

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

FORM 10-Q

(Mark One)

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

For the Quarter Ended March 31, 2015

OR

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

For the Transition Period From \_\_\_\_\_ to \_\_\_\_\_

Commission File Number: 333-173048

**PLYMOUTH INDUSTRIAL REIT, INC.**

(Exact name of registrant as specified in its charter)

Maryland

(State or other jurisdiction of incorporation or organization)

27-5466153

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

260 Franklin Street, Suite 1900 Boston, MA 02110

(Address of principal executive offices)

(617) 340-3814

(Registrant's telephone number)

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 and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (Section 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit and post such files). YES  NO

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting company

Indicate by check mark whether the Registrant is a shell company (as defined in Exchange Act Rule 12b-2). YES  NO

As of May 5, 2015 the Registrant had outstanding 1,327,859 shares of common stock.

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**PLYMOUTH INDUSTRIAL REIT, INC.**  
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**PLYMOUTH INDUSTRIAL REIT, INC.**  
**UNAUDITED CONSOLIDATED BALANCE SHEETS**

*(In thousands, except share and per share amounts)*

	<b>March 31, 2015</b>	<b>December 31, 2014</b>
<b>Assets</b>		
Real estate properties	\$ 138,135	\$ 138,112
Less Accumulated Depreciation	(2,880)	(1,004)
Real estate properties - net	135,255	137,108
Investments in real estate joint ventures	3,701	3,722
Cash	2,543	4,974
Restricted cash	738	744
Deferred intangible assets, net	18,147	19,424
Deferred financing costs, net	429	1,832
Other assets	2,458	1,724
<b>Total assets</b>	<b>\$ 163,271</b>	<b>\$ 169,528</b>
<b>Liabilities and stockholders' equity</b>		
<b>Liabilities:</b>		
Senior debt, net of discount	\$ 185,956	\$ 173,627
Deferred interest	4,551	1,653
Accounts payable, accrued expenses and other liabilities	3,982	4,149
Deferred lease intangibles - below market leases, net	2,340	2,473
<b>Total liabilities:</b>	<b>196,829</b>	<b>181,902</b>
<b>Commitments and Contingencies (Note 8)</b>		
<b>Stockholders' deficit:</b>		
Preferred stock, par value \$0.01 par value; 100,000,000 shares authorized; none issued and outstanding	—	—
Common stock, \$0.01 par value; 900,000,000 shares authorized; 1,327,859 shares issued and outstanding	13	13
Additional paid in capital	12,467	12,467
Accumulated deficit	(46,038)	(24,854)
<b>Total stockholders' deficit</b>	<b>(33,558)</b>	<b>(12,374)</b>
<b>Total liabilities and stockholders' deficit</b>	<b>\$ 163,271</b>	<b>\$ 169,528</b>

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

**PLYMOUTH INDUSTRIAL REIT, INC.**  
**UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS**

*(In thousands, except share and per share amounts)*

	<b>Three Months Ended March 31,</b>	
	<b>2015</b>	<b>2014</b>
Rental revenue	\$ 4,849	\$ —
Equity investment income (loss)	(8)	35
Total revenues	4,841	35
Operating expenses:		
Property	1,509	—
Depreciation and amortization	3,108	—
General and administrative	1,494	409
Acquisition costs	355	—
Total operating expenses	6,466	409
Operating loss	(1,625)	(374)
Other expense:		
Interest expense	19,559	—
Total other expense, net	19,559	—
Net loss	\$ (21,184)	\$ (374)
Weighted-average common shares used in computing net loss per share-basic and diluted	1,327,859	1,205,516
Net loss per share--basic and diluted	\$ (15.95)	\$ (0.31)

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

**PLYMOUTH INDUSTRIAL REIT, INC.**  
**UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT)**

*(In thousands, except share and per share amounts)*

	<u>Common Stock, \$0.01 Par Value</u>		<u>Additional Paid in Capital</u>	<u>Accumulated Deficit</u>	<u>Total</u>
	<u>Shares</u>	<u>Amount</u>			
<b>Balance, December 31, 2014</b>	1,327,859	\$ 13	\$ 12,467	\$ (24,854)	\$ (12,374)
Net loss	—	—	—	(21,184)	(21,184)
<b>Balance, March 31, 2015</b>	<u>1,327,859</u>	<u>\$ 13</u>	<u>\$ 12,467</u>	<u>\$ (46,038)</u>	<u>\$ (33,558)</u>

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

**PLYMOUTH INDUSTRIAL REIT, INC.**  
**UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS**

(In thousands)

	Three Months Ended March 31,	
	2015	2014
<b>Operating activities</b>		
Net loss	\$ (21,184)	\$ (374)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and Amortization	3,108	—
Straight line rent adjustment	(111)	—
Intangible amortization in rental revenue, net	(87)	—
Equity investment (income) loss	8	(35)
Accretion of interest and amortization of financing costs	13,733	—
Changes in operating assets and liabilities:		
Restricted cash	6	(100)
Prepaid expenses and other assets	8	11
Deferred Interest	2,898	—
Accounts payable, accrued expenses and other liabilities	(93)	(48)
Net cash used in operating activities	(1,714)	(546)
<b>Investing activities</b>		
Real estate property improvements	(24)	—
Acquisition deposits	(550)	—
Distributions from investments in real estate joint ventures	13	152
Net cash provided by (used in) investing activities	(561)	152
<b>Financing activities</b>		
Proceeds from issuance of common stock, net of offering costs	—	761
Deferred offering costs	(156)	—
Net cash provided by (used in) financing activities	(156)	761
Net increase (decrease) in cash	(2,431)	367
Cash at beginning of period	4,974	266
Cash at end of period	\$ 2,543	\$ 633
<b>Non-cash Investing and Financing Activities:</b>		
Common stock distributable as dividends based on fair value of common stock	\$ —	\$ 190
Deferred offering costs included in accounts payable, accrued expenses and other liabilities	\$ 81	\$ —
<b>Supplemental Cash Flow Disclosures:</b>		
Interest paid	\$ 2,928	\$ —

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

**Plymouth Industrial REIT, Inc.**  
**Notes to Consolidated Financial Statements**  
**(Unaudited)**

**(1) Business and Liquidity**

***Business***

Plymouth Industrial REIT, Inc., formerly known as Plymouth Opportunity REIT, Inc., is a Maryland corporation formed on March 7, 2011. The Company is a full service, vertically integrated, self-administered and self-managed organization. The Company is focused on the acquisition, ownership and management of single and multi-tenant Class B industrial properties, including distribution centers, warehouses and light industrial properties, primarily located in secondary and select primary markets across the Eastern half of the U.S. and Texas. Prior to May 6, 2014, the Company had retained Plymouth Real Estate Investors, Inc. (the "Advisor"), an affiliate of Plymouth Group Real Estate, LLC (the Sponsor), to serve as its advisor for managing, operating, directing and supervising the operations and administration of the Company and its assets. The advisory agreement was terminated on May 6, 2014.

All references to "the Company" refer to Plymouth Industrial REIT, Inc. and its subsidiaries, collectively, unless the context otherwise requires. Our subsidiaries consist principally of our Operating Partnership, a wholly owned subsidiary, Plymouth Industrial OP, LP (the "Operating Partnership"), and special purpose wholly-owned subsidiaries of our Operating Partnership for each of the acquired properties discussed in Note 3.

The Company has operated in a manner that will allow it to qualify as a REIT for federal income tax purposes. The Company filed its initial Form 1120-REIT as its tax return for the tax year ended December 31, 2012. The Company utilizes an Umbrella Partnership Real Estate Investment Trust ("UPREIT") organizational structure to hold all or substantially all of its properties and securities through an Operating Partnership.

***Liquidity and Going Concern***

As of March 31, 2015, the Company had an accumulated deficit of approximately \$46,038 and had limited amounts of available liquidity evidenced by our cash position of \$2,543. The Company continues to maintain arrangements with certain of its vendors to limit future expenses related to certain professional services.

The Company derives the capital required to purchase and originate real estate-related investments and conduct our operations, from secured financings from banks and other lenders and from any undistributed funds from our operations. On October 28, 2014, the Company entered into a loan agreement (the "Senior Loan") with third party investment entities. The Senior Loan as described in Note (4) provides for secured loans in an aggregate amount up to \$192,000, with cash funding amounts through December 31, 2014 of \$165,000 and \$20,000 of original issue discount. The Company used \$155,000 of the net proceeds to acquire 20 industrial properties. The loans bear interest at a current pay rate equal to 7% per annum, coupled with payment-in-kind features with respect to the remaining interest at varying rates. The loans mature on April 28, 2015, subject to the Company's option, subject to certain conditions, to extend the maturity date to October 28, 2015. The Company's obligations under the Senior Loan are also guaranteed by Plymouth Industrial REIT, Inc. and each of our Operating Partnership's subsidiaries. On March 26, 2015, the Company exercised its option to extend the maturity date of the loans to October 28, 2015.

Effective June 16, 2014, the Company filed an S-11 registration with the SEC for the issuance of securities issued by real estate companies to raise funds in the publicly traded market on the New York Stock Exchange, and subsequently, amendments thereto, the most recent filed as of February 5, 2015.

The Company's ability to meet its working capital needs and repay its borrowings under the Senior Loan is dependent on its ability to issue additional equity or secure additional debt financing. There is no assurance, however, that additional debt or other forms of capital will be available to the Company, or on terms acceptable to the Company. In the event those sources of capital are not available to the Company, it would seek an extension on the maturity of the Senior Loan, although there can be no assurance that such an extension would be provided or provided on terms acceptable to the Company.

These conditions raise substantial doubt about the Company's ability to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

**Plymouth Industrial REIT, Inc.**  
**Notes to Consolidated Financial Statements**  
**(Unaudited)**

**(2) Significant Accounting Policies**

It is suggested that these Consolidated Financial Statements be read in conjunction with the consolidated financial statements and the notes thereto included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2014. There have been no material changes in the accounting policies followed by the Company during the current fiscal year.

***Basis of Presentation***

These interim consolidated financial statements of the accounts of the Company have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP"). All significant intercompany transactions have been eliminated in consolidation. These interim consolidated financial statements include adjustments of a normal and recurring nature considered necessary by management to fairly present the Company's financial position and results of operations. The interim consolidated financial statements include the accounts of the Company on a consolidated basis for its wholly owned subsidiaries. These interim consolidated financial statements may not be indicative of financial results for the full year.

***Income Taxes***

The Company elected to be taxed as a real estate investment trust ("REIT") under the Internal Revenue Code of 1986, as amended, and has operated as such beginning with the tax year ending December 31, 2012. To qualify as a REIT, the Company must meet certain organizational and operational requirements, including a requirement to distribute at least 90% of our annual REIT taxable income to stockholders (which is computed without regard to the dividends-paid deduction or net capital gain and which does not necessarily equal net income as calculated in accordance with GAAP). As a REIT, the Company generally will not be subject to federal income tax on income that we distribute as dividends to our stockholders. If the Company fails to qualify as a REIT in any taxable year, it will be subject to federal income tax on our taxable income at regular corporate income tax rates and generally will not be permitted to qualify for treatment as a REIT for federal income tax purposes for the four tax years following the year during which qualification is lost, unless it is able to obtain relief under certain statutory provisions. Such an event could materially and adversely affect the net income and net cash available for distribution to stockholders. However, the Company intends to organize and operate in such a manner as to qualify for treatment as a REIT.

***Earnings per Share***

Basic net loss per share is computed by dividing net loss by the weighted average shares of common stock outstanding for each year, which is also presented on the consolidated income statements. Diluted net loss per share is the same as basic net loss per share since the Company does not have any common stock equivalents such as stock options. The Company has not granted any stock options or stock-based awards under the 2014 Incentive Award Plan.

***Financial Instruments***

The Company estimates that the carrying value of cash, restricted cash, senior debt, and deferred interest approximate their fair values based on their short-term maturity and prevailing interest rates.

***Reclassifications***

Certain reclassifications have been made in the 2014 consolidated financial statements to conform to the 2015 presentation.

***Recent Accounting Pronouncements***

The Company has evaluated all ASUs released by the FASB through the date the financial statements were issued and determined that the following ASUs apply to the Company.

In April 2015, the FASB issued ASU 2015-03, Interest – Imputation of Interest (Subtopic 835-30) as part of the initiative to reduce complexity in accounting standards. The update requires that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. ASU 2015-03 is effective for annual periods beginning after December 15, 2015 and for interim periods within those fiscal years. The Company is evaluating the impact of ASU 2015-03, and if early adoption is appropriate in future reporting periods.



**Plymouth Industrial REIT, Inc.**  
**Notes to Consolidated Financial Statements**  
**(Unaudited)**

**(2) Significant Accounting Policies (continued)**

In August 2014, the FASB issued ASU 2014-15, Disclosure of Uncertainties About an Entity's Ability to Continue as a Going Concern, which provides guidance on determining when and how to disclose going concern uncertainties in the financial statements. The new standard requires management to perform interim and annual assessments of an entity's ability to continue as a going concern within one year of the date the financial statements are issued. An entity must provide certain disclosures if conditions or events raise substantial doubt about the entity's ability to continue as a going concern. The standard applies to all entities and is effective for annual periods ending after December 15, 2016, and interim periods thereafter, with early adoption permitted. The Company is evaluating the effect that ASU 2014-15 will have on its consolidated financial statements and related disclosures.

In February 2015, the FASB issued ASU 2015-02, Consolidation (topic 810) to address financial reporting considerations for the evaluation as to the requirement to consolidate certain legal entities. ASU 2015-02 is effective for fiscal years and for interim periods within those fiscal years beginning after December 15, 2015. The Company is evaluating the impact of ASU 2015-02 and if early adoption is appropriate in future reporting periods.

**(3) Investments in Real Estate Joint Ventures**

The Company, through its Operating Partnership, has the following investment in real estate joint ventures, which are accounted for on the equity method of accounting based on significant influence over the entities and lack of control over the entities:

- A 51.5% equity interest in the Class A shares of Colony Hills Capital Residential II, LLC ("CHCR II") which is a joint venture with Colony Hills Capital, LLC, for \$1,250. The Company has no controlling interest in CHCR II. CHCR II is the sole member of Wyntrope Holdings, LLC, which owns Wyntrope Forest Apartments, a 23 building, 270 unit multifamily complex located in Riverdale, a suburb of Atlanta, Georgia. The property is 98.1% occupied.
- A 50.3% interest in TCG 5400 FIB LP ("5400 FIB"), which was obtained in October and November of 2013 for a total of \$3,900. 5400 FIB owns a warehouse facility (the "Property") in Atlanta, Georgia containing 682,750 rentable square feet of space. The initial purchase price of the Property was \$21,900 which included \$15,000 of secured debt. The Property is 100% leased.

A condensed unaudited summary of results of operations of the real estate joint ventures is as follows:

	<b>Three Months Ended March 31,</b>	
	<b>2015</b>	<b>2014</b>
Revenues	\$ 2,030	\$ 2,104
Expenses	(2,047)	(1,109)
Net income	\$ (17)	\$ 995

Distributions amounted to \$13 and \$152, for the three months ended March 31, 2015 and 2014, respectively.

Management of the Company monitors the financial position of the Company's joint venture partners. To the extent that management of the Company determines that a joint venture partner has financial or liquidity concerns, management will evaluate all actions and remedies available to the Company under the applicable joint venture agreement to minimize any potential adverse implications to the Company.

**(4) Senior Debt**

On October 28, 2014, the Company, its Operating Partnership and certain subsidiaries of its Operating Partnership entered into a senior secured loan agreement (Senior Loan) with investment entities, or the Funds, managed by Senator Investment Group LP. The Senior Loan was a \$192,000 facility with \$71,000 designated as Tranche A, \$101,000 designated as Tranche B and \$20,000 designated as Tranche C and the deemed original issue discount.

The Company borrowed \$69,200 under Tranche A and \$95,800 under Tranche B for a total of \$165,000. At March 31, 2015 and December 31, 2014, there was \$165,000 of indebtedness outstanding under the Senior Loan and \$20,000 of original issue discount, which is being accreted over the term of the Senior Loan, and payment-in-kind (PIK) interest is also accreted to debt. Accordingly, there was \$185,956, net of \$16,986 of unamortized original issue discount, and deferred interest payable of \$4,551, outstanding at March 31, 2015. There was \$173,627, net of \$12,877 of unamortized original issue discount, and deferred interest payable of \$1,653, outstanding at December 31, 2014.

On March 26, 2015, the Company exercised its option to extend the maturity date of the Senior Loan to October 28, 2015 from the original maturity date of April 28, 2015.

**Plymouth Industrial REIT, Inc.**  
**Notes to Consolidated Financial Statements**  
**(Unaudited)**

**(4) Senior Debt (continued)**

The relevant terms of the borrowing arrangement are as follows:

- The borrowings under the Senior Loan bear interest at a current pay rate equal to 7% annum. The Company is current on its interest payments.
- The borrowings under the Senior Loan were made in tranches and also accrue PIK interest at an annual rate of 3% compounded monthly on Tranche A amounts, and at an annual rate of 8% compounded monthly on Tranche B amounts. The weighted average of PIK interest was approximately 5% at March 31, 2015 and December 31, 2014. PIK interest amounted to \$3,970 and \$1,504 at March 31, 2015 and December 31, 2014, respectively, and is included in debt in the accompanying consolidated balance sheets. All PIK amounts are due at maturity.
- The Company has the option to prepay the loans. With respect to any prepayment or repayment of (a) Tranche A, a make-whole fee in an amount equal to two percent (2%) of the outstanding balance of Tranche A if such prepayment or repayment occurs on or prior to April 28, 2015 and four percent (4%) thereafter will be payable; (b) Tranche B, a make-whole fee in an amount equal to four percent (4%) of the outstanding balance of Tranche B if such prepayment or repayment occurs on or prior to April 28, 2015, and five percent (5%) thereafter will be payable. The Company has accrued the make-whole fees due upon the maturity of the Senior Loan on April 28, 2015 on the straight line basis which approximates the effective interest rate. The amount of make whole fees accrued at March 31, 2015 and December 31, 2014 was \$ 4,551 and \$1,653, respectively, and is included in deferred interest in the accompanying consolidated balance sheets.
- The borrowings under the Senior Loan are secured by first lien mortgages on all of the Company's existing properties and pledges of equity interests in the Operating Partnership.
- The obligations under the Senior Loan are guaranteed by the Company.
- The Senior Loan contains affirmative and negative covenants, which include restrictions on additional indebtedness, restrictions on liens, fundamental changes, dispositions, restricted payments, change in nature of business, transactions with affiliates and burdensome agreements.
- The Senior Loan contains financial covenants that require the maintenance of a minimum debt service coverage ratio as of the last day of any fiscal quarter of 1.1 to 1.0 and an annual amount of net operating income of not less than \$12,200.
- The Senior Loan is subject to acceleration upon certain specified events of default, including breaches of representations or covenants, failure to pay other material indebtedness, failure to pay taxes or a change of control of our company, as defined in the senior secured loan agreement.

At March 31, 2015, the Company is in compliance with all covenants under the Senior Loan.

**(5) 2014 Incentive Award Plan**

In April 2014, the Company's Board of Directors adopted, and in June 2014 the Company's stockholders approved, the 2014 Incentive Award Plan, or Plan, under which we may grant cash and equity incentive awards to eligible service providers in order to attract, motivate and retain the talent for which we compete. The aggregate number of shares of our common stock and/or LTIP units of partnership interest in our Operating Partnership, or LTIP units that are available for issuance under awards granted pursuant to the Plan is 750,000 shares/LTIP units. Shares and units granted under the Plan may be authorized but unissued shares/LTIP units, or, if authorized by the board of directors, shares purchased in the open market. If an award under the Plan is forfeited, expires or is settled for cash, any shares/LTIP units subject to such award may, to the extent of such forfeiture, expiration or cash settlement, be used again for new grants under the Plan. However, the following shares/LTIP units may not be used again for grant under the Plan: (1) shares/LTIP units tendered or withheld to satisfy grant or exercise price or tax withholding obligations associated with an award; (2) shares subject to a stock appreciation right, or SAR, that are not issued in connection with the stock settlement of the SAR on its exercise; and (3) shares purchased on the open market with the cash proceeds from the exercise of options. The maximum number of shares that may be issued under the Plan upon the exercise of incentive stock options is 750,000.

**Plymouth Industrial REIT, Inc.**  
**Notes to Consolidated Financial Statements**  
**(Unaudited)**

**(5) 2014 Incentive Award Plan (continued)**

The Plan provides for the grant of stock options, including incentive stock options, or ISOs, and nonqualified stock options, or NSOs, restricted stock, dividend equivalents, stock payments, restricted stock units, or RSUs, performance shares, other incentive awards, LTIP units, SARs, and cash awards.

No awards have been granted to date under the Plan.

**(6) Employment Agreements**

On September 10, 2014, the Company entered into employment agreements with Jeffrey E. Witherell, the Company's Chief Executive Officer, Pendleton P. White, Jr., the Company's President and Chief Investment Officer, and Daniel C. Wright, the Company's Executive Vice President and Chief Financial Officer. As approved by the compensation committee of the Board of Directors the agreements provide for base salaries ranging from \$200 to \$300 annually with discretionary cash performance awards. The agreements contain provisions for equity awards, general benefits, and termination and severance provisions, consistent with similar positions and companies.

**(7) Related Party Transactions**

The Company was party to an advisory agreement dated July 27, 2011 with its Advisor which entitled its Advisor to specified fees upon the provision of certain services with regard to the Offering and investment of funds in real estate and real estate related investments, among other services, as well as reimbursement for organization and offering costs incurred by its Advisor on behalf of the Company and certain costs incurred by its Advisor and its affiliates in providing services to the Company. The advisory agreement was terminated as of May 6, 2014 and no consideration was paid to the Advisor as a result of the termination. The fees the Company incurred prior to termination under the advisory agreement are as follows:

<u>Type of Compensation</u>	<u>Form of Compensation</u>
Organization and Offering Costs	Reimbursement of organization and offering costs to the Advisor or its affiliates for cumulative organization and offering expenses, but only to the extent that the total organizational and offering costs borne by the Company do not exceed 15.0% of gross offering proceeds as of the date of the reimbursement. Total organization and offering costs incurred from inception to March 31, 2014 were \$1,110. Reimbursement of organization and offering costs to the Advisor were none for the three months ended March 31, 2015 and \$26 for three months ended March 31, 2014.
Asset Management Fee	Total asset management fees paid to the Advisor equal to one-twelfth of 1.0% of the sum of the cost of each asset, where cost equals the amount actually paid. Total asset management fees incurred were none for the three months ended March 31, 2015 and \$14 for three months ended March 31, 2014.

The Company also incurred \$27 for the three months ended March 31, 2014 in commissions and dealer manager fees owed to the Dealer Manager related to the issuance of common stock. There were none for the three months ended March 31, 2015.

Colony Hills Capital, LLC who is a member of Colony Hills Capital Residential II, LLC, which is the entity the Company holds a 51.5% interest in, is also a shareholder of the Company.

**(8) Commitments**

***Operating Leases***

The Company leases space for its corporate office under the terms of a sub-lease. Rental expense for operating leases, including common-area maintenance, was \$80 and \$61 for the three months ended March 31, 2015 and 2014 respectively. Future amounts of minimum rental commitments under the operating lease as of March 31, 2015 were \$213 for the remainder of 2015 and \$189 for 2016.

**(9) Pending Acquisition Transactions**

We have entered into agreements to acquire in a series of four transactions, fourteen properties totaling approximately 1,895,839 square feet, for a purchase price of \$79,575. We anticipate funding these acquisitions with proceeds from additional debt financing or issuance of additional equity. There is no assurance we will obtain financing for the acquisitions.

## ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis is based on, and should be read in conjunction with our audited historical financial statements and related notes thereto as of and for the years ended December 31, 2014.

### Overview

We are a full service, vertically integrated, self-administered and self-managed REIT focused on the acquisition, ownership and management of single- and multi-tenant Class B industrial properties, including distribution centers, warehouses and light industrial properties.

Our strategy is to invest in single and multi-tenant Class B industrial properties located primarily in secondary markets across the Eastern half of the U.S. and Texas; however, we may make opportunistic acquisitions of Class A industrial properties or industrial properties located in primary markets. We seek to generate attractive risk-adjusted returns for our stockholders through a combination of stable and increasing distributions and potential long-term appreciation in the value of our properties and our common stock.

As of March 31, 2015, we owned and operated, or had an interest in, 21 industrial properties located in seven states with an aggregate of approximately 4,350,000 rentable square feet plus a 270 unit multifamily complex, which we refer to as the Company Portfolio. As of March 31, 2015, our portfolio of owned and operated properties, or those which we have an interest in, was approximately 99.0% leased to 50 separate tenants across 17 industry types with a weighted average remaining lease term of 4.6 years. Approximately 96.3% of the annualized base rent payments from the Company Portfolio as of March 31, 2015 was from triple-net leases, pursuant to which the tenants are responsible for all operating expenses relating to the property, including, without limitation, real estate taxes, utilities, property insurance, routine maintenance and repairs and property management. We expect this lease structure will insulate us from increases in certain operating expenses and provide more predictable cash flow. Our triple-net leases are structured to generate attractive returns on a long-term basis. The leases typically have initial terms of three to ten years and generally include annual rent escalators. Therefore, our operating results will depend significantly upon the ability of our tenants to make required rental payments. We believe that the Company Portfolio will enable us to generate stable cash flows over time because of the staggered lease expiration schedule, the long-term leases and the low historical occurrence of tenants defaulting under their leases. As of March 31, 2015, leases of the Company Portfolio representing 6.6%, 8.4% and 12.6% of annualized rent will expire in 2015, 2016 and 2017, respectively.

### Factors That May Influence Future Results of Operations

#### *Business and Strategy*

Our core investment strategy is to acquire primarily Class B industrial properties predominantly in larger secondary markets across the Eastern U.S. and Texas. We expect to acquire these properties through third-party purchases and structured sale-leasebacks where we believe we can achieve high initial yields and strong ongoing cash-on-cash returns. In addition, we may make opportunistic acquisitions of Class A industrial properties or industrial properties in primary markets that offer similar return characteristics.

Our target markets are comprised primarily of larger secondary markets because we believe these markets tend to have less occupancy and rental rate volatility and less buyer competition relative to primary markets. We also believe that the systematic aggregation of such properties will result in a diversified portfolio that will produce sustainable risk-adjusted returns. Future results of operations may be affected, either positively or negatively, by our ability to effectively execute this strategy.

#### *Pending Acquisition Transactions*

We have entered into agreements to acquire in a series of four transactions, fourteen properties totaling approximately 1,895,839 square feet, for a purchase price of \$79,575. We anticipate funding these acquisitions with proceeds from additional debt financing or issuance of additional equity. There is no assurance we will obtain financing for the acquisitions.

#### *Rental Revenue and Tenant Recoveries*

We receive income primarily from rental revenue from our properties. The amount of rental revenue generated by the Company Portfolio depends principally on the occupancy levels and lease rates at our properties, our ability to lease currently available space and space that becomes available as a result of lease expirations and on the rental rates at our properties.

*Occupancy Rates.* As of March 31, 2015, the Company Portfolio was approximately 99.0% occupied. Our occupancy rate is impacted by general market conditions in the geographic areas in which our properties are located and the financial condition of tenants in our target markets.

*Rental Rates.* We believe that rental rates for Class B industrial properties in our markets are just beginning to recover from the 2008 financial crisis and subsequent economic recession, and accordingly we expect potential increases in lease rates upon renewal of upcoming lease expirations as market conditions continue to improve.

Future economic downturns affecting our markets could impair our ability to renew or re-lease space, and adverse developments that affect the ability of our tenants to fulfill their lease obligations, such as tenant bankruptcies, could adversely affect our ability to maintain or increase occupancy or rental rates at our properties. Adverse developments or trends in one or more of these factors could adversely affect our rental revenue in future periods.

#### ***Scheduled Lease Expirations***

Our ability to re-lease space subject to expiring leases will impact our results of operations and is affected by economic and competitive conditions in our markets and by the desirability of our individual properties. The leases of the Company Portfolio scheduled to expire during the year December 31, 2015 represent approximately 6.6% of the total annualized rent for the Company Portfolio, which we believe is a stable revenue base. In the year ending December 31, 2016 through the year ending December 31, 2018, an aggregate of 25.7% of the annualized base rent leases in the Company Portfolio are scheduled to expire, which we believe will provide us an opportunity to adjust below market rates as market conditions continue to improve.

#### ***Conditions in Our Markets***

The Company Portfolio is located primarily in various secondary markets in the Eastern half of the U.S. Positive or negative changes in economic or other conditions, adverse weather conditions and natural disasters in these markets are likely to affect our overall performance.

#### ***Property Expenses***

Our property expenses will generally consist of utilities, real estate taxes, insurance and site repair and maintenance costs. For the majority of the Company Portfolio, rental expenses are controlled, in part, by either the triple net provisions or modified gross lease expense reimbursement provisions in tenant leases. However, the terms of our tenant leases vary and in some instances the leases may provide that we are responsible for certain rental expenses. Accordingly, our overall financial results will be impacted by the extent to which we are able to pass-through rental expenses to our tenants.

#### ***General and Administrative Expenses***

Following the completion of the planned offering, we expect to incur increased general and administrative expenses, including legal, accounting and other expenses related to corporate governance and public reporting. In addition, we anticipate that our staffing levels will increase from approximately ten employees as of the date of this filing to between 12 and 20 employees during the 12 to 24 months following and, as a result, our general and administrative expenses will increase further.

#### ***Critical Accounting Policies***

Our discussion and analysis of our Company's historical financial condition and results of operations are based upon its consolidated financial statements, which have been prepared in accordance with GAAP. The preparation of these financial statements in conformity with GAAP requires management to make estimates and assumptions in certain circumstances that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amount of revenue and expenses in the reporting period.

## Discussion of Results of Operations for the Three Months Ended March 31, 2015 and 2014

Except where specifically noted the period over period change in operations to March 31, 2015 is due to the acquisition of 20 industrial properties located in seven states with an aggregate of approximately 4,350,000 rentable square feet during the fourth quarter of 2014.

*Rental Revenue:* Rental revenue increased by approximately \$4,849 to approximately \$4,849 for the three months ended March 31, 2015.

*Equity Investment Income :* We recognized income on our investment in joint ventures of approximately \$35 during the three months ended March 31, 2014 due to the performance of the properties. During the three months ended March 31, 2015, we recognized income (loss) in the amount of approximately (\$8) due to increased operating expenses for the properties.

*Property Expenses:* Property expenses increased by approximately \$1,509 to approximately \$1,509 for the three months ended March 31, 2015.

*Depreciation and Amortization:* Depreciation and amortization expense increased by approximately \$3,108 to approximately \$3,108 for the three months ended March 31, 2015.

*General and Administrative:* General and administrative expenses increased approximately \$1,085 from \$409 for the three months ended March 31, 2014 to \$1,494 for the three months ended March 31, 2015. The increase is attributable primarily to compensation, and non-deferred professional fees and rent expense.

*Acquisition Expenses:* Acquisition expenses increased by approximately \$355 to approximately \$355 for the three months ended March 31, 2015 due to acquisitions we are in the process of pursuing.

*Interest Expense:* Interest expense increased by approximately \$19,559 to \$19,559 for the three months ended March 31, 2015 due to the senior secured loan obtained in 2014. The components of interest are: the current pay rate interest of 7%, payment in kind (PIK) interest at weighted average rate of approximately 5% due at maturity, amortization of \$20,000 discount, and a make whole payment payable at maturity.

*Net loss:* Our net loss increased from approximately \$374 for the three months ended March 31, 2015 to approximately \$21,184 for the three months ended March 31, 2015 due to the acquisition of 20 industrial properties located in seven states with an aggregate of approximately 4,350,000 rentable square feet during the fourth quarter of 2014 including acquisition costs, depreciation and amortization expense associated with the acquisitions, and with interest expense incurred to fund the acquisitions and working capital.

*NOI:* NOI increased from \$0 for the three months ended March 31, 2014 to income of approximately \$3,340 for the three months ended March 31, 2015.

*EBITDA:* The EBITDA increased from a loss of approximately \$374 for the three months ended March 31, 2014 to approximately \$1,483 for the three months ended March 31, 2015 due to the acquisition of 20 industrial properties located in seven states with an aggregate of approximately 4,350,000 rentable square feet during the fourth quarter of 2014 and general and administrative expenses. The EBITDA loss of approximately \$374 for the year ended March 31, 2014 was due primarily to the funding of general and administrative expenses.

*FFO:* FFO changed from a loss of approximately \$105 for the three months ended March 31, 2014 to a loss of approximately \$17,505 for the three months ended March 31, 2015 due primarily to interest expense associated with the senior secured loan of which a substantial portion of the proceeds were used to acquire 20 industrial properties located in seven states with an aggregate of approximately 4,350,000 rentable square feet during the fourth quarter of 2014.

*AFFO*: *AFFO* changed from approximately \$47 for the three months ended March 31, 2014 to a loss of approximately \$17,335 for the three months ended March 31, 2015 due primarily to interest expense associated with the senior secured loan, of which a substantial portion of the proceeds were used to acquire 20 industrial properties located in seven states with an aggregate of approximately 4,350,000 rentable square feet during the fourth quarter of 2014.

#### Non-GAAP Financial Measures

We disclose NOI, EBITDA, FFO and *AFFO*, each of which meet the definition of “non-GAAP financial measure” set forth in Item 10(e) of Regulation S-K promulgated by the SEC. As a result we are required to include in this Annual Report on Form 10-K a statement of why management believes that presentation of these measures provides useful information to investors.

None of NOI, EBITDA, FFO or *AFFO* should be considered as an alternative to net income (determined in accordance with GAAP) as an indication of our performance, and we believe that to understand our performance further NOI, EBITDA, FFO, and *AFFO* should be compared with our reported net income or net loss and considered in addition to cash flows in accordance with GAAP, as presented in our consolidated financial statements.

#### NOI

We consider NOI to be an appropriate supplemental measure to net income because it helps both investors and management understand the core operations of our properties. We define NOI as total revenue (including rental revenue, tenant reimbursements, management, leasing and development services revenue and other income) less property-level operating expenses including allocated overhead. NOI excludes depreciation and amortization, general and administrative expenses, impairments, gain/loss on sale of real estate, interest expense, acquisition costs and other non-operating items.

The following is a reconciliation from reported net loss for the periods presented, the most directly comparable financial measure calculated and presented in accordance with GAAP, to NOI:

	<b>Three Months Ended March 31,</b>	
	<b>2015</b>	<b>2014</b>
Net loss	\$ (21,184)	\$ (374)
General and administrative	1,494	409
Acquisition expense	355	—
Interest expense	19,559	—
Depreciation and amortization	3,108	—
Other (income) expense	8	(35)
NOI	<u>\$ 3,340</u>	<u>\$ —</u>

Net operating income consists of the following:

	<b>Three Months Ended March 31,</b>	
	<b>2015</b>	<b>2014</b>
Rental revenue	\$ 4,849	\$ —
Property expenses	1,509	—
NOI	<u>\$ 3,340</u>	<u>\$ —</u>

**EBITDA**

We believe that EBITDA, defined as Earnings before Interest, Taxes, Depreciation and Amortization, is helpful to investors as a supplemental measure of our operating performance as a real estate company because it is a direct measure of the actual operating results of our industrial properties. We also use this measure in ratios to compare our performance to that of our industry peers. The following table sets forth a reconciliation of our EBITDA for the periods presented:

	<b>Three Months Ended</b>	
	<b>March 31,</b>	
	<b>2015</b>	<b>2014</b>
Net loss	\$ (21,184)	\$ (374)
Depreciation and amortization	3,108	—
Interest expense	19,559	—
EBITDA	<u>\$ 1,483</u>	<u>\$ (374)</u>

**FFO**

Funds from operations, or FFO, is a non-GAAP financial measure that is widely recognized as a measure of REIT operating performance. We consider FFO to be an appropriate supplemental measure of our operating performance as it is based on a net income analysis of property portfolio performance that excludes non-cash items such as depreciation. The historical accounting convention used for real estate assets requires straight-line depreciation of buildings and improvements, which implies that the value of real estate assets diminishes predictably over time. Since real estate values rise and fall with market conditions, presentations of operating results for a REIT, using historical accounting for depreciation, could be less informative. We define FFO, consistent with the National Association of Real Estate Investment Trusts, or NAREIT, definition, as net income, computed in accordance with GAAP, excluding gains (or losses) from sales of property, depreciation and amortization of real estate assets, impairment losses and after adjustments for unconsolidated partnerships and joint ventures. Adjustments for unconsolidated partnerships and joint ventures will be calculated to reflect FFO on the same basis. Other equity REITs may not calculate FFO in accordance with the NAREIT definition as we do, and, accordingly, our FFO may not be comparable to such other REITs' FFO. FFO should not be used as a measure of our liquidity, and is not indicative of funds available for our cash needs, including our ability to pay dividends.

The following table sets forth a reconciliation of our net loss, the nearest GAAP equivalent to FFO, for the periods presented:

	<b>Three Months Ended</b>	
	<b>March 31,</b>	
	<b>2015</b>	<b>2014</b>
Net loss	\$ (21,184)	\$ (374)
Depreciation and amortization	3,108	—
Adjustment for unconsolidated joint ventures	571	269
FFO	<u>\$ (17,505)</u>	<u>\$ (105)</u>



## ***AFFO***

Adjusted funds from operation, or AFFO, is presented in addition to FFO calculated in accordance with the standards set forth by NAREIT. AFFO is defined as FFO, excluding acquisition and transaction related costs as well as certain other costs that we consider to be non-recurring. The purchase of properties, and the corresponding expenses associated with that process, is a key operational feature of our business plan to generate operational income and cash flows in order to make distributions to investors. In evaluating investments in real estate, we differentiate the costs to acquire the investment from the operations derived from the investment. By excluding expensed acquisition and transaction related costs as well as other non-recurring costs, we believe AFFO provides a useful supplemental measure of our operating performance because it provides a consistent comparison of our operating performance across time periods that is comparable for each type of real estate investment and is consistent with management's analysis of the operating performance of our properties.

AFFO further adjusts FFO for certain other non-cash items, including the amortization or accretion of above or below market rents included in revenues, straight line rent adjustments, impairment losses and non-cash equity compensation. As with FFO, our reported AFFO may not be comparable to other REITs' AFFO, should not be used as a measure of our liquidity, and is not indicative of our funds available for our cash needs, including our ability to pay dividends.

The following table sets forth a reconciliation of our FFO to AFFO for the periods presented:

	<b>Three Months Ended</b>	
	<b>March 31,</b>	
	<b>2015</b>	<b>2014</b>
FFO	\$ (17,505)	\$ (105)
Amortization of above or accretion of below market lease rents	(87)	—
Acquisition costs	355	—
Distributions	13	152
Straight line rent	(111)	—
	<u>          </u>	<u>          </u>
AFFO	<u>\$ (17,335)</u>	<u>\$ 47</u>

## **Liquidity and Capital Resources**

We derived the capital required to purchase and originate our real estate-related investments and conduct our operations from the proceeds of our prior Offering, from secured or unsecured financings from banks and other lenders and from any undistributed funds from our operations. On October 28, 2014, we entered into a senior secured loan agreement with third party investment entities. The senior secured loan provides for secured loans in an aggregate amount up to \$192,000, with cash funding through December 31, 2014 in the amount of \$165,000 and \$20,000 of original issue discount. Our operating partnership used \$155,000 of the net proceeds of the funding to acquire 20 industrial properties in Chicago, Columbus, Memphis, Cleveland, Cincinnati, Atlanta, Portland (ME), and Marlton (NJ), totaling four million square feet, and additional net proceeds utilized to repay existing indebtedness (our secured working capital loan), to pay fees and expenses and for working capital purposes.

The loans under the senior secured loan bear interest at a current pay rate equal to 7% per annum, coupled with payment-in-kind features with respect to the remaining interest at varying rates. On March 26, 2015, the Company exercised its option to extend the maturity date of the loans to October 28, 2015 from the original maturity date of April 28, 2015. We have the option to prepay the loans, subject to a make-whole premium in the event the loans are prepaid. The borrowings under the senior secured loan agreement are secured by first lien mortgages on all of the properties in the Existing Portfolio and pledges of equity interests in our operating partnership and its wholly-owned subsidiaries. Our operating partnership's obligations under the senior secured loan agreement are also guaranteed by the Company and each of our operating partnership's subsidiaries.

The senior secured loan contains customary representations and warranties, as well as affirmative and negative covenants. The negative covenants include restrictions on additional indebtedness, restrictions on liens, fundamental changes, dispositions, restricted payments, change in nature of business, transactions with affiliates and burdensome agreements. The senior secured loan contains financial covenants that require the maintenance of a fixed charge coverage ratio as of the last day of any fiscal quarter of 1.1 to 1.0 and an annual amount of net operating income, \$12,200. The senior secured loan agreement is subject to acceleration upon certain specified events of defaults, including breaches of representations or covenants, failure to pay other material indebtedness, failure to pay taxes or a change of control of the company as defined in the senior secured loan agreement. As of March 31, 2015 we were in compliance with all covenants under the senior secured loan. As of March 31, 2015, we had an accumulated deficit of approximately \$46,038 and had limited amounts of available liquidity evidenced by our cash position of \$2,543. The Company continues to maintain arrangements with certain of its vendors to limit future expenses related to certain professional services.

Our ability to meet our working capital needs and repay our borrowings under our senior secured loan agreement is dependent on our ability to secure additional debt financing or issue additional equity. There is no assurance, however, that those forms of capital will be available to us, or on terms acceptable to us. In the event, those sources of capital are not available to us, we would seek an extension on the maturity of our senior secured loan agreement, although there can be no assurance that such an extension would be provided or provided on terms acceptable to us. These conditions raise substantial doubt about the company's ability to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

We intend to make reserve allocations as necessary to aid our objective of preserving capital for our investors by supporting the maintenance and viability of properties we acquire in the future. If reserves and any other available income become insufficient to cover our operating expenses and liabilities, it may be necessary to obtain additional funds by borrowing, refinancing properties or liquidating our investments.

Our principal demands for cash are for acquisition costs, including the purchase price of the assets we acquire, improvement costs, the payment of our operating and administrative expenses and distributions to our stockholders. Generally, we will fund our planned acquisitions from additional debt financing or issue additional equity. We intend to acquire our assets with cash and mortgage or other debt, but we also may acquire assets free and clear of permanent mortgage or other indebtedness by paying the entire purchase price for the asset in cash or in units issued by our operating partnership.

In summary, our cash flows were:

	<b>Three Months Ended</b>	
	<b>March 31,</b>	
	<b>2015</b>	<b>2014</b>
	<i>(In thousands)</i>	
Net cash used in operating activities	\$ (1,714)	\$ (546)
Net cash provided (used) by investing activities	\$ (561)	\$ 152
Net cash provided (used) by financing activities	\$ (156)	\$ 761

*Operating Activities:* Net cash used in operating activities was approximately \$1,714 during the three months ended March 31, 2015 and \$546 for the three months ended March 31, 2014. In the fourth quarter of 2014, we acquired 20 industrial properties located in seven states with an aggregate of approximately 4,350,000 rentable square feet during the fourth quarter of 2014. Our net loss increased significantly from \$374 for the three months ended March 31, 2014 to \$21,184 for the three months ended March 31, 2015. Cash used in operating activities included approximately \$16,631 of non-cash interest charges, and approximately \$3,108 of depreciation and amortization expense.

*Investing Activities:* Investing activities for the three months ended March 31, 2015 were \$561. Net cash used in investing activities for the three months ended March 31, 2015 represented distributions provided from the Company's unconsolidated joint ventures, \$13, and used for deposits for pending transactions, (\$550) and improvements to real estate properties, (\$24).

*Financing Activities:* For the three months ended March 31, 2015, the Company incurred \$156 of Deferred Offering Costs related to the June 16, 2014 Company filing of an S-11 registration with the SEC for the issuance of securities issued by real estate companies, to raise funds in the public market on the New York Stock Exchange. The complete document and any amendments thereto, the most recent filed as of February 5, 2015, are on file with the SEC. There is no assurance we will complete the offering. For the three months ended March 31, 2014, we raised \$761, net of offering costs, from the issuance of Common Stock related to our prior public offering that was terminated in early 2014.

At March 31, 2015, the Company had cash of \$2,543 with obligations outstanding under the senior secured loan, and no obligations to fund capital in the existing investments.

#### **Off-Balance Sheet Arrangements**

We have no off-balance sheet arrangements (as that term is defined in Item 303(a)(4)(ii) of Regulation S-K) as of March 31, 2015 that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

#### **Recently Issued Accounting Standards**

The Company has evaluated all ASUs released by the FASB through the date the financial statements were issued and determined that the following ASUs apply to the Company.

In August 2014, the FASB issued ASU 2014-15, Disclosure of Uncertainties About an Entity's Ability to Continue as a Going Concern, which provides guidance on determining when and how to disclose going concern uncertainties in the financial statements. The new standard requires management to perform interim and annual assessments of an entity's ability to continue as a going concern within one year of the date the financial statements are issued. An entity must provide certain disclosures if conditions or events raise substantial doubt about the entity's ability to continue as a going concern. The standard applies to all entities and is effective for annual periods ending after December 15, 2016, and interim periods thereafter, with early adoption permitted. The Company is evaluating the effect that ASU 2014-15 will have on its consolidated financial statements and related disclosures.

In February 2015, the FASB issued ASU 2015-02, Consolidation (topic 810) to address financial reporting considerations for the evaluation as to the requirement to consolidate certain legal entities. ASU 2015-02 is effective for fiscal years and for interim periods within those fiscal years beginning after December 15, 2015. The Company is evaluating the impact of ASU 2015-02 and if early adoption is appropriate in future reporting periods.

In April 2015, the FASB issued ASU 2015-03, Interest – Imputation of Interest (Subtopic 835-30) as part of the initiative to reduce complexity in accounting standards. The update requires that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. ASU 2015-03 is effective for annual periods beginning after December 15, 2015 and for interim periods within those fiscal years. The Company is evaluating the impact of ASU 2015-03, and if early adoption is appropriate in future reporting periods.

#### **ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

Not Applicable

## ITEM 4. CONTROLS AND PROCEDURES

### Disclosure Controls and Procedures

#### *Evaluation of Disclosure Controls and Procedures*

Disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) are designed to provide reasonable assurance that information required to be disclosed in reports we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the forms and rules of the SEC and that such information is accumulated and communicated to management, including the CEO and CFO, in a manner to allow timely decisions regarding required disclosures.

In connection with the preparation of this Form 10-Q, our management, including the CEO and CFO, updated its December 31, 2014 evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as of March 31, 2015. As described below, management had previously identified a material weaknesses in our internal control over financial reporting, which is an integral component of our disclosure controls and procedures. As a result of the current review, our management has concluded that, as of March 31, 2015, our disclosure controls and procedures were not effective.

The specific material weakness that management identified in our internal controls as of March 31, 2015 is as follows:

- We did not have a sufficient number of adequately trained technical accounting and external reporting personnel to support standalone external financial reporting under SEC requirements.

The Company has taken a number of actions over the past twelve months, including:

- Hiring an adequately qualified CFO
- Hiring an adequately qualified VP of Accounting
- Use of third-party financial consultants as needed for specific GAAP and SEC-related requirements.

Based on an evaluation of the controls in place at March 31, 2015 management has concluded that significant improvements have been made and to address the continued growth anticipated for the balance of 2015, the Company will be required to continue to add personnel to appropriately address the control environment and ensure timely and accurate financial reporting.

#### *Changes in Internal Control over Financial Reporting*

There were no changes in our internal control over financial reporting or in other factors during the quarter ended March 31, 2015, that have materially affected, or were reasonably likely to materially affect, our internal control over financial reporting.

## PART II OTHER INFORMATION

### Item 1. Legal Proceedings

As of the end of the period covered by this Quarterly Report on Form 10-Q, we are not a party to any material pending legal proceedings.

### Items 1A. Risk Factors

Not Applicable

### Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None

### Item 3. Defaults Upon Senior Securities

None

**Item 4. Mine Safety Disclosures**

Not Applicable

**Item 5. Other Information**

None

**Item 6. Exhibits**

<u>Exhibit No.</u>	<u>Description</u>
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	XBRL Instance
101.XSD	XBRL Schema
101.CAL	XBRL Calculation
101.DEF	XBRL Definition
101.LAB	XBRL Label
101.PRE	XBRL Presentation

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on our behalf by the undersigned, hereunto duly authorized.

PLYMOUTH INDUSTRIAL REIT, INC.

By: /s/ Jeffrey E. Witherell  
Jeffrey E. Witherell,  
Chief Executive Officer and Chairman of the Board of Directors

By: /s/ Daniel C. Wright  
Daniel C. Wright,  
Chief Financial Officer

Dated: May 7, 2015

**Certification of Chief Executive Officer pursuant to  
Section 302 of the Sarbanes-Oxley Act of 2002**

I, Jeffrey E. Witherell, certify that:

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

Date: May 7, 2015

/s/ JEFFREY E. WITHERELL  
Jeffrey E. Witherell  
Chief Executive Officer and  
Chairman of the Board of Directors

**Certification of Chief Financial Officer pursuant to  
Section 302 of the Sarbanes-Oxley Act of 2002**

I, Daniel C. Wright, certify that:

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

Date: May 7, 2015

/s/ DANIEL C. WRIGHT  
Daniel C. Wright  
Chief Financial Officer

**Certification pursuant to 18 U.S.C. Section 1350,  
as Adopted pursuant to Section 906 of the  
Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report on Form 10-Q of Plymouth Industrial REIT, Inc. (the "Registrant") for the quarter ended March 31, 2015, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, Jeffrey E. Witherell, Chairman of the Board, Chief Executive Officer and Director of the Registrant, hereby certifies, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his knowledge and belief:

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

Date: May 7, 2015

/s/ JEFFREY E. WITHERELL  
Jeffrey E. Witherell  
*Chief Executive Officer and  
Chairman of the Board of Directors*



**Certification pursuant to 18 U.S.C. Section 1350,  
as Adopted pursuant to Section 906 of the  
Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report on Form 10-Q of Plymouth Industrial REIT, Inc. (the "Registrant") for the quarter ended March 31, 2015, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, Daniel Wright, the Chief Financial Officer of the Registrant, hereby certifies, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his knowledge and belief:

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

Date: May 7, 2015

/s/ DANIEL C. WRIGHT  
Daniel C. Wright  
*Chief Financial Officer*