income Taxes

The income tax provision for fiscal 2019, fiscal 2018 and fiscal 2017 is summarized as follows:

	For the Fiscal Years Ended		
	Nov. 30, 2019	Nov. 30, 2018	Nov. 30, 2017
Current federal	$ —	$ 25	$ (43)
Current state and local	(88)	(102)	(7)
Deferred federal	(511)	(678)	(2,610)
Deferred state and local	812	250	(13)
Total income tax benefit (provision)	$ 213	$ (505)	$ (2,673)

The income tax provision for fiscal 2019 included a credit of $873 for the partial reduction of the valuation allowance on deferred tax assets related primarily to net operating loss carryforwards in Connecticut as a result of the change in Connecticut's tax law whereby the capital based tax is being phased out over four consecutive years beginning January 1, 2021.

The income tax provision for fiscal 2018 included a charge of $1,001 for the re-measurement of Griffin's deferred tax assets and deferred tax liabilities as a result of the reduction in the U.S. federal corporate statutory rate from 35% to 21%, under the TCJA, which was enacted on December 22, 2017 and became effective for Griffin in the 2018 first quarter. As Griffin had net deferred tax assets when the TCJA became effective for Griffin, the re-measurement of its deferred tax assets and deferred tax liabilities resulted in the charge that is included in fiscal 2018. Griffin's statutory income tax rate in fiscal 2018 as a result of the TCJA was a blended rate of approximately 22%.

In fiscal 2018, prior to the effective date of the U.S. federal corporate statutory income tax rate reduction, Griffin recorded a deferred tax asset of $879 related to the cumulative effect of stock option exercises upon adoption of ASU No. 2016-09 (see Note 1). Griffin had not previously recognized a current tax benefit in fiscal 2017 from the exercise of employee stock options as it utilized net operating loss carryforwards to offset taxable income. In fiscal 2017, the deferred tax asset related to non-qualified stock options was reduced by $17 as a result of exercises and forfeitures of those options.

The income tax provisions in fiscal 2019 and fiscal 2017 are net of the effect of recording a benefit related to valuation allowances on certain state deferred tax assets (principally Connecticut) of $921 and $238, respectively, less federal income tax expense of $193 and $87. The income tax provision in fiscal 2018 is net of the effect of recording a charge related to valuation allowances on certain state deferred tax assets (principally Connecticut) of $681 less a federal income tax benefit of $146. The establishment of the valuation allowances reflects management's determination that it is more likely than not that Griffin will not generate sufficient taxable income in the future to fully utilize certain state net operating loss carryforwards.

Other comprehensive income (loss) includes deferred tax (expense) benefit as follows:

	For the Fiscal Years Ended		
	Nov. 30, 2019	Nov. 30, 2018	Nov. 30, 2017
Fair value adjustment of Griffin's cash flow hedges	$ 1,586	$ (797)	$ (463)
Mark to market adjustment on Centaur Media plc	—	—	23
Total income tax benefit (expense) included in other comprehensive (loss) income	$ 1,586	$ (797)	$ (440)

(dollars in thousands unless otherwise noted, except per share data)

The differences between the income tax provision at the U.S. statutory income tax rate and the actual income tax provision for fiscal 2019, fiscal 2018 and fiscal 2017 are as follows:

	For the Fiscal Years Ended		
	Nov. 30, 2019	Nov. 30, 2018	Nov. 30, 2017
Tax benefit (provision) at statutory rate	$ (726)	$ 255	$ (2,555)
State and local taxes, including valuation allowance, net of federal tax effect	737	78	(18)
Permanent items	44	(24)	(41)
Federal rate change under TCJA	—	(1,001)	—
Other	158	187	(59)
Total income tax benefit (provision)	$ 213	$ (505)	$ (2,673)

The significant components of Griffin's deferred tax assets and deferred tax liabilities are as follows:

	Nov. 30, 2019	Nov. 30, 2018
Deferred tax assets:		
Federal net operating loss carryforwards	$ 2,759	$ 3,657
Deferred revenue	2,372	2,402
State net operating loss carryforwards	2,087	2,236
Retirement benefit plans	1,521	1,416
Cash flow hedges	938	—
Non-qualified stock options	424	480
Other	181	220
Total deferred tax assets	10,282	10,411
Valuation allowances	(1,462)	(2,190)
Net deferred tax assets	8,820	8,221
Deferred tax liabilities:		
Real estate assets	(4,274)	(4,331)
Deferred rent	(956)	(1,018)
Cash flow hedges	—	(674)
Other	(309)	(642)
Total deferred tax liabilities	(5,539)	(6,665)
Net total deferred tax assets	$ 3,281	$ 1,556

At November 30, 2019, Griffin had federal net operating loss carryforwards of approximately $12,363 with expirations ranging from fifteen to nineteen years and state net operating loss carryforwards (net of valuation allowances) of approximately $11,217 with expirations ranging from eleven to nineteen years. Management has determined that a valuation allowance is required for net operating loss carryforwards in Connecticut related to Griffin and Imperial Nurseries, Inc. ("Imperial") and for certain other states related to Imperial. Griffin has evaluated the likelihood that it will realize the benefits of its deferred tax assets. Based on a significant amount of appreciated assets, primarily real estate, held by Griffin and the significant length of time expected before Griffin's net operating loss carryforwards would expire, Griffin believes that it is more likely than not that it will utilize the benefit of its remaining deferred tax assets.

Griffin evaluates each tax position taken in its tax returns and recognizes a liability for any tax position deemed less likely than not to be sustained under examination by the relevant taxing authorities. Griffin believes that its income tax filing positions will be sustained on examination and does not anticipate any adjustments that would result in a material change on its financial statements. As a result, no accrual for uncertain income tax positions has been recorded pursuant to ASC 740.

(dollars in thousands unless otherwise noted, except per share data)

Federal income tax returns for fiscal 2016, fiscal 2017 and fiscal 2018 are open to examination by the Internal Revenue Service ("IRS").

5. Mortgage and Construction Loans

Griffin's mortgage loans, which are nonrecourse, and its construction loan, are as follows:

	Nov. 30, 2019	Nov. 30, 2018
3.91%, due January 27, 2020 *	$ 3,206	$ 3,345
4.72%, due October 3, 2022 *	4,174	4,273
4.39%, due January 2, 2025 *	19,101	19,674
4.17%, due May 1, 2026 *	13,115	13,487
3.79%, due November 17, 2026 *	24,701	25,402
4.39%, due August 1, 2027 *	10,034	10,284
3.97%, due September 1, 2027	11,673	11,898
4.57%, due February 1, 2028 *	18,069	18,482
5.09%, due July 1, 2029	5,725	6,172
5.09%, due July 1, 2029	4,011	4,324
4.33%, due August 1, 2030	16,634	16,978
4.51%, due April 1, 2034	14,030	—
Nonrecourse mortgage loans	144,473	134,319
Debt issuance costs	(1,898)	(1,723)
Nonrecourse mortgage loans, net of debt issuance costs	142,575	132,596
4.51% construction loan	—	12,842
Debt issuance costs	—	(386)
Construction loan, net of debt issuance costs	—	12,456
Mortgage and construction loans, net of debt issuance costs	$ 142,575	$ 145,052

* Griffin entered into interest rate swap agreements to effectively fix the interest rates on these loans (see below).

The aggregate annual principal payment requirements under the terms of the nonrecourse mortgage loans for the fiscal years 2020 through 2024 are $7,423, $4,415, $8,463, $4,707 and $4,917, respectively. The aggregate book value of land and buildings that are collateral for the nonrecourse mortgage loans was $165,829 at November 30, 2019.

On March 29, 2018, a subsidiary of Griffin closed on a $13,800 construction to permanent mortgage loan (the "2018 State Farm Loan") with State Farm Life Insurance Company ("State Farm"), that provided a significant portion of the funds for the construction of an approximately 234,000 square foot build-to-suit industrial/warehouse building ("220 Tradeport Drive") in New England Tradeport ("NE Tradeport"), Griffin's industrial park located in Windsor and East Granby, Connecticut. In the fiscal 2017 fourth quarter, Griffin entered into a long-term lease (the "220 Tradeport Lease") with one tenant for the entire building. In the 2018 fourth quarter, 220 Tradeport was completed and the lease commenced. In the 2019 second quarter, rental payments from the tenant began. On August 1, 2019, Griffin converted the 2018 State Farm Loan to a nonrecourse permanent mortgage loan of $14,107 that matures on April 1, 2034. Monthly payments of principal and interest started on September 1, 2019. Principal payments on the 2018 State Farm Loan are based on a twenty-five-year amortization schedule. Under the terms of the 2018 State Farm Loan, the interest rate on the loan remains at 4.51% throughout the term of the permanent mortgage.

On September 22, 2017, two wholly owned subsidiaries of Griffin entered into the Fourth Modification Agreement (the "Modification Agreement") to the mortgage loan previously due on October 2, 2017 with Webster Bank (the "2012 Webster Mortgage"). At the time Griffin entered into the Fourth Modification, the 2012 Webster Mortgage had a principal balance of $5,876 and a variable interest rate of the one-month LIBOR rate plus 2.75%. Griffin had previously entered into an interest rate swap agreement to effectively fix the interest rate of the 2012 Webster Mortgage at 3.86%. The Modification Agreement reduced the principal amount of the loan to $4,375 and extended the maturity of the 2012 Webster Mortgage to October 3, 2022 with monthly principal payments based on a twenty-five-year amortization schedule. Griffin made a payment of $1,501 against the principal balance utilizing $501 that had been held in escrow with Webster Bank and $1,000 from its cash on hand. The Fourth Modification maintained the interest rate on the 2012 Webster Mortgage at the one-month LIBOR rate plus 2.75%. At the time Griffin completed the Fourth Modification, Griffin entered into an interest rate swap agreement to effectively fix the 2012 Webster Mortgage, as amended, at a new rate of 4.72%. The 2012 Webster Mortgage is collateralized by Griffin's two multi-story office buildings in Windsor, Connecticut. The Modification Agreement did not alter the collateral for the 2012 Webster Mortgage.

On August 30, 2017, a subsidiary of Griffin closed on a $12,150 nonrecourse mortgage loan (the "2017 40|86 Mortgage") with 40|86 Mortgage Capital, Inc. The 2017 40|86 Mortgage is collateralized by 215 International Drive ("215 International"), an approximately 277,000 square foot industrial/warehouse building in Concord, North Carolina, which Griffin acquired on June 9, 2017, and has a ten year term with monthly principal payments based on a thirty year amortization schedule. The interest rate for the 2017 40|86 Mortgage is a fixed rate of 3.97%.

On July 14, 2017, a subsidiary of Griffin closed on a $10,600 nonrecourse mortgage loan (the "2017 Berkshire Mortgage") with Berkshire Bank ("Berkshire"). The 2017 Berkshire Mortgage refinanced an existing mortgage loan (the "2009 Berkshire Mortgage") with Berkshire that was due on February 1, 2019 and was collateralized by 100 International Drive ("100 International"), an approximately 304,000 square foot industrial/warehouse building in NE Tradeport. The 2009 Berkshire Mortgage had a balance of $10,120 at the time of refinancing and a variable interest rate of the one-month LIBOR rate plus 2.75%. At the time Griffin completed the 2009 Berkshire Mortgage, Griffin entered into an interest rate swap agreement with Berkshire (the "2009 Berkshire Swap") to effectively fix the interest rate on the 2009 Berkshire Mortgage at 6.35% for the term of that loan. The 2017 Berkshire Mortgage is collateralized by the same property that collateralized the 2009 Berkshire Mortgage. Just prior to the closing on the 2017 Berkshire Mortgage, Griffin completed a lease amendment with the full building tenant in 100 International to extend the lease from its scheduled expiration date of July 31, 2019 to July 31, 2025. Under the terms of the 2017 Berkshire Mortgage, Griffin entered into a master lease of 100 International that would become effective if the tenant in 100 International does not renew its lease when it is schedule to expire in 2025. The 2017 Berkshire Mortgage has a ten-year term with monthly principal payments based on a twenty-five-year amortization schedule. The interest rate for the 2017 Berkshire Mortgage is a variable rate consisting of the one-month LIBOR rate plus 2.05%. At the time the 2017 Berkshire Mortgage closed, Griffin terminated the 2009 Berkshire Swap and entered into a new interest rate swap agreement with Berkshire Bank that effectively fixes the interest rate of the 2017 Berkshire Mortgage at 4.39% over the loan term.

Griffin paid $341 in connection with the termination of the 2009 Berkshire Swap. Amounts remaining in AOCI and deferred tax assets of $218 and $123, respectively, at the time of the termination were amortized over the original term of that interest rate swap agreement, which ended in the 2019 first quarter. Accordingly, Griffin recorded interest expense of $31, $211 and $98 in fiscal 2019, fiscal 2018 and fiscal 2017, respectively, related to the termination of the 2009 Berkshire Swap.

On March 15, 2017, a subsidiary of Griffin closed on a $12,000 nonrecourse mortgage loan (the "2017 People's Mortgage") with People's United Bank, N.A. ("People's Bank"). On January 30, 2018, that subsidiary refinanced the 2017 People's Mortgage with a new nonrecourse mortgage loan (the "2018 People's Mortgage") with People's Bank. The 2017 People's Mortgage had a balance of $11,781 at the time of the refinancing. The 2017 People's Mortgage is collateralized by the same two NE Tradeport industrial/warehouse buildings, aggregating approximately 275,000 square feet that collateralized the 2017 People's Mortgage. In addition, 330 Stone Road, an approximately 137,000 square foot industrial/warehouse building in NE Tradeport that was completed and placed in service near the end of fiscal 2017, was added to the collateral for the 2018 People's Mortgage. At the closing of the 2018 People's Mortgage, Griffin received additional mortgage proceeds of $7,000, (before transaction costs), net of the $11,781 used to refinance the 2017 People's Mortgage. The 2018 People's Mortgage has a ten-year term with monthly principal payments based on a twenty-five-year amortization schedule. The interest rate for the 2018 People's Mortgage is a variable rate consisting of the one-month LIBOR rate plus 1.95%. At the time the 2018 People's Mortgage closed, Griffin also entered into an interest rate swap agreement with People's Bank that, combined with an interest rate swap agreement with People's Bank entered into at the time the 2017 People's Mortgage closed, effectively fixes the interest rate of the 2018 People's Mortgage at 4.57% over the mortgage loan's ten-year term. Under the terms of the 2018 People's Mortgage, Griffin entered into a master lease for 759 Rainbow Road ("759 Rainbow"), one of the buildings that collateralize the 2018 People's Mortgage. The master lease would only become effective if the full building tenant in 759 Rainbow does not renew its lease when it is scheduled to expire in fiscal 2022. The master lease would be in effect until either the space is re-leased to a new tenant or the maturity date of the 2018 People's Mortgage.

As of November 30, 2019, Griffin was a party to several interest rate swap agreements related to its variable rate nonrecourse mortgages on certain of its real estate assets. Griffin accounts for its interest rate swap agreements as effective cash flow hedges (see Note 2). No ineffectiveness on the cash flow hedges was recognized as of November 30, 2019 and none is anticipated over the term of the agreements. Amounts in AOCI will be reclassified into interest expense over the term of the swap agreements to achieve fixed rates on each mortgage. None of the interest rate swap agreements contain any credit risk related contingent features. In fiscal 2019, Griffin recognized a net loss before taxes, included in other comprehensive loss, of $7,153. In fiscal 2018 and fiscal 2017, Griffin recognized net gains before taxes, included in other comprehensive income, of $3,302 and $949, respectively, on its interest rate swap agreements.

As of November 30, 2019, $617 is expected to be reclassified over the next twelve months to AOCI from interest expense. As of November 30, 2019, the net fair value of Griffin's interest rate swap agreements was a liability of $4,052, which is included in other liabilities on Griffin's consolidated balance sheet. As of November 30, 2018, the net fair value of Griffin's interest rate swap agreements was $3,101, with $3,157 included in other assets and $56 included in other liabilities on Griffin's consolidated balance sheet.

See Note 11 for disclosure of nonrecourse mortgage loans entered into by Griffin subsequent to November 30, 2019.

6. Revolving Credit Agreements

On September 19, 2019, Griffin executed an amendment (the "Revolving Credit Line Amendment") to its $15,000 revolving credit line (the "Webster Credit Line" and, as amended by the Revolving Credit Line Amendment, the "Amended Webster Credit Line") with Webster Bank that was originally scheduled to expire on July 31, 2019 (which was extended to September 30, 2019 on July 26, 2019). The Revolving Credit Line Amendment provided for an extension of the maturity date to September 30, 2021, with an option to extend for an additional year through September 30, 2022, and reduced the interest rate from the one-month LIBOR rate plus 2.75% to the one-month LIBOR rate plus 2.50%. In the event that Webster Bank determines that LIBOR is no longer available, the Amended Webster Credit Line contemplates that Webster Bank shall transition to a comparable rate of interest to the LIBOR rate. The Revolving Credit Line Amendment increased the amount of the Amended Webster Credit Line from $15,000 to $19,500, while adding an approximately 31,000 square foot industrial/warehouse building in Bloomfield, Connecticut to the Webster Credit Line's original collateral, which are Griffin's properties in Griffin Center South in Bloomfield, Connecticut, aggregating approximately 235,000 square feet, and an approximately 48,000 square foot single-story office building in Griffin Center in Windsor, Connecticut. The aggregate book value of land and buildings that are collateral for the Amended Webster Credit Line was $12,076 at November 30, 2019. Under the terms of the Revolving Credit Line Amendment, Griffin must maintain: (a) a maximum loan to value ratio of 72%; (b) a minimum liquidity, as defined in the Revolving Credit Line Amendment, of $5,000; and (c) a fixed charge coverage ratio, defined as EBITDA minus cash income taxes and dividends paid divided by debt service (the "Fixed Charge Coverage Ratio"), of at least 1.1 to 1.0. As of November 30, 2019, the Amended Webster Credit Line secured certain standby letters of credit aggregating $484 that are related to Griffin's development activities. There were no borrowings under the Amended Credit Line in fiscal 2019.

(dollars in thousands unless otherwise noted, except per share data)

On September 19, 2019, Griffin and Webster Bank also entered into an additional credit line of $15,000 to be used to finance property acquisitions (the “Acquisition Credit Line”). The Acquisition Credit Line is unsecured, expires on September 30, 2021, with an option to extend for an additional year through September 30, 2022, and may be used to fund up to 65% of the purchase price of real estate acquisitions. Interest on advances under the Acquisition Credit Line are at the one-month LIBOR rate plus 2.75%. In the event that LIBOR is no longer readily determinable or available, the Acquisition Credit Line contemplates that Webster Bank shall transition to an alternate rate of interest to the LIBOR rate taking into account then prevailing standards in the market for determining interest rates for commercial loans made by financial institutions in the United States at such time. Amounts borrowed under the Acquisition Credit Line are expected to be repaid with proceeds from long-term financing of the property acquired. If amounts borrowed under the Acquisition Credit Line are not repaid within 135 days from the date the properties are acquired, Griffin has agreed to either (a) repay the portion of the Acquisition Credit Line allocable to such advance or (b) execute a first-lien mortgage in favor of Webster Bank. Under the terms of the Acquisition Credit Line, Griffin must maintain (i) a total stockholders’ equity minimum debt service coverage ratio of the aggregate acquired property (as defined in the Acquisition Credit Line) equal to or greater than 1.25 times; (ii) a minimum net worth of not less than $80,000; (iii) a minimum liquidity, as defined in the Acquisition Credit Line, of $5,000; (iv) a ratio of total debt plus preferred stock, to total assets not to exceed 50% of the total fair market value of Griffin’s assets; and (v) a Fixed Charge Coverage Ratio of at least 1.1 to 1.0. At November 30, 2019, $5,875 was outstanding under the Acquisition Credit Line for the purchase in October 2019 of 7466 Chancellor (see Note 3) at a weighted-average interest rate of 4.57%. Subsequent to November 30, 2019, the outstanding amount as of November 30, 2019 under the Acquisition Credit Line was repaid with proceeds from the 2020 Webster Mortgage (see Note 11).

7. Stockholders’ Equity

Per Share Results

Basic and diluted results per share were based on the following:

	For the Fiscal Years Ended		
	Nov. 30, 2019	Nov. 30, 2018	Nov. 30, 2017
Net income (loss)	$ 3,668	$ (1,653)	$ 4,627
Weighted average shares outstanding for computation of basic per share results	5,070,000	5,023,000	5,010,000
Incremental shares from assumed exercise of Griffin stock options (a)	36,000	—	28,000
Adjusted weighted average shares for computation of diluted per share results	5,106,000	5,023,000	5,038,000

(a) Incremental shares from the assumed exercise of Griffin stock options are not included in periods where the inclusion of such shares would be anti-dilutive. The incremental shares from the assumed exercise of stock options for fiscal 2018 would have been 57,000 shares.

Universal Shelf Filing/At-the-Market Equity Offering Program

On April 11, 2018, Griffin filed a universal shelf registration statement on Form S-3 (the “Universal Shelf”) with the SEC. Under the Universal Shelf, Griffin may offer and sell up to $50,000 of a variety of securities including common stock, preferred stock, warrants, depositary shares, debt securities, units or any combination of such securities during the three year period that commenced upon the Universal Shelf becoming effective on April 25, 2018. Under the Universal Shelf, Griffin may periodically offer one or more types of securities in amounts, at prices and on terms announced, if and when the securities are ever offered. On May 10, 2018, Griffin filed a prospectus supplement with the SEC under which it may issue and sell, from time to time, up to an aggregate of $30,000 of its common stock (“Common Stock”) under an “at-the-market” equity offering program (the “ATM Program”) through Robert W. Baird & Co. Incorporated (“Baird”), as sales agent. Under a sales agreement with Baird, Griffin will set the parameters for the sales of its Common Stock under the ATM Program, including the number of shares to be issued, the time period during which sales are requested to be made, limitations on the number of shares that may be sold in any one trading day and any minimum price below which sales of shares may not be made. Sales of Common Stock, if any, under the ATM Program would be made in offerings as defined in Rule 415 of the Securities Act of 1933, as amended. In addition, with the prior consent of Griffin, Baird may also sell shares in privately negotiated transactions. Griffin expects to use net proceeds, if any, from the ATM Program for acquisitions of target properties consistent with Griffin's investment strategies, repayment of debt and general corporate purposes. If Griffin obtains additional capital by issuing equity, the interests of its existing stockholders will be diluted. If Griffin incurs additional indebtedness, that indebtedness may impose financial and other covenants that may significantly restrict Griffin's operations.

(dollars in thousands unless otherwise noted, except per share data)

Griffin Stock Option Plan

Stock options are granted by Griffin under the Griffin Industrial Realty, Inc. 2009 Stock Option Plan (the "2009 Stock Option Plan"). Options granted under the 2009 Stock Option Plan may be either incentive stock options or non-qualified stock options issued at an exercise price not less than fair market value on the date approved by Griffin's Compensation Committee. Vesting of all of Griffin's stock options is solely based upon service requirements and does not contain market or performance conditions.

Stock options issued expire ten years from the grant date. In accordance with the 2009 Stock Option Plan, stock options issued to non-employee directors upon their initial election to the board of directors are fully exercisable immediately upon the date of the option grant. Stock options granted to non-employee directors upon their reelection to the board of directors vest on the second anniversary from the date of grant. Stock options granted to employees vest in equal installments on the third, fourth and fifth anniversaries from the date of grant. None of the stock options outstanding at November 30, 2019 may be exercised as stock appreciation rights.

The following options were granted by Griffin under the 2009 Stock Option Plan to non-employee directors and employees:

	For the Fiscal Years Ended					
	Nov. 30, 2019		Nov. 30, 2018		Nov. 30, 2017	
	Number of Shares	Fair Value per Option at Grant Date	Number of Shares	Fair Value per Option at Grant Date	Number of Shares	Fair Value per Option at Grant Date
Non-employee directors	5,946	$ 12.87	5,195	$ 14.41	6,570	$ 13.49
Employees	-	$ -	-		5,000	$ 11.13
	5,946		5,195		11,570	

The fair values of all options granted were estimated as of the grant date using the Black-Scholes option-pricing model. Assumptions used in determining the fair value of the stock options granted were as follows:

	For the Fiscal Years Ended		
	Nov. 30, 2019	Nov. 30, 2018	Nov. 30, 2017
Expected volatility	30.9 %	30.5 %	32.7 to 39.6 %
Risk free interest rates	2.3 %	3.0 %	2.1 to 2.2 %
Expected option term (in years)	8.5	8.5	7.5 to 8.5
Annual dividend yield	1.2 %	1.1 %	0.8 to 0.9 %

Number of option holders at November 30, 2019	26

(dollars in thousands unless otherwise noted, except per share data)

Compensation expense and related tax benefits for stock options were as follows:

	For the Fiscal Years Ended		
	Nov. 30, 2019	Nov. 30, 2018	Nov. 30, 2017
Compensation expense	$ 261	$ 350	$ 349
Related tax benefit	$ 43	$ 53	$ 86

For all years presented, the forfeiture rate used for directors ranged from 0% to 2%, the forfeiture rate used for executives was 17.9% and the forfeiture rate used for employees was 38.3%. The rates utilized were based on the historical activity of the grantees.

As of November 30, 2019, the unrecognized compensation expense related to nonvested stock options that will be recognized during future periods is as follows:

Fiscal 2020	$ 149
Fiscal 2021	$ 39

The total grant date fair value of options vested during fiscal 2019, fiscal 2018 and fiscal 2017 was $472, $69 and $55, respectively. The intrinsic value of options exercised in fiscal 2019 and fiscal 2018 was $299 and $765, respectively. There were no options exercised in fiscal 2017.

A summary of the activity under the 2009 Griffin Stock Option Plan is as follows:

	Options	Weighted Avg. Exercise Price
Outstanding at November 30, 2016	324,546	$ 29.23
Granted	11,570	$ 30.59
Forfeited	(2,354)	$ 36.82
Outstanding at November 30, 2017	333,762	$ 29.22
Granted	5,195	$ 38.48
Exercised	(94,677)	$ 31.18
Forfeited	(20,279)	$ 33.78
Outstanding at November 30, 2018	224,001	$ 28.20
Granted	5,946	$ 36.99
Exercised	(32,337)	$ 28.57
Forfeited	(7,788)	$ 32.62
Outstanding at November 30, 2019	189,822	$ 28.23

Range of Exercise Prices for Vested and Nonvested Options	Outstanding at November 30, 2019	Weighted Avg. Exercise Price	Weighted Avg. Remaining Contractual Life (in years)	Total Intrinsic Value
$23.00 - $28.00	112,638	$ 26.76	6.2	$ 1,340
$28.00 - $32.00	65,212	$ 29.21	2.5	615
$32.00 - $39.00	11,972	$ 36.74	8.1	23
	189,822	$ 28.23	5.1	$ 1,978

Accumulated Other Comprehensive Income (Loss)

In fiscal 2017, Griffin sold all of its remaining shares of Centaur Media (see Note 9). Upon the sale, the change, net of tax, in the value of the shares of Centaur Media that were sold during the time Griffin held those shares was reclassified from AOCI and included in Griffin's consolidated statement of operations. In fiscal 2017, $172 was reclassified from AOCI as a result of the sale of its remaining shares of Centaur Media common stock.

(dollars in thousands unless otherwise noted, except per share data)

Accumulated other comprehensive income (loss) for fiscal 2019, fiscal 2018 and fiscal 2017, is comprised of the following:

	Unrealized Gain (Loss) on Cash Flow Hedges	Unrealized Gain (Loss) on Investment in Centaur Media	Total
Balance at November 30, 2016	$ (1,062)	$ 13	$ (1,049)
Other comprehensive (loss) income before reclassifications	(45)	159	114
Amounts reclassified	823	(172)	651
Net activity for other comprehensive loss	778	(13)	765
Balance at November 30, 2017	(284)	—	(284)
Other comprehensive income before reclassifications	2,242	—	2,242
Amounts reclassified	473	—	473
Adoption of ASU No. 2018-02 - reclassification of deferred taxes to retained earnings	(36)	—	(36)
Net activity for other comprehensive income	2,679	—	2,679
Balance at November 30, 2018	2,395	—	2,395
Other comprehensive income before reclassifications	(5,560)	—	(5,560)
Amounts reclassified	24	—	24
Net activity for other comprehensive loss	(5,536)	—	(5,536)
Balance at November 30, 2019	$ (3,141)	$ —	$ (3,141)

Changes in accumulated other comprehensive income (loss) are as follows:

	For the Fiscal Years Ended								
	November 30, 2019			November 30, 2018			November 30, 2017		
	Pre-Tax	Tax (Expense) Benefit	Net-of-Tax	Pre-Tax	Tax (Expense) Benefit	Net-of-Tax	Pre-Tax	Tax (Expense) Benefit	Net-of-Tax
Reclassifications included in net income (loss):									
Loss on cash flow hedges (interest expense)	$ 32	$ (8)	$ 24	$ 636	$ (163)	$ 473	$ 1,299	$ (476)	$ 823
Realized gain on sale of Centaur Media (gain on sale)	—	—	—	—	—	—	(281)	109	(172)
Total reclassifications included in net income (loss)	32	(8)	24	636	(163)	473	1,018	(367)	651
(Decrease) increase in fair value adjustment on Griffin's cash flow hedges	(7,154)	1,594	(5,560)	2,876	(634)	2,242	(58)	13	(45)
Mark to market adjustment on Centaur Media for an increase in fair value	—	—	—	—	—	—	220	(77)	143
Mark to market adjustment on Centaur Media for an increase in the foreign currency exchange rate	—	—	—	—	—	—	25	(9)	16
Total change in other comprehensive income (loss)	(7,154)	1,594	(5,560)	2,876	(634)	2,242	187	(73)	114
Total other comprehensive (loss) income	$ (7,122)	$ 1,586	$ (5,536)	$ 3,512	$ (797)	$ 2,715	$ 1,205	$ (440)	$ 765

Cash Dividends

In fiscal 2019, fiscal 2018 and fiscal 2017, Griffin declared annual cash dividends of $0.50, $0.45 and $0.40 per common share, respectively, which were paid in the first quarters of fiscal 2020, fiscal 2019 and fiscal 2018, respectively.

(dollars in thousands unless otherwise noted, except per share data)

Stock Repurchases

In fiscal 2016, Griffin's Board of Directors authorized a stock repurchase program whereby Griffin could repurchase up to $5,000 of its outstanding Common Stock over a twelve month period in privately negotiated transactions. The stock repurchase program expired on May 10, 2017. In fiscal 2017, prior to its expiration, Griffin repurchased 47,173 shares of its outstanding Common Stock for $1,474. Under this repurchase program, Griffin repurchased a total of 152,173 shares of its Common Stock for $4,828.

See Supplemental Cash Flow Information in Note 9 for information on Common Stock received in connection with the exercise of stock options.

8. Operating Leases

Griffin's rental revenue reflects the leasing of industrial/warehouse and, to a lesser extent, office/flex space and certain land parcels. Future minimum rental payments, including expected tenant reimbursements, to be received under noncancelable leases as of November 30, 2019 were:

2020	$ 33,022
2021	30,369
2022	22,999
2023	17,728
2024	14,694
Later years	31,610
	$ 150,422

All future minimum rental payments, principally for Griffin's corporate headquarters, under noncancelable leases, as lessee, as of November 30, 2019 were:

2020	$ 126
2021	126
2022	133
2023	131
2024	131
Later years	250
	$ 897

Total rental expense for all operating leases, as lessee, in fiscal 2019, fiscal 2018 and fiscal 2017 was $146, $149 and $156, respectively.

Effective October 1, 2016, Griffin entered into a ten-year sublease for approximately 1,920 square feet in New York City for its executive offices. The sublease is with Bloomingdale Properties, Inc. ("Bloomingdale Properties"), an entity that is controlled by certain members of the Cullman and Ernst Group, which is considered a related party to Griffin. The sublease with Bloomingdale Properties was approved by Griffin's Audit Committee and the lease rates under the sublease were at market rate at the time the sublease was signed. Rental expense for this lease in fiscal 2019, fiscal 2018 and fiscal 2017 was $126, $124 and $124, respectively, which is included in general and administrative expenses.

9. Supplemental Financial Statement Information

Investments - Held-to-Maturity Securities

As of November 30, 2019 and 2018, Griffin held $1,011 and $17,000, respectively, of repurchase agreements accounted for as held-to-maturity securities under ASC 320 and classified as short-term investments on its consolidated balance sheets. The repurchase agreements are with Webster Bank and are collateralized by securities issued by the United States Government or its sponsored agencies. The repurchase agreements are carried at their resell amounts, which approximates fair value due to their short-term nature. As of November 30, 2019, Griffin's held one repurchase agreement that is scheduled to mature on February 14, 2020.

(dollars in thousands unless otherwise noted, except per share data)

Investments - Available-for-Sale Securities

In fiscal 2017, Griffin sold its remaining common stock of Centaur Media for cash proceeds of $1,216, after transaction costs, which resulted in a pretax gain of $275. Griffin's investment in the common stock of Centaur Media was accounted for as an available-for-sale security under ASC 320. Accordingly, changes in the fair value of Centaur Media, reflecting both changes in the stock price and changes in the foreign currency exchange rate, were included, net of income taxes, in AOCI (see Note 7). Griffin's investment income included dividend income from Centaur Media of $38 in fiscal 2017.

Other Assets

Griffin's other assets are comprised of the following:

	Nov. 30, 2019	Nov. 30, 2018
Deferred rent receivable	$ 5,740	$ 5,602
Deferred leasing costs, net	4,468	4,355
Prepaid expenses	2,926	2,780
Intangible assets, net	1,907	1,399
Accounts receivable (primarily leases)	904	407
Mortgage escrows	515	452
Registration statement costs	281	281
Deferred financing costs related to revolving lines of credit	256	33
Deposits	234	1,072
Furniture, fixtures and equipment, net	193	245
Interest rate swap assets	—	3,157
Other	154	265
Total other assets	$ 17,578	$ 20,048

Griffin's intangible assets relate to the acquisition of a several industrial/warehouse buildings and consist of: (i) the value of in-place leases; and (ii) the value of the associated relationships with tenants. Intangible assets are shown net of amortization of $1,578 and $1,271 as of November 30, 2019 and November 30, 2018, respectively.

Amortization expense of intangible assets is as follows:

	For the Fiscal Years Ended		
	Nov. 30, 2019	Nov. 30, 2018	Nov. 30, 2017
Amortization expense	$ 307	$ 296	$ 203

Estimated amortization expense of intangible assets over each of the next five fiscal years is:

2020	$ 424
2021	424
2022	265
2023	220
2024	220

Deferred leasing costs, net, reflected accumulated amortization of $6,699 and $5,719 as of November 30, 2019 and November 30, 2018, respectively. Amortization expense related to deferred leasing costs in fiscal 2019, fiscal 2018 and fiscal 2017 was $998, $1,159 and $946, respectively. Furniture, fixtures and equipment, net, reflected accumulated depreciation of $992 and $920 as of November 30, 2019 and November 30, 2018, respectively. Total depreciation expense related to furniture, fixtures and equipment in fiscal 2019, fiscal 2018 and fiscal 2017 was $80, $96 and $84, respectively.

(dollars in thousands unless otherwise noted, except per share data)

Accounts Payable and Accrued Liabilities

Griffin's accounts payable and accrued liabilities are comprised of the following:

	Nov. 30, 2019	Nov. 30, 2018
Accrued construction costs and retainage	$ 1,849	$ 832
Accrued salaries, wages and other compensation	863	931
Accrued interest payable	568	555
Trade payables	295	380
Accrued lease commissions	223	136
Other	520	499
Total accounts payable and accrued liabilities	$ 4,318	$ 3,333

Other Liabilities

Griffin's other liabilities are comprised of the following:

	Nov. 30, 2019	Nov. 30, 2018
Deferred compensation plan	$ 5,593	$ 5,145
Interest rate swap liabilities	4,052	56
Prepaid rent from tenants	1,013	1,134
Security deposits of tenants	538	533
Conditional asset retirement obligations	171	171
Land sale deposits	—	260
Other	142	79
Total other liabilities	$ 11,509	$ 7,378

Supplemental Cash Flow Information

In fiscal 2019, Griffin received 22,390 shares of its Common Stock in connection with the exercise of stock options as consideration for the exercise price and for reimbursement of income tax withholdings related to those stock option exercises. The shares received were recorded as treasury stock, which resulted in an increase in treasury stock of $846 and did not affect Griffin's cash.

In fiscal 2018, Griffin received 30,039 shares of its Common Stock in connection with the exercise of stock options as consideration for the exercise price and for reimbursement of income tax withholdings related to those stock option exercises. The shares received were recorded as treasury stock, which resulted in an increase in treasury stock of $1,189 and did not affect Griffin's cash.

In fiscal 2017, Griffin received $3,535 of cash, after transaction costs, from the fiscal 2016 sale of approximately 29 acres of undeveloped land in Griffin Center (the "2016 Griffin Center Land Sale"). The proceeds from the 2016 Griffin Center Land Sale were deposited into escrow at the time the sale closed for the potential purchase of a replacement property in a 1031 Like-Kind Exchange. As a replacement property was not acquired in the time period required under the applicable tax code, the sale proceeds were returned to Griffin.

An increase of $245 in fiscal 2017 (prior to the sale of the remaining shares) in the fair value of Griffin's Investment in Centaur Media reflects the mark to market adjustment of this investment and did not affect Griffin's cash.

Accounts payable and accrued liabilities related to additions to real estate assets increased by $1,017 in fiscal 2019 and decreased by $1,062 in fiscal 2018.

Griffin did not receive any income tax refunds in fiscal 2019, fiscal 2018 or fiscal 2017. Interest payments in fiscal 2019, fiscal 2018 and fiscal 2017 were $6,402, $6,041 and $5,368, respectively, including capitalized interest of $351, $352 and $103 in fiscal 2019, fiscal 2018 and fiscal 2017, respectively.

Savings Plan

Griffin maintains the Griffin Industrial Realty, Inc. 401(k) Savings Plan (the “Griffin Savings Plan”) for its employees, a defined contribution plan whereby Griffin matches 60% of each employee’s contribution, up to a maximum of 5% of base salary. Griffin’s contributions to the Griffin Savings Plan in fiscal 2019, fiscal 2018 and fiscal 2017 were $68, $65 and $65, respectively.

Deferred Compensation Plan

Griffin maintains a non-qualified deferred compensation plan (the “Deferred Compensation Plan”) for certain of its employees who, due to IRC regulations, cannot take full advantage of the Griffin Savings Plan. Griffin’s liability under its Deferred Compensation Plan at November 30, 2019 and 2018 was $5,593 and $5,145, respectively. These amounts are included in other liabilities on Griffin’s consolidated balance sheets. The expense for Griffin’s matching benefit to the Deferred Compensation Plan in fiscal 2019, fiscal 2018 and fiscal 2017 was $3, $12 and $11, respectively. Subsequent to November 30, 2019, the liability for the Deferred Compensation Plan was reduced by approximately $1,900 for payment made to Frederick M. Danziger, Griffin’s former Executive Chairman, upon his retirement in fiscal 2019.

The Deferred Compensation Plan is unfunded, with benefits to be paid from Griffin’s assets. The liability for the Deferred Compensation Plan reflects the amounts withheld from employees, Griffin’s matching benefit and any gains or losses on participant account balances based on the assumed investment of amounts credited to participants’ accounts in certain mutual funds. Participant balances are tracked and any gain or loss is determined based on the performance of the mutual funds as selected by the participants and included in general and administrative expenses on Griffin’s consolidated statements of operations.

10. Commitments and Contingencies

As of November 30, 2019, Griffin had committed purchase obligations of approximately $1,378, principally related to the development of its real estate assets.

On September 11, 2019, Griffin entered into an agreement to sell approximately seven acres of undeveloped land in Windsor, Connecticut for a purchase price of $750 in cash. Completion of this transaction is subject to the satisfactory outcome of the buyer’s due diligence and is scheduled to close in the fiscal 2020 first quarter. There is no guarantee that this transaction will be completed under its current terms, or at all.

From time to time, Griffin is involved, as a defendant, in various litigation matters arising in the ordinary course of business. In the opinion of management, based on the advice of legal counsel, the ultimate liability, if any, with respect to these matters is not expected to be material, individually or in the aggregate, to Griffin's consolidated financial position, results of operations or cash flows.

11. Subsequent Events

In accordance with FASB ASC 855, “Subsequent Events,” Griffin has evaluated all events or transactions occurring after November 30, 2019, the balance sheet date, and noted that there have been no such events or transactions which would require recognition or disclosure in the consolidated financial statements as of and for the year ended November 30, 2019, other than the disclosures herein.

On December 10, 2019, Griffin entered into an Option Purchase Agreement (the “East Granby/Windsor Option Agreement”) whereby Griffin granted the buyer an exclusive one year option, in exchange for a nominal fee, to purchase approximately 280 acres of undeveloped land in East Granby and Windsor, Connecticut. The purchase price has a range of a minimum of $6,000 to a maximum of $7,950 based upon the final approved use of the land. The buyer may extend the option period for another two years upon payment of additional option fees. The land subject to the East Granby/Windsor Option Agreement is undeveloped and does not have any of the approvals that would be required for the buyer's planned use of the land. A closing on the land sale contemplated by the East Granby/Windsor Option Agreement is subject to several significant contingencies, including the buyer securing contracts under a competitive bidding process that would require changes in the use of the land and obtaining local and state approvals for that planned use. There is no guarantee that the sale of land as contemplated under the East Granby/Windsor Option Agreement will be completed under its current terms, or at all.

On December 20, 2019, two wholly owned subsidiaries of Griffin entered into a $6,500 nonrecourse mortgage loan (the "2020 Webster Mortgage") with Webster Bank. The 2020 Webster Mortgage is collateralized by 7466 Chancellor which Griffin acquired on October 25, 2019 (see Note 3) and has a ten-year term with monthly principal payments based on a twenty-five-year amortization schedule. The interest rate for the 2020 Webster Mortgage is a floating rate of the one-month LIBOR rate plus 1.75%. At the time the 2020 Webster Mortgage closed, Griffin entered into an interest rate swap agreement with Webster Bank that effectively fixes the interest rate on the 2020 Webster Mortgage at 3.6% for the entire loan term. $5,875 of the proceeds from the 2020 Webster Mortgage were used to repay Webster Bank for the borrowing under Griffin's Acquisition Credit Line that was used to finance a portion of the property's purchase price (see Note 6).

On January 2, 2020, Griffin entered into an Agreement of Sale and Purchase to acquire an approximately 108,000 square foot fully leased industrial/warehouse building in Orlando, Florida for a purchase price of approximately $7,900, before transaction costs. On January 13, 2020, Griffin entered into an Agreement of Sale and Purchase to acquire a mostly vacant approximately 68,000 square foot industrial/warehouse building in Orlando, Florida for a purchase price of approximately $5,700, before transaction costs. There is no guarantee that these building acquisitions will be completed under their current terms, or at all.

On January 7, 2020, Griffin entered into an agreement to sell approximately 27 acres of undeveloped land in Windsor, Connecticut for approximately $3,800, before transaction costs. Completion of this transaction is contingent on a number of factors, including the buyer entering into a lease agreement with a third-party for a development on the land to be acquired and obtaining all necessary final permits from governmental authorities for its development plans for the site it would acquire. There is no guarantee that this transaction will be completed under the current terms, or at all.

On January 23, 2020, two wholly owned subsidiaries of Griffin entered into a $15,000 nonrecourse mortgage loan (the "2020 State Farm Mortgage") with State Farm Life Insurance Company. The 2020 State Farm Mortgage is collateralized by two industrial/warehouse buildings in the Lehigh Valley of Pennsylvania, 6975 Ambassador and 871 Nestle Way, that aggregate approximately 254,000 square feet. The 2020 State Farm Mortgage has a ten-year term with monthly principal payments based on a twenty-five-year amortization schedule. The interest rate for the 2020 State Farm Mortgage is 3.48%. Approximately $3,200 of the proceeds from the 2020 State Farm Mortgage were used to repay the mortgage loan on 871 Nestle Way that was scheduled to mature on January 27, 2020.

On February 3, 2020, Griffin entered into an option agreement (the "Meadowood Option Agreement") with a national land conservation organization (the "Conservation Organization") to sell the approximate 277 acres of Meadowood (the "Meadowood Land"). For a minimal fee, the Meadowood Option Agreement grants the Conservation Organization the right to purchase the Meadowood Land for open space and farmland preservation whereby Griffin would receive net proceeds of approximately $5,400, if the purchase option is exercised. The Meadowood Option Agreement grants the Conservation Organization an initial term of twelve months, with one six-month extension, to exercise its option and acquire the Meadowood Land. Completion of a sale of the Meadowood Land contemplated under the Meadowood Option Agreement is subject to several contingencies, including the satisfactory outcome of due diligence by the Conservation Organization and the Conservation Organization securing funding from several public and private sources. There is no guarantee that a sale of the Meadowood Land will be completed under the current terms of the Meadowood Option Agreement, or at all.

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Griffin Industrial Realty, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Griffin Industrial Realty, Inc. and its subsidiaries (the Company) as of November 30, 2019 and 2018, the related consolidated statements of operations, comprehensive income (loss), changes in stockholders' equity and cash flows for each of the three years in the period ended November 30, 2019, and the related notes to the consolidated financial statements and schedules (collectively, the financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of November 30, 2019 and 2018, and the results of its operations and its cash flows for each of the three years in the period ended November 30, 2019, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of November 30, 2019 based on criteria established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission in 2013, and our report dated February 13, 2020 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

Basis for Opinion

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

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. 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/ RSM US LLP

We have served as the Company's auditor since 2008.

New Haven, Connecticut
February 13, 2020

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

None.

ITEM 9A. CONTROLS AND PROCEDURES.

Changes in Internal Control Over Financial Reporting: There have been no changes in Griffin Industrial Realty, Inc.'s ("Griffin" or the "Company") internal control over financial reporting that occurred during the Company's most recent fiscal quarter ended November 30, 2019 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Disclosure Controls and Procedures: The Company maintains disclosure controls and procedures designed to ensure that the information the Company must disclose in its filings with the Securities and Exchange Commission ("SEC") is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and such information is accumulated and communicated to management, as appropriate, to allow timely decisions regarding required disclosure. The Company's principal executive officer and principal financial officer have reviewed and evaluated, with the participation of the Company's management, the Company's disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act") as of the end of the period covered by this Annual Report (the "Evaluation Date"). Based on such evaluation, such officers have concluded that, as of the Evaluation Date, the Company's disclosure controls and procedures are effective.

Management's Report on Internal Control Over Financial Reporting: Management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rule 13a-15(f). Management of the Company, including its chief executive officer and chief financial officer, has assessed the effectiveness of its internal control over financial reporting as of November 30, 2019, based on the criteria established in the "2013 Internal Control—Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission in 2013. Based on its assessment and those criteria, management of the Company has concluded that, as of November 30, 2019, the Company's internal control over financial reporting was effective.

The Company's independent registered public accounting firm, RSM US LLP, has audited the effectiveness of the Company's internal control over financial reporting as of November 30, 2019, as stated in their attestation report appearing below.

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

Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors of Griffin Industrial Realty, Inc.

Opinion on the Internal Control Over Financial Reporting

We have audited Griffin Industrial Realty, Inc. and subsidiaries' (the Company) internal control over financial reporting as of November 30, 2019, based on criteria established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission in 2013. In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of November 30, 2019, based on criteria established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission in 2013.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements of the Company and our report dated February 13, 2020 expressed an unqualified opinion.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting in the accompanying Management's Report on Internal Control Over Financial Reporting appearing under Item 9A. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

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

/s/ RSM US LLP

New Haven, Connecticut
February 13, 2020

ITEM 9B. OTHER INFORMATION.

None.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE.

The following table sets forth the information called for in this Item 10:

Name	Age	Position
Frederick M. Danziger	79	Chairman of the Board of Directors
Michael S. Gamzon	50	Director, President and Chief Executive Officer
David R. Bechtel	52	Director
Edgar M. Cullman, Jr.	73	Director
Jonathan P. May	53	Director
Amy Rose Silverman	53	Director
Albert H. Small, Jr.	63	Director
Scott Bosco	53	Vice President of Construction and Development, Griffin Industrial, LLC
Anthony J. Galici	62	Vice President, Chief Financial Officer and Secretary
Thomas M. Lescalleet	57	Senior Vice President, Griffin Industrial, LLC

Griffin's directors are each elected for a term of one year.

Frederick M. Danziger has been the Chairman of the Board of Directors of Griffin since May 2012 and served in the Executive Chairman capacity from January 2016 to June 2019 when Mr. Danziger retired as an employee of Griffin. Mr. Danziger was the Chief Executive Officer of Griffin from April 1997 to January 2016; was a Director and the President of Griffin from April 1997 to May 2012; and was a Director of Culbro Corporation ("Culbro') from 1975 until 1997. He was previously involved in the real estate operations of Griffin in the early 1980s. Mr. Danziger was Of Counsel to the law firm of Latham & Watkins LLP from 1995 until 1997. From 1974 until 1995, Mr. Danziger was a Member of the law firm of Mudge Rose Guthrie Alexander & Ferdon. Mr. Danziger also is a Director of Monro, Inc. and Bloomingdale Properties, Inc. Mr. Danziger is the father-in-law of Michael S. Gamzon and the brother-in-law of Mr. Cullman, Jr. We believe that Mr. Danziger's background as a lawyer, his knowledge and experience as the former President and Chief Executive Officer of Griffin and his extensive experience and knowledge with respect to real estate and real estate financing provides a unique perspective to the Board.

Michael S. Gamzon is a Director and the President and Chief Executive Officer of Griffin. Mr. Gamzon was appointed as a Director in January 2016. Mr. Gamzon succeeded Mr. Danziger as Griffin's Chief Executive Officer in January 2016 and has been President of Griffin since May 2012. Mr. Gamzon was the Chief Operating Officer of Griffin from September 2010 to January 2016; was Executive Vice President from September 2010 to May 2012; and was a Vice President of Griffin from January 2008 through August 2010. Mr. Gamzon was an investment analyst with Alson Capital Partners, LLC from April 2005 until January 2008 and an investment analyst with Cobalt Capital Management, LLC from March 2002 until March 2005. Mr. Gamzon is the son-in-law of Mr. Danziger. We believe that Mr. Gamzon's experience and knowledge with respect to real estate activities in his capacity as an executive of Griffin provides a unique perspective to the Board.

David R. Bechtel has been a Director of Griffin since May 2016. Mr. Bechtel has been a principal of Barrow Street Holdings LLC since 2012; founder and managing member of Outpost Capital Management LLC since 2001; and founder and manager of GP Management LLC since 2011. Mr. Bechtel has many years of general business experience and expertise as a managing member, principal, and head of finance of financial service and natural resource companies.

Edgar M. Cullman, Jr. has been a Director of Griffin since May 2015. Mr. Cullman, Jr. has been a managing member of Culbro LLC, a private equity investment firm, since 2005 and was previously the President and Chief Executive Officer of General Cigar Holdings from 1996 through April 2005. Mr. Cullman, Jr. is the brother-in-law of Frederick M. Danziger. Mr. Cullman, Jr. has many years of general business experience and expertise as an executive of a public company. Mr. Cullman, Jr. is familiar with Griffin's real estate business from his experience as President and Chief Executive Officer of Culbro when Griffin's real estate operations were part of Culbro prior to the spinoff of Griffin from Culbro in 1997.

Jonathan P. May has been a Director of Griffin since September 2012. Mr. May is the founder and has been the co-managing partner of Floresta Ventures, LLC since March 2016, the Executive Director of Natural Capital Partners (formerly known as The CarbonNeutral Company), a private company that is a leading provider of carbon reduction programs for corporations, since September 2015, and the Chief Operating Officer and Chief Financial Officer and a Director of The CarbonNeutral Company from 2008 to September 2015. Mr. May was the founder and managing director of Catalytic Capital, LLC from 2004 to 2008. Mr. May has significant general business experience, finance experience, and expertise as an executive.

Amy Rose Silverman has been a Director of Griffin since May 2019. Ms. Rose is the President and Chief Executive Officer of Rose Associates, a real estate and property management firm, since December 2017, prior to which she was Co-President of Rose Associates since 2008. Ms. Rose is a recognized expert on residential real estate in New York City, is a frequent speaker at premier professional conferences and participates as a guest lecturer at The NYU Schack Institute of Real Estate and Columbia Business School. Ms. Rose has significant experience in design, construction, leasing and management of premier high-rise and mixed-use residential buildings that gives her unique insights into Griffin's challenges, opportunities and operations.

Albert H. Small, Jr. has been a Director of Griffin since January 2009. Mr. Small, Jr. was President of Renaissance Housing Corporation, a private company involved in residential real estate development from 1984 through March 2005, and President of WCI Communities Mid-Atlantic Division from March 2005 through March 2008. Since March 2008, Mr. Small, Jr. has been active in the development and management of several commercial and office developments in Washington D.C. Mr. Small, Jr. also is a Director of United Bankshares, Inc. Mr. Small, Jr. has significant experience in real estate development and management that gives him unique insights into Griffin's challenges, opportunities and operations.

Scott Bosco has been the Vice President of Construction and Development of Griffin Industrial, LLC, a subsidiary of Griffin, since July 2005.

Anthony J. Galici has been the Vice President, Chief Financial Officer and Secretary of Griffin since April 1997.

Thomas M. Lescalleet has been the Senior Vice President of Griffin Industrial, LLC, a subsidiary of Griffin, since March 2002.

Code of Business Conduct and Ethics

Griffin's Board of Directors has adopted a Code of Business Conduct and Ethics that applies to all of its directors, officers and employees, which is available on its website at www.griffinindustrial.com in the "Investors" section under "Corporate Governance." Griffin intends to satisfy the disclosure requirement under Item 5.05 of Form 8-K regarding amendment to, or waiver from, a provision of our Code of Business Conduct and Ethics, as well as Nasdaq's requirement to disclose waivers with respect to directors and executive officers, by posting such information on its website at the address and location specified above.

Audit Committee

Griffin's Audit Committee consists of David R. Bechtel, Jonathan P. May and Amy Rose Silverman with Mr. Bechtel serving as Chairman. Ms. Rose was appointed to the Audit Committee on May 14, 2019. The Audit Committee meets the Nasdaq composition requirements, including the requirements regarding financial literacy. The Board has determined that each member of the Audit Committee is independent under the listing standards of Nasdaq and the rules of the SEC regarding audit committee membership. In addition, Mr. Bechtel qualifies as a financially sophisticated Audit Committee member under the Nasdaq rules based on his employment experience in finance. None of the members of the Audit Committee is considered a financial expert as defined by Item 407(d)(5) of Regulation S-K of the Securities and Exchange Act of 1934 (an "audit committee financial expert"). Griffin does not have an audit committee financial expert because it believes the members of its Audit Committee have sufficient financial expertise and experience to provide effective oversight of Griffin's accounting and financial reporting processes and the audits of Griffin's financial statements in accordance with generally accepted accounting principles and Nasdaq rules. In addition, since January 31, 2012, the Audit Committee has engaged directly a former audit partner in a public accounting firm who is a certified public accountant with extensive experience in auditing the financial statements of public and private companies as a consultant to assist the Audit Committee to fulfill its responsibilities. The Audit Committee believes that this type of engagement provides it with additional expertise comparable to what would be provided by an audit committee financial expert.

The Audit Committee approves all auditing and non-auditing services, reviews audit reports and the scope of audit by Griffin's independent registered public accountants and related matters pertaining to the preparation and examination of Griffin's financial statements. From time to time, the Audit Committee makes recommendations to the Board of Directors with respect to the foregoing matters. The Audit Committee held four meetings in fiscal 2019.

Board of Directors' Role in Oversight of Risk

Management is responsible for Griffin's day-to-day risk management activities, and the Board's role is to engage in informed risk oversight. In fulfilling this oversight role, Griffin's Board of Directors focuses on understanding the nature of Griffin's enterprise risks, including operations, strategic direction and cybersecurity, as well as the adequacy of Griffin's overall risk management system. There are a number of ways the Board performs this function, including the following:

- at its regularly scheduled meetings, the Board receives management updates on Griffin's business operations, financial results and strategy, and discusses risks related to its business including cybersecurity threats and how those threats are managed;
- the Audit Committee assists the Board in its oversight of risk management by discussing with management, particularly the Chief Executive Officer and the Chief Financial Officer, Griffin's major risk exposures and the steps management has taken to monitor and control such exposures; and
- through management updates and committee reports, the Board monitors Griffin's risk management activities, including the risk management process, risks relating to Griffin's compensation programs, and financial and operational risks being managed by Griffin.

The Board does not believe that its role in the oversight of Griffin's risk affects the Board's leadership structure.

Compensation Risk

The Compensation Committee reviews compensation policies and practices affecting employees in addition to those applicable to executive officers. The Compensation Committee has determined that it is not reasonably likely that Griffin's compensation policies and practices for its employees would have a material adverse effect on Griffin.

Nominating Committee

Griffin's Nominating Committee consists of David R. Bechtel, Jonathan P. May, Amy Rose Silverman and Albert H. Small, Jr. with Mr. May serving as Chairman. Ms. Rose was appointed to the Nominating Committee on May 14, 2019. All four members of the Nominating Committee are independent directors under the applicable Nasdaq rules. The Nominating Committee reviews candidates for appointment to the Griffin Board of Directors. In searching for qualified director candidates, the Board may solicit current directors and ask them to pursue their own business contacts for the names of potentially qualified candidates. The Nominating Committee may consult with outside advisors or retain search firms to assist in the search for qualified candidates. The Nominating Committee will also consider suggestions from stockholders for nominees for election as directors. The Nominating Committee does not have a policy on the consideration of board nominees recommended by stockholders. The Board believes such a policy is unnecessary, as the Nominating Committee will consider a nominee based on his or her qualifications, regardless of whether the nominee is recommended by stockholders. Any stockholder who wishes to recommend a candidate to the Nominating Committee for consideration as a director nominee should submit the recommendation in writing to the Secretary of Griffin in accordance with the procedures in Griffin's Amended and Restated By-Laws for stockholder nominations of directors to permit the Nominating Committee to complete its review in a timely fashion. The Nominating Committee operates under a written charter, which is publicly available in the “Corporate Governance” section of the “Investors” section of Griffin’s website located at www.griffinindustrial.com. The Nominating Committee held one meeting in fiscal 2019.

Board Diversity; Selection and Evaluation of Director Candidates

The Board seeks to ensure that a majority of its members are independent within the Nasdaq listing standards. In evaluating the desired skills and characteristics of prospective Board members, the Nominating Committee values diversity, including profession, geography, gender, ethnicity, skills and experience. When the Nominating Committee evaluates prospective Board members, it will include diversity, in its broadest sense, within the context of the composition of the Board as a whole, and it will assess the effectiveness of this policy as part of its annual self-evaluation. The Nominating Committee shall select prospective Board members with personal and professional integrity, who have demonstrated appropriate ability and judgment and who the Nominating Committee believes will be effective, in conjunction with the other members of the Board, in collectively serving the long-term interests of Griffin and its stockholders. In addition, directors must be committed to devoting the time and effort necessary to be responsible and productive members of the Board.

Board Leadership Structure

The Board believes that there is no single, generally accepted approach to providing Board leadership, and that each of the possible leadership structures for a board must be considered in the context of the individuals involved and the specific circumstances facing a company at any given time. Accordingly, the optimal board leadership structure for Griffin may vary as circumstances change. Griffin’s Board was led by a Non-Executive Chairman through 2011, as separate individuals held the positions of Chairman of the Board and Chief Executive Officer, and the Chairman of the Board was not an employee. In May 2012, the Board appointed Frederick M. Danziger as Chairman of the Board. Mr. Danziger had been Chief Executive Officer since 1997. In making that appointment, the Board concluded that Griffin and its stockholders were best served by having Mr. Danziger serve as Chairman of the Board and Chief Executive Officer. The Board believed that Mr. Danziger’s combined role as Chairman of the Board and Chief Executive Officer promoted unified leadership and a single, clear focus and direction for management to execute Griffin’s strategy and business plans. Since January 2016, the positions of Chairman of the Board and Chief Executive Officer have been held by separate individuals, Mr. Danziger and Mr. Gamzon, respectively. The Board determined that Mr. Danziger should continue to serve as Executive Chairman to continue to provide Board leadership continuity. In June 2019, Mr. Danziger retired as an employee of Griffin but continues to serve as Chairman of the Board.

Communication with the Board of Directors or Nominating Committee

Stockholders who wish to communicate with the Board of Directors or the Nominating Committee should address their communications to Jonathan P. May, Chairman of the Nominating Committee, via first class mail, at Griffin Industrial Realty, Inc., 641 Lexington Avenue, 26th Floor, New York, New York, 10022. Such communication will be distributed to the specific director(s) requested by the stockholders, or if generally to the Board of Directors, to other members of the Board of Directors as may be appropriate depending on the material outlined in the stockholder communication.

Delinquent Section 16(a) Reports

Section 16(a) of the Securities Exchange Act requires Griffin’s officers and directors, and persons who own more than ten percent of its common stock, to file reports of ownership and changes in ownership with the Securities and Exchange Commission. Such persons are required by regulation to furnish Griffin with copies of all Section 16(a) forms they file. Based on its review of such forms filed with the Securities and Exchange Commission, and any written representations from such persons, Griffin believes that with respect to fiscal 2019, all such Section 16(a) filing requirements were satisfied.

ITEM 11. EXECUTIVE COMPENSATION

This section discusses the material components of the executive compensation program for Griffin’s executive officers who are named in the “Summary Compensation Table” below. As a “smaller reporting company” as defined in Rule 12b-2 of the Exchange Act, Griffin is not required to include a Compensation Discussion and Analysis and has elected to comply with the scaled disclosure requirements applicable to smaller reporting companies. Griffin's named executive officers (the "Named Executive Officers") for the fiscal year ended November 30, 2019 were as follows:

Michael S. Gamzon	Director, President and Chief Executive Officer ("CEO") of Griffin
Anthony J. Galici	Vice President, Chief Financial Officer ("CFO") and Secretary of Griffin
Thomas M. Lescalleet	Senior Vice President, Griffin Industrial, LLC

Summary Compensation Table

The following table presents information regarding compensation of each of Griffin's Named Executive Officers for services rendered during fiscal years 2019, 2018 and 2017:

Name and Principal Position	Year	Salary ($)	Bonus ($)	Option Awards ($)	Non-Equity Incentive Plan Compensation ($)	All Other Compensation ($)	Total ($)
Michael S. Gamzon	2019	$ 531,700	$ —	$ —	$ 140,510	$ 16,209 (1)	$ 688,419
President and Chief	2018	$ 519,038	$ —	$ —	$ 118,580	$ 15,785	$ 653,403
Executive Officer of Griffin	2017	$ 509,039	$ —	$ —	$ 174,863	$ 15,437	$ 699,339
Anthony J. Galici	2019	$ 314,930	$ —	$ —	$ 70,828	$ 17,877 (2)	$ 403,635
Vice President, Chief Financial	2018	$ 307,423	$ —	$ —	$ 59,852	$ 17,648	$ 384,923
Officer and Secretary of Griffin	2017	$ 301,423	$ —	$ —	$ 84,502	$ 17,399	$ 403,324
Thomas M. Lescalleet	2019	$ 275,545	$ —	$ —	$ 158,851	$ 11,822 (3)	$ 446,218
Senior Vice President,	2018	$ 268,974	$ —	$ —	$ 147,225	$ 11,622	$ 427,821
Griffin Industrial, LLC	2017	$ 263,700	$ —	$ —	$ 217,136	$ 11,440	$ 492,276

(1) Represents life insurance premium of $252, matching contributions related to the Griffin 401(k) Savings Plan of $7,407 and matching contributions related to the Deferred Compensation Plan of $8,550.

(2) Represents life insurance premium of $425, matching contributions related to the Griffin 401(k) Savings Plan of $8,230, matching contributions related to the Deferred Compensation Plan of $1,222 and an automobile allowance of $8,000.

(3) Represents life insurance premium of $252, matching contributions related to the Griffin 401(k) Savings Plan of $8,270 and a medical insurance allowance of $3,300.

Outstanding Equity Awards at Fiscal Year-End

The following table presents information with respect to each unexercised stock option held by Griffin's Named Executive Officers as of November 30, 2019. There were no other outstanding equity awards as of November 30, 2019.

	Option Awards (1)					
Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price ($)	Option Expiration Date	Value of Unexercised In-the-Money Options at Fiscal Year End (2) ($) Exercisable	Value of Unexercised In-the-Money Options at Fiscal Year End (2) ($) Unexercisable
Michael S. Gamzon	25,000	—	$ 28.77	1/19/2021	$ 247,000	$ —
	18,333	36,667	$ 26.89	5/13/2026	$ 215,596	$ 431,204
	43,333	36,667			$ 462,596	$ 431,204
Anthony J. Galici.	12,500	—	$ 28.77	1/19/2021	$ 123,500	$ —
	4,166	8,334	$ 26.89	5/13/2026	$ 48,992	$ 98,008
	16,666	8,334			$ 172,492	$ 98,008
Thomas M. Lescalleet	4,166	8,334	$ 26.89	5/13/2026	$ 48,992	$ 98,008

(1) Stock options issued to employees vest in equal installments on the third, fourth and fifth anniversaries from the date of grant (which is ten years prior to the applicable option expiration date).

(2) The amounts presented in these columns have been calculated based upon the difference between the fair market value of $38.65 per share (the closing price of Griffin's common stock on November 29, 2019) and the exercise price of each stock option.

Narrative to Summary Compensation Table and Additional Narrative Disclosure

As of November 30, 2019, Griffin was not a party to any employment, change in control or other agreement with any Named Executive Officers that was expected to obligate Griffin to provide for material compensation or benefits, including any payments at, following, or in connection with a termination of employment, change in control or change in the Named Executive Officer's responsibilities. The narrative below describes the material elements of compensation disclosed in the Summary Compensation Table above.

Base Salary

Griffin pays base salaries to its Named Executive Officers in order to provide a consistent, minimum level of pay that sustained individual performance warrants. The annual base salary of the CEO was determined by the Compensation Committee. The annual base salaries of Mr. Galici and Mr. Lescalleet were determined by the CEO and approved by the Compensation Committee.

Annual Incentive Compensation Program

Each of the Named Executive Officers participated in the Griffin Industrial Realty, Inc. Incentive Compensation Plan for fiscal year 2019 (the "Griffin Incentive Plan"), Under the Griffin Incentive Plan, incentive compensation was awarded based on the achievement of certain specific performance measures in one or more of the following six components: (i) Adjusted Funds from Operations; (ii) Property Sales; (iii) Build-to-Suit Projects; (iv) Buildings Built on Speculation; (v) Leasing; and (vi) Acquisitions. Each Named Executive Officer is entitled to a specific percentage of each incentive compensation pool under the Griffin Incentive Plan based upon his responsibilities as determined by senior management and approved by the Compensation Committee. Additionally, the Compensation Committee retains the discretion to adjust incentive compensation awards to Griffin's employees. The Compensation Committee did not utilize such discretion to adjust any incentive compensation awards (or grant any discretionary bonus amounts) to Griffin's Named Executive Officers for fiscal 2019.

The maximum compensation amounts and amounts accrued under the Griffin Incentive Plan with respect to each performance measure for fiscal 2019, based on the level of achievement of each incentive plan component, is shown in the following table. The amounts in the table below reflect performance against each incentive plan component.

Incentive Plan Component	Maximum Aggregate Amount of Incentive Plan Component	Amount Earned Based on Actual Level of Achievement
Adjusted Funds from Operations	$ 562,500	$ 483,697
Property Sales	250,000	214,930
Build-to-Suit Projects	300,000	—
Buildings Built on Speculation	300,000	84,521
Leasing	180,000	96,996
Acquisitions	200,000	—
	$ 1,792,500	$ 880,144

The aggregate amount of $880,144 earned under the Griffin Incentive Plan is not expected to be fully allocated and paid to Griffin employees for fiscal 2019. Incentive compensation for fiscal 2019 of approximately $742,850 is expected to be paid to Griffin employees under such plan, with $370,189 of such amount paid to Named Executive Officers. Such payments to the Named Executive Officers will be based on the specific percentages of each incentive compensation pool as per the Griffin Incentive Plan.

Equity Compensation

No stock options or other equity compensation was awarded to any of the Named Executive Officers or to any employee of Griffin in fiscal 2019. The currently outstanding stock options held by the Named Executive Officers vest in equal installments on the third, fourth and fifth anniversaries from the date of grant, subject to acceleration of vesting as set forth below.

While Griffin was not a party to any employment, change in control or other agreement with any Named Executive Officers, pursuant to the 2009 Stock Option Plan, if option grants are assumed by a successor corporation (or a parent or subsidiary thereof) in connection with a change in control, the vesting of such grants will be accelerated upon termination of a Named Executive Officer's employment upon or within twelve months following such change in control. As of November 30, 2019, the closing market price of $38.65 per share of Griffin common stock exceeded the exercise price for all of the outstanding options held by Named Executive Officers and the aggregate value of all unvested options held by the Named Executive Officers (based on the excess of the November 30, 2019 closing price of Griffin's common stock over the exercise price) was $627,220. The individual awards for each Named Executive Officer and the values thereof are set forth in the table in the Outstanding Equity Awards at Fiscal Year-End section above.

Deferred Compensation

Griffin maintains a Deferred Compensation Plan for certain of its employees, including the Named Executive Officers, who, due to Internal Revenue Service regulations, cannot take full advantage of the Griffin 401(k) Savings Plan. A portion of an eligible employee's salary may be deferred under the Deferred Compensation Plan. The investment options in the Deferred Compensation Plan currently mirror those of the Griffin 401(k) Savings Plan. The Deferred Compensation Plan is unfunded, with benefits to be paid from Griffin's assets. Performance results of an employee's balance in the Deferred Compensation Plan are based on the returns of the mutual funds and one common collective trust fund that may be selected by the employee as if the amounts deferred were invested in the selected mutual funds and the common collective trust fund. Distributions from the Deferred Compensation Plan generally may occur at termination of employment, change in control and/or at the time of qualifying hardship events. Participants of Griffin's Deferred Compensation Plan may elect to have their balances paid out in a lump sum or annual installments upon termination of employment or a change in control of Griffin. Griffin's contributions to the Deferred Compensation Plan for Messrs. Gamzon and Galici were $8,550 and $1,222, respectively, and are included in the "All Other Compensation" column of the Summary Compensation Table. Mr. Lescalleet did not contribute to the Deferred Compensation Plan in fiscal 2019.

No earnings from the Deferred Compensation Plan are included in the "All Other Compensation" column of the Summary Compensation Table.

Director Compensation

The following table represents information regarding the compensation paid during fiscal 2019 to members of Griffin's Board of Directors who are not also employees (the "Non-Employee Directors"). The compensation paid to Mr. Gamzon is presented above in the Summary Compensation Table and the related narrative disclosure. Mr. Gamzon did not receive compensation related to his activity as a member of the Board of Directors.

Name	Fees Earned or Paid in Cash ($)	Option Awards ($)	Total ($)
David R. Bechtel	$ 64,819	$ 13,912 (1)	$ 78,731
Edgar M. Cullman, Jr.	$ 46,000	$ 13,912 (1)	$ 59,912
Frederick M. Danziger	$ 33,843 (2)	$ — (2)	$ 33,843
Thomas C. Israel	$ 22,486 (3)	$ 143,485 (4)	$ 165,971
Jonathan P. May	$ 67,000	$ 13,912 (1)	$ 80,912
Amy Rose Silverman	$ 35,695 (5)	$ 20,875 (1)	$ 56,570
Albert H. Small, Jr.	$ 60,500	$ 13,912 (1)	$ 74,412

(1) The amount shown for Option Awards reflects the grant date fair value of options granted in fiscal 2019. For a discussion of the assumptions and methodologies used to calculate the amounts referred to above, please see the discussion of stock option awards contained in Part II, Item 8, "Financial Statements and Supplementary Data" of this Form 10-K in Note 8 of the Notes to Consolidated Financial Statements.

(2) Frederick M. Danziger retired as an employee from Griffin in June 2019 but remained Chairman of the Board. As a Non-Employee Director, Mr. Danziger receives fees for his service on the Board of Directors. The fees reported are for the period June 8 through November 30, 2019. Mr. Danziger did not receive an option award in fiscal 2019 because he was an employee of Griffin at the time of his re-election to the Board of Directors.

(3) Thomas C. Israel did not seek re-election to the Board of Directors at the May 14, 2019 Annual Meeting. The fees reported are for the period December 1, 2018 through May 13, 2019.

(4) Thomas C. Israel did not receive a stock option award in fiscal 2019. However, the exercise period for each of Mr. Israel's vested options outstanding as of his retirement on May 13, 2019 was extended through the ten-year anniversary of the applicable date of grant. The amount shown for Option Awards reflects the incremental fair value of options so modified in fiscal 2019. For a discussion of the assumptions and methodologies used to calculate the amounts referred to above, please see the discussion of stock option awards contained in Part II, Item 8, "Financial Statements and Supplementary Data" of this Form 10-K in Note 7 of the Notes to Consolidated Financial Statements.

(5) Amy Rose Silverman was elected to the Board of Directors on May 14, 2019. The fees reported are for the period May 14 through November 30, 2019.

The following table represents the number of outstanding and unexercised stock option awards held by each of the Non-Employee Directors as of November 30, 2019:

Director	**Number of Shares Subject to Outstanding Options as of 11/30/19**
David R. Bechtel	5,727
Edgar M. Cullman, Jr.	6,875
Frederick M. Danziger	—
Thomas C. Israel	11,397
Jonathan P. May	10,881
Amy Rose Silverman	1,622
Albert H. Small, Jr.	9,011

Effective July 1, 2019, Non-Employee Directors receive a cash retainer fee of $35,000 per year (an increase of $5,000 from the previous annual retainer fee). The amount shown for Fees Earned or Paid in Cash for Messrs. Bechtel, Cullman, Jr., Danziger, May and Small, Jr. include prorated amounts for the period from July 1 through November 30, 2019 related to the increase in the annual fee. In addition, Non-Employee Directors receive meeting fees equal to $1,500 for each board meeting they attend and $1,000 for each committee meeting they attend. Further, certain members of the Board receive additional fees for service as Chairman of the Board of Directors or the chair or member of certain committees. Chairman of the Board of Directors (to the extent not an employee) receives an annual fee of $15,000. The Chairmen of the Audit and Compensation Committees each receive an annual fee of $10,000 per year. The Nominating Committee Chairman receives an annual fee of $5,000 per year. Audit and Compensation Committee members, excluding the Chairmen of such committees, each receive $5,000 per year for their service on those committees. Members of the Nominating Committee, excluding the Chairman, each receive $2,500 per year for their service on that committee. Annual fees are paid in quarterly installments. Upon the initial election of a Non-Employee Director to the Board of Directors, the Non-Employee Director is granted options exercisable for shares of common stock at an exercise price that is the fair market value of a share of common stock at the time of the grant. The number of shares subject to options granted to Non-Employee Directors at the time of initial election to the Board of Directors is equal to $60,000 divided by the fair market value per share of Griffin common stock at the time of grant. Griffin granted Ms. Rose options exercisable for 1,622 shares of common stock at the time of her initial election to the Board of Directors. Stock options granted to Non-Employee Directors upon their initial election to the Board vest immediately upon issuance. The 2009 Stock Option Plan also provides that Non-Employee Directors annually receive options exercisable for shares of common stock at an exercise price that is the fair market value of a share of common stock at the time of grant. Under the 2009 Stock Option Plan, the number of shares, subject to options, granted to Non-Employee Directors upon their reelection to the Board of Directors, is equal to $40,000 divided by the fair market value per share of Griffin common stock at the time of grant. Stock options granted to Non-Employee Directors upon their re-election to the Board of Directors vest on the second anniversary of the date of grant. In 2019, Griffin granted Messrs. Bechtel, Cullman, Jr., May and Small, Jr. each options exercisable for 1,081 shares of common stock upon their reelection to the Board of Directors. Mr. Israel did not stand for reelection to the Board of Directors, therefore, he did not receive any additional option grants in 2019. In connection with Mr. Israel’s retirement, however, Griffin elected to extend the exercisability of his outstanding vested options through the ten-year anniversary of the applicable grant date thereof.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS.

The following table lists the number of shares and options to purchase shares of common stock of Griffin beneficially owned or held by: (i) each person known by Griffin to beneficially own more than 5% of the outstanding shares of common stock; (ii) each director; (iii) the Named Executive Officers (as defined in "Item 11. Executive Compensation"); and (iv) all directors and executive officers of Griffin, collectively. Unless otherwise indicated, information is provided as of January 31, 2020.

Name and Address (1)	Shares Beneficially Owned (2)	Percent of Total
Cullman and Ernst Group (3)	2,333,919	45.5
Edgar M. Cullman, Jr. (3)	879,562	17.3
Frederick M. Danziger (3)	273,643	5.4
Michael S. Gamzon (3)	131,989	2.6
David R. Bechtel 4 Brookside Park Greenwich, CT 06831	4,701	*
Jonathan P. May 110 Riverside Drive New York, NY 10024	8,761	*
Amy Rose Silverman 777 Third Avenue, 6th Floor New York, NY 10017	1,622	*
Albert H. Small, Jr. 7311 Arrowood Road Bethesda, MD 20817	12,816	*
Anthony J. Galici Griffin Industrial Realty, Inc. 204 West Newberry Road Bloomfield, CT 06002	39,026	*
Thomas M. Lescalleet Griffin Industrial, LLC 204 West Newberry Road Bloomfield, CT 06002	4,166	*
Scott Bosco Griffin Industrial, LLC 204 West Newberry Road Bloomfield, CT 06002	5,333	*
Gabelli Funds, LLC et al. (4) Gabelli Funds, LLC One Corporate Center Rye, NY 10580	1,511,856	29.8
All directors and executive officers collectively, consisting of 10 persons (5)	1,361,619	26.3

* Less than 1%

(1) Unless otherwise indicated, the address of each person named in the table is 641 Lexington Avenue, New York, NY 10022.

(2) This information reflects the definition of beneficial ownership adopted by the Securities and Exchange Commission (the "Commission" or "SEC"). Beneficial ownership reflects sole investment and voting power, unless otherwise indicated in the footnotes to this table. Where more than one person shares investment and voting power in the same shares, such shares may be shown more than once. Such shares are reflected only once, however, in the total for all

directors and executive officers. Includes stock options granted pursuant to the 2009 Stock Option Plan, as amended, that are exercisable within 60 days of January 31, 2020, as follows:

Name	Options Exercisable Within 60 Days of January 31, 2020
Edgar M. Cullman, Jr.	4,755
Frederick M. Danziger	—
Michael S. Gamzon	43,333
David R. Bechtel	3,607
Jonathan P. May	8,761
Amy Rose Silverman	1,622
Albert H. Small, Jr.	6,891
Anthony J. Galici	16,666
Thomas M. Lescalleet	4,166
Scott Bosco	5,333

(3) Based on Schedule 13D/A filed with the Commission on April 27, 2017, on behalf of the Cullman and Ernst Group and Griffin's records. Included in the shares held by the Cullman and Ernst Group are the following:

Name	Shares Beneficially Owned	Shares with Sole Voting and Dispositive Power	Shares with Shared Voting and Dispositive Power
Cullman Jr., Edgar M.	879,562	54,363	825,199
Cullman, Susan R.	789,851	47,490	742,361
Danziger, Lucy C.	584,103	85,286	498,817
Danziger, David M.	467,223	58,253	408,970
Gamzon, Rebecca D.	386,996	10,550	376,446
Ernst, John L.	380,955	7,349	373,606
Sicher, Carolyn B.	344,029	21,422	322,607
Cullman, Georgina D.	340,149	9,550	330,599
Cullman, Elissa F.	325,449	14,850	310,599
Cullman, Samuel B.	324,193	13,594	310,599
Cullman III, Edgar M.	321,858	11,259	310,599
Danziger, Frederick M.	273,643	68,888	204,755
B Bros. Realty LLC (a)	233,792	233,792	—
Gamzon, Michael S.	131,989	81,989	50,000
Fabrici, Carolyn S.	116,037	—	116,037
Ernst, Alexandra	94,428	1,748	92,680
Danziger, Sheena S.	50,000	—	50,000
Kerns, Jessica P.	45,134	1,250	43,884
Estate of Louise B. Cullman (b)	39,548	39,548	—
Ernst, Margot P.	21,777	—	21,777
Ernst, Matthew L.	5,176	1,650	3,526

(a) Susan R. Cullman and John Ernst are managing members.

(b) Edgar M. Cullman, Jr., Susan R. Cullman and Lucy C. Danziger are executors.

The Schedule 13D/A states that there is no formal agreement governing the Cullman and Ernst Group's holding and voting of shares held by members of the Cullman and Ernst Group but that there is an informal understanding that the persons and entities included in the group will hold and vote together with respect to shares owned by each of them in each case subject to any applicable fiduciary responsibilities. None of the shares held by members of the Cullman and Ernst Group are pledged.

(4) Griffin has received a copy of Schedule 13D/A and Schedule 13G/A as filed with the Commission by Gabelli Funds, LLC et al., reporting ownership of these shares as of August 12, 2019 and December 31, 2019. As reported

in said Schedule 13D, Gabelli Funds, LLC reports sole dispositive power with respect to 557,801 shares, GAMCO Asset Management Inc. ("GAMCO") reports sole voting power with respect to 622,144 of these shares and sole dispositive power with respect to 672,605 of these shares and Teton Advisors, Inc. ("Teton Advisors") reports sole voting and dispositive power with respect to 281,450 of these shares. The securities have been acquired by GGCP, Inc. ("GGCP"), and certain of its direct and indirect subsidiaries, including GAMCO Investors, Inc. ("GBL"), on behalf of their investment advisory clients. Mario J. Gabelli, as the controlling stockholder, Chief Executive Officer and a director of GGCP, Chairman and Chief Executive Officer of GBL, and the controlling shareholder of Teton Advisors, is deemed to have beneficial ownership of the shares owned beneficially by Gabelli Funds, LLC, GAMCO and Teton Advisors. GBL and GGCP are deemed to have beneficial ownership of the shares beneficially owned by each of the foregoing persons other than Mario Gabelli and the Gabelli Foundation, Inc. For the shares held by Gabelli Funds, LLC, with respect to the 41,100 shares held by the Gabelli Capital Asset Fund, the 56,000 shares held by the Gabelli Equity Trust, the 104,000 shares held by the Gabelli Asset Fund, the 61,200 shares held by the Gabelli Value 25 Fund, Inc., the 260,000 shares held by the Gabelli Small Cap Growth Fund, the 9,000 shares held by the Gabelli Equity Income Fund, the 15,500 shares held by the Gabelli Go Anywhere Fund, and the 11,001 shares held by the Gabelli Global Small and Mid Cap Value Trust, the proxy voting committee of each such fund has taken and exercises in its sole discretion the entire voting power with respect to the shares held by such funds.

(5) Excluding shares held by certain charitable foundations, the officers and/or directors of which include certain officers and directors of Griffin.

Equity Compensation Plan Information

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	Number of securities remaining available for future issuance under the equity compensation plan (excluding securities reflected in column (a))
Equity compensation plan approved by security holders . . .	189,822	$ 28.23	176,244

Note: There are no equity compensation plans that were not approved by security holders.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE.

Transactions with Related Persons

On November 24, 2015, the Audit Committee approved a ten year sublease whereby Griffin leased approximately 1,920 square feet of office space for its New York City corporate headquarters from Bloomingdale Properties, Inc. ("Bloomingdale Properties"), an entity controlled by certain members of the Cullman and Ernst Group (see "Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters"). The sublease with Bloomingdale Properties was at market rates for such space at the time the sublease was entered into and enables either Griffin or Bloomingdale Properties to terminate the sublease agreement upon a change in control (as defined therein) of either Griffin or Bloomingdale Properties. The sublease of office space from Bloomingdale Properties reduced the occupancy costs for Griffin's corporate headquarters.

Board Independence

Under Nasdaq rules, an "independent director" of a company means a person who is not an officer or employee of the company or its subsidiaries and, in the opinion of the company's board of directors, does not have a relationship with the company that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. The Board has determined that Messrs. Bechtel, May, and Small, Jr. and Ms. Rose qualified as independent directors under Nasdaq rules. Furthermore, the Board determined that, during his service as a director, Mr. Israel qualified as an independent director under Nasdaq rules. All of the members of the Audit, Compensation and Nominating Committees are independent directors under the applicable Nasdaq and SEC rules.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES.

The following is a summary of the fees incurred by Griffin for professional services rendered by RSM US LLP ("RSM US") for fiscal 2019 and fiscal 2018:

	Fiscal 2019 Fees	Fiscal 2018 Fees
Audit fees	$ 459,581	$ 452,947
Audit-related fees	20,415	70,400
Tax fees	47,500	49,375
All other fees	—	—
	$ 527,496	$ 572,722

Audit fees consist of fees incurred for professional services rendered for the audit of Griffin's consolidated financial statements and for the review of Griffin's interim consolidated financial statements. Audit-related fees in fiscal 2019 reflect fees for the audit of the Griffin 401(k) Savings Plan by RSM US. Audit-related fees in fiscal 2018 reflect fees for professional services rendered by RSM US in connection with Griffin's filing of a universal shelf registration statement and a prospectus supplement for an "at-the-market" equity offering program and fees for the audit of the Griffin 401(k) Savings Plan by RSM US. Tax fees consist of fees incurred for professional services performed by RSM US relating to tax compliance, tax reporting and tax planning. There were no consulting fees paid to RSM US in fiscal 2019 or fiscal 2018.

The Audit Committee's policy is to pre-approve all audit, audit-related and tax services to be provided by the independent registered public accountants. During fiscal 2019, Griffin's Audit Committee pre-approved all audit, audit-related and tax services. The Audit Committee has considered the non-audit services provided by RSM US and determined that the services provided were compatible with maintaining the independence of RSM US.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES.

(a)(3) Exhibits

EXHIBIT INDEX

Exhibit Number	Exhibit Description	Incorporated by Reference Form	File No.	Exhibit	Filing Date	Filed/ Furnished Herewith
2.1	Asset Purchase Agreement, dated January 6, 2014, effective January 8, 2014, among Monrovia Connecticut LLC as Buyer, Monrovia Nursery Company as Guarantor, Imperial Nurseries, Inc. as Seller and Griffin Industrial Realty, Inc. (f/k/a Griffin Land & Nurseries, Inc.) as Owner	8-K	001-12879	2.1	1/14/14	
2.2	Letter Agreement, dated January 6, 2014, among Imperial Nurseries, Inc., River Bend Holdings, LLC, Monrovia Connecticut LLC and Monrovia Nursery Company	8-K	001-12879	2.2	1/14/14	
3.1	Amended and Restated Certificate of Incorporation of Griffin Industrial Realty, Inc. (f/k/a Griffin Land & Nurseries, Inc.)	10-Q	001-12879	3.1	10/10/13	
3.2	Certificate of Amendment of Amended and Restated Certificate of Incorporation of Griffin Industrial Realty, Inc. (f/k/a Griffin Land & Nurseries, Inc.)	8-K	001-12879	3.1	5/13/15	
3.3	Amended and Restated By-laws of Griffin Industrial Realty, Inc. (as amended and restated effective March 4, 2019)	8-K	001-12879	3.1	3/4/19	
4.1	Description of Capital Stock					*
10.2†	Griffin Industrial Realty, Inc. (f/k/a Griffin Land & Nurseries, Inc.) 2009 Stock Option Plan	10-K	001-12879	10.2	2/13/14	
10.3†	Form of Stock Option Agreement under Griffin Industrial Realty, Inc. (f/k/a Griffin Land & Nurseries, Inc.) 2009 Stock Option Plan	10-K	001-12879	10.3	2/13/14	
10.4	Mortgage Deed, Security Agreement, Financing Statement and Fixture Filing with Absolute Assignment of Rents and Leases dated September 17, 2002 between Tradeport Development I, LLC and Farm Bureau Life Insurance Company	10-Q	001-12879	10.21	10/11/02	
10.5	Mortgage Deed and Security Agreement dated December 17, 2002 between Griffin Center Development IV, LLC and Webster Bank, N.A.	10-K	001-12879	10.24	2/28/03	
10.6	Secured Installment Note and First Amendment of Mortgage and Loan Documents dated April 16, 2004 among Tradeport Development I, LLC, and Griffin Industrial Realty, Inc. (f/k/a Griffin Land & Nurseries, Inc.) and Farm Bureau Life Insurance Company	10-Q	001-12879	10.28	7/13/04	
10.7	Mortgage Deed Security Agreement, Fixture Filing, Financing Statement and Assignment of Leases and Rents dated July 6, 2005 by Tradeport Development II, LLC in favor of First Sunamerica Life Insurance Company	10-Q	001-12879	10.29	11/3/05	
10.8	Promissory Note dated July 6, 2005	10-Q	001-12879	10.30	11/3/05	

Exhibit Number	Exhibit Description	Incorporated by Reference Form	File No.	Exhibit	Filing Date	Filed/ Furnished Herewith
10.9	Guaranty Agreement as of July 6, 2005 by Griffin Industrial Realty, Inc. (f/k/a Griffin Land & Nurseries, Inc.) in favor of Sunamerica Life Insurance Company	10-Q	001-12879	10.31	11/3/05	
10.10	Amended and Restated Mortgage Deed Security Agreement, Fixture Filing, Financing Statement and Assignment of Leases and Rents dated November 15, 2006 by Tradeport Development II, LLC in favor of First Sunamerica Life Insurance Company	10-K	001-12879	10.32	2/15/07	
10.11	Amended and Restated Promissory Note dated November 16, 2006	10-K	001-12879	10.33	2/15/07	
10.12	Guaranty Agreement as of November 16, 2006 by Griffin Industrial Realty, Inc. (f/k/a Griffin Land & Nurseries, Inc.) in favor of Sunamerica Life Insurance Company	10-K	001-12879	10.34	2/15/07	
10.13	Construction Loan and Security Agreement dated February 6, 2009 by and between Tradeport Development III, LLC, Griffin Industrial Realty, Inc. (f/k/a Griffin Land & Nurseries, Inc.), and Berkshire Bank	10-Q	001-12879	10.36	10/6/10	
10.14	$12,000,000 Construction Note dated February 6, 2009	10-Q	001-12879	10.37	4/9/09	
10.15	Loan and Security Agreement dated July 9, 2009 between Griffin Industrial Realty, Inc. (f/k/a Griffin Land & Nurseries, Inc.) and People's United Bank	10-Q	001-12879	10.40	10/8/09	
10.16	$10,500,000 Promissory Note dated July 9, 2009	10-Q	001-12879	10.41	10/8/09	
10.17	Mortgage and Security Agreement dated January 27, 2010 between Riverbend Crossings III Holdings, LLC and NewAlliance Bank	10-Q	001-12879	10.42	10/6/10	
10.18	$4,300,000 Promissory Note dated January 27, 2010	10-Q	001-12879	10.43	4/8/10	
10.19	First Modification of Promissory Note, Mortgage Deed and Security Agreement and Other Loan Documents between Riverbend Crossings III Holdings, LLC and New Alliance Bank dated October 27, 2010	10-K	001-12879	10.44	2/10/11	
10.24	Second Amendment to Mortgage Deed and Security Agreement and other Loan Documents between Riverbend Crossings III Holdings, LLC and First Niagara Bank, N.A dated April 1, 2013	10-Q	001-12879	10.49	7/11/13	
10.25	Amended and Restated Term Note dated April 1, 2013	10-Q	001-12879	10.50	7/11/13	
10.26	Revolving Line of Credit Loan Agreement with Webster Bank, N.A. dated April 24, 2013	10-Q	001-12879	10.51	7/11/13	
10.28	Mortgage and Security Agreement between Riverbend Bethlehem Holdings I, LLC and First Niagara Bank, N.A. effective August 28, 2013	10-Q	001-12879	10.53	10/10/13	
10.29	$9,100,000 Term Note effective August 28, 2013	10-Q	001-12879	10.54	10/10/13	

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed/ Furnished Herewith
		Form	File No.	Exhibit	Filing Date	
10.31	First Modification of Mortgage and Loan Documents between Griffin Center Development I, LLC, Griffin Industrial Realty, Inc. (f/k/a Griffin Land & Nurseries, Inc.), Tradeport Development I, LLC and Farm Bureau Life Insurance Company, dated June 6, 2014	8-K	001-12879	10.1	6/9/14	
10.32	Amended and Restated Secured Installment Note of Griffin Center Development I, LLC to Farm Bureau Life Insurance Company, dated June 6, 2014	8-K	001-12879	10.2	6/9/14	
10.33	Second Modification of Mortgage and Loan Documents between Tradeport Development I, LLC, Griffin Industrial Realty, Inc. (f/k/a Griffin Land & Nurseries, Inc.), Griffin Center Development I, LLC and Farm Bureau Life Insurance Company, dated June 6, 2014	8-K	001-12879	10.3	6/9/14	
10.34	Amended and Restated Secured Installment Note of Tradeport Development I, LLC to Farm Bureau Life Insurance Company, dated June 6, 2014	8-K	001-12879	10.4	6/9/14	
10.35	Mortgage and Security Agreement between Riverbend Bethlehem Holdings I, LLC and First Niagara Bank, N.A. effective December 31, 2014	10-K	001-12879	10.35	2/13/15	
10.36	Mortgage and Security Agreement between Riverbend Bethlehem Holdings II, LLC and First Niagara Bank, N.A. effective December 31, 2014	10-K	001-12879	10.36	2/13/15	
10.37	$21,600,000 Term Note effective December 31, 2014	10-K	001-12879	10.37	2/13/15	
10.38	Mortgage, Assignment of Rents and Security Agreement dated July 29, 2015 between Tradeport Development II, LLC and 40|86 Mortgage Capital, Inc.	10-Q	001-12879	10.38	10/9/15	
10.39	$18,000,000 Promissory Note dated July 29, 2015	10-Q	001-12879	10.39	10/9/15	
10.40	Open-End Mortgage, Assignment of Leases and Rents and Security Agreement by Riverbend Hanover Properties II, LLC as Mortgagor to and for the benefit of Webster Bank, N.A. as Mortgagee dated August 28, 2015 and effective as of September 1, 2015	10-Q	001-12879	10.40	10/9/15	
10.41	$14,100,000 Promissory Note dated September 1, 2015	10-Q	001-12879	10.41	10/9/15	
10.42†	Letter Agreement by and between Griffin Industrial Realty, Inc. and John J. Kirby, Jr. dated July 22, 2015	10-K	001-12879	10.41	2/12/16	
10.43†	Letter Agreement by and between Griffin Industrial Realty, Inc. and David M. Danziger dated March 8, 2016	10-Q	001-12879	10.42	4/8/16	
10.44†	Letter Agreement by and between Griffin Industrial Realty, Inc. and Winston J. Churchill, Jr. dated May 16, 2016	10-Q	001-12879	10.43	7/8/16	
10.45	$14,350,000 Promissory Note dated April 26, 2016	10-Q	001-12879	10.44	7/8/16	
10.46	Loan and Security Agreement between Griffin Industrial Realty, Inc. and People's United Bank, N.A. dated April 26, 2016	10-Q	001-12879	10.45	7/8/16	
10.48	Second Amendment to Revolving Line of Credit Loan Agreement by and between Griffin Industrial Realty, Inc. and Webster Bank, N.A. dated July 22, 2016	10-Q	001-12879	10.47	10/7/16	

Exhibit Number	Exhibit Description	Incorporated by Reference Form	File No.	Exhibit	Filing Date	Filed/ Furnished Herewith
10.49	Amended and Restated Revolving Line of Credit Note with Webster Bank, N.A. dated July 22, 2016	10-Q	001-12879	10.48	10/7/16	
10.50	$26,724,948.03 Promissory Note dated November 17, 2016	10-K	001-12879	10.49	2/10/17	
10.51	Open-End Mortgage, Assignment of Leases and Rents and Security Agreement by Riverbend Hanover Properties I, LLC as Mortgagor to and for the benefit of Webster Bank, N.A. as Mortgagee dated November 14, 2016 and effective as of November 17, 2016	10-K	001-12879	10.50	2/10/17	
10.52	Open-End Mortgage, Assignment of Leases and Rents and Security Agreement by Riverbend Hanover Properties II, LLC as Mortgagor to and for the benefit of Webster Bank, N.A. as Mortgagee dated November 14, 2016 and effective as of November 17, 2016	10-K	001-12879	10.51	2/10/17	
10.53†	Griffin Industrial Realty, Inc. Deferred Compensation and Supplemental Retirement Plan as amended and restated effective January 1, 2017	10-Q	001-12879	10.52	4/7/17	
10.54	Loan and Security Agreement between Tradeport Development V, LLC and People’s United Bank N.A. dated March 15, 2017	10-Q	001-12879	10.53	4/7/17	
10.55	$12,000,000 Promissory Note dated March 15, 2017	10-Q	001-12879	10.54	4/7/17	
10.56	$10,600,000 Term Note dated July 14, 2017	10-Q	001-12879	10.56	10/10/17	
10.57	Amended and Restated Loan and Security Agreement dated July 14, 2017 between Tradeport Development III, LLC, Griffin Industrial Realty, Inc. and Berkshire Bank	10-Q	001-12879	10.57	10/10/17	
10.58	$12,150,000 Promissory Note dated August 30, 2017	10-Q	001-12879	10.58	10/10/17	
10.59	Deed of Trust, Assignment of Rents and Security Agreement dated August 30, 2017 from Riverbend Concord Properties I, LLC for the benefit of 40|86 Mortgage Capital, Inc.	10-Q	001-12879	10.59	10/10/17	
10.60	Fourth Modification Agreement between Griffin Center Development IV, LLC, Griffin Center Development V, LLC, Griffin Industrial Realty, Inc. and Webster Bank, N.A. dated September 22, 2017	10-K	001-12879	10.60	2/8/18	
10.61	Amended and Restated Open-End Mortgage Deed and Security Agreement dated January 30, 2018 between Tradeport Development V, LLC and People’s United Bank, N.A.	10-K	001-12879	10.61	2/8/18	
10.62	$14,287,500 Promissory Note dated March 29, 2018	10-Q	001-12879	10.62	7/10/18	
10.63	Open-End Construction Mortgage Deed and Security Agreement by Tradeport Development VI, LLC in favor of and for the benefit of State Farm Life Insurance Company dated March 29, 2018	10-Q	001-12879	10.63	7/10/18	
10.64	Construction Loan Agreement by and between State Farm Life Insurance Company and Tradeport Development VI, LLC dated March 29, 2018	10-Q	001-12879	10.64	7/10/18	

Exhibit Number	Exhibit Description	Incorporated by Reference Form	File No.	Exhibit	Filing Date	Filed/ Furnished Herewith
10.65	Sales Agreement dated May 10, 2018 by and between Griffin Industrial Realty, Inc. and Robert W. Baird & Co. Incorporated	8-K	001-12879	1.1	5/10/18	
10.66	First Amendment to Griffin Industrial Realty, Inc. 2009 Stock Option Plan	8-K	001-12879	10.1	5/17/19	
10.67†	Letter Agreement by and between Griffin Industrial Realty, Inc. and Frederick M. Danziger dated June 7, 2019	10-Q	001-12879	10.67	7/9/19	
10.68	Revolving Line of Credit Loan Agreement between Griffin Industrial Realty, Inc. and Webster Bank, N.A., dated September 19, 2019	8-K	001-12879	10.1	9/24/19	
10.69	Third Amendment to Revolving Line of Credit Loan Agreement between Griffin Industrial Realty, Inc. and Webster Bank N.A., dated September 19, 2019	8-K	001-12879	10.2	9/24/19	
10.70	Mortgage, Security Agreement and Fixture Filing (Securing Present and Future Advances) from Riverbend Orlando Holdings I LLC and Riverbend Orlando Holdings II LLC and Webster Bank, N.A., dated December 20, 2019	8-K	001-12879	10.1	12/23/19	
10.71	$6,500,000 Promissory Note by Riverbend Orlando Holdings I, LLC and Riverbend Orlando Holdings II, LLC, to Webster Bank, N.A., dated December 20, 2019	8-K	001-12879	10.2	12/23/19	
10.72	Open-End Mortgage and Security Agreement by Riverbend Upper Macungie Properties I LLC in favor of and for the benefit of State Farm Life Insurance Company dated January 17, 2020 and effective January 23, 2020	8-K	001-12879	10.1	1/28/20	
10.73	Open-End Mortgage and Security Agreement by Riverbend Crossings III Holdings LLC in favor of and for the benefit of State Farm Life Insurance Company dated January 17, 2020 and effective January 23, 2020	8-K	001-12879	10.2	1/28/20	
10.74	$15,000,000 Promissory Note by Riverbend Upper Macungie Properties I LLC and Riverbend Crossings III Holdings LLC to State Farm Life Insurance Company, dated January 23, 2020	8-K	001-12879	10.3	1/28/20	
21	Subsidiaries of Griffin Industrial Realty, Inc.					*
23.1	Consent of Independent Registered Public Accounting Firm					*
31.1	Certifications of Chief Executive Officer Pursuant to Rules 13a-14(a) or 15d-14(a) under the Securities Exchange Act of 1934, as amended					*
31.2	Certifications of Chief Financial Officer Pursuant to Rules 13a-14(a) or 15d-14(a) under the Securities Exchange Act of 1934, as amended					*
32.1	Certifications of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350					**
32.2	Certifications of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350					**
101.INS	XBRL Instance Document					*

Exhibit Number	Exhibit Description	Incorporated by Reference Form	File No.	Exhibit	Filing Date	Filed/ Furnished Herewith
101.SCH	XBRL Taxonomy Extension Schema Document					*
101.CAL	XBRL Taxonomy Calculation Linkbase Document					*
101.LAB	XBRL Taxonomy Label Linkbase Document					*
101.PRE	XBRL Taxonomy Presentation Linkbase Document					*
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document					*

† A management contract or compensatory plan or arrangement required to be filed as an exhibit pursuant to Item 15(a)(3) of Form 10-K.
* Filed herewith.
** Furnished herewith.

ITEM 16. FORM 10-K SUMMARY.

N/A

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.

GRIFFIN INDUSTRIAL REALTY, INC.

Date: February 13, 2020	BY:	/s/ MICHAEL S. GAMZON Michael S. Gamzon *President and Chief Executive Officer*
Date: February 13, 2020	BY:	/s/ ANTHONY J. GALICI Anthony J. Galici *Vice President, Chief Financial Officer and Secretary, Principal Accounting Officer*

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

Date	**Name**	**Title**
February 13, 2020	/s/ DAVID R. BECHTEL David R. Bechtel	Director
February 13, 2020	/s/ EDGAR M. CULLMAN, JR. Edgar M. Cullman, Jr.	Director
February 13, 2020	/s/ FREDERICK M. DANZIGER Frederick M. Danziger	Chairman of the Board of Directors
February 13, 2020	/s/ ANTHONY J. GALICI Anthony J. Galici	Vice President, Chief Financial Officer and Secretary, Principal Accounting Officer
February 13, 2020	/s/ MICHAEL S. GAMZON Michael S. Gamzon	Director, President and Chief Executive Officer
February 13, 2020	/s/ JONATHAN P. MAY Jonathan P. May	Director
February 13, 2020	/s/ AMY ROSE SILVERMAN Amy Rose Silverman	Director
February 13, 2020	/s/ ALBERT H. SMALL, JR. Albert H. Small, Jr.	Director

Corporate Directors and Officers

Directors

David R. Bechtel

Edgar M. Cullman, Jr.

Gordon F. DuGan
Chairman

Frederick M. Danziger

Michael S. Gamzon
President and Chief Executive Officer

Jonathan P. May

Molly North

Amy Rose Silverman

Albert H. Small, Jr.

Officers

Michael S. Gamzon
President and Chief Executive Officer

Anthony J. Galici
Vice President, Chief Financial Officer and Secretary

Corporate Data

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New York, NY 10022

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204 West Newberry Road
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www.griffinindustrial.com

Independent Registered Public Accountants
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157 Church Street
New Haven, CT 06510

Special Counsel
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Registrar and Transfer Agent
American Stock Transfer & Trust Company
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Brooklyn, NY 11219
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Stock Listing
Griffin Industrial Realty, Inc. common stock
trades on the Nasdaq Stock Market under
the symbol GRIF.

GRIF™
NASDAQ
LISTED

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