

SPIRIT REALTY CAPITAL, INC.

Form 10-K/A

November 01, 2016

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K/A

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

For the fiscal year ended December 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 001-36004

SPIRIT REALTY CAPITAL, INC.

(Exact name of registrant as specified in its charter)

Maryland

(State or other jurisdiction of
incorporation or organization)

2727 North Harwood Street, Suite 300, Dallas, Texas 75201

(Address of principal executive offices; zip code)

20-1676382

(I.R.S. Employer

Identification Number)

(972) 476-1900

(Registrant's telephone number, including area code)

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

Title of each class: _____ Name of exchange on which registered: _____

Common Stock, \$0.01 par value New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes No

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or 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 (§ 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 if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.
Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer 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.

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Large accelerated filer Accelerated filer
Non-accelerated filer (Do not check if smaller reporting company) Smaller reporting company
Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes No

As of June 30, 2015 (the last business day of the registrant's most recently completed second fiscal quarter), the aggregate market value of the Registrant's shares of common stock, \$0.01 par value, held by non-affiliates of the Registrant, was \$4.3 billion based on the last reported sale price of \$9.67 per share on the New York Stock Exchange on June 30, 2015.

The number of outstanding shares of the registrant's common stock, \$0.01 par value, as of February 19, 2016, was 441,819,444 shares.

Documents Incorporated by Reference

Certain specific portions of the definitive Proxy Statement for Spirit Realty Capital, Inc.'s 2016 Annual Meeting of Stockholders to be filed pursuant to Regulation 14A are incorporated by reference into Part III, Items 10, 11, 12, 13 and 14 of this Annual Report on Form 10-K/A. Only those portions of the Proxy Statement which are specifically incorporated by reference herein shall constitute a part of this Annual Report on Form 10-K/A.

Explanatory Note

The Company is restating its audited consolidated financial statements for the year ended December 31, 2015 and its interim unaudited consolidated financial statements for the quarters ended March 31, 2015, June 30, 2015 and September 30, 2015. See the Company's Current Report on Form 8-K filed with the SEC on October 19, 2016 for additional details.

When the Company disposes of real estate assets, if the real estate assets constitute a business, a portion of the Company's goodwill should be allocated to the carrying value of the business disposed of to determine the gain/loss on disposal. Further, when the Company classifies real estate assets that constitute a business as held for sale, the carrying amount used to determine an impairment loss, if any, should include an allocation of goodwill, in accordance with ASC 350 "Intangibles - Goodwill and Other". Historically, the Company did not allocate goodwill resulting from the Cole II Merger to real estate assets disposed of or consider the amount of goodwill attributable to real estate assets held for sale in assessing impairment in the Company's consolidated financial statements as of and for the year ended December 31, 2015.

As explained in Note 2 to the consolidated financial statements included within this Form 10-K/A (as defined below), the restatement is a correction of an error in the application of the accounting treatment under ASC 350. For each real estate asset that constitutes a business that was disposed of or classified as held for sale, the restatement reflects an allocation of goodwill that has been derived based upon the proportionate fair value of the real estate asset to the fair value of the Company's reporting unit (i.e. the Company's equity).

The allocation of goodwill to real estate assets disposed of resulted in a decrease in gain on disposition of assets of \$20.6 million for the year ended December 31, 2015 and a decrease of \$27.1 million to goodwill as of December 31, 2015. The allocation of goodwill to real estate assets held for sale resulted in an increase of \$1.0 million to impairments for the year ended December 31, 2015 and a decrease of \$0.9 million to real estate assets held for sale, net as of December 31, 2015. Additionally, the correction of these errors resulted in an increase of \$28.0 million to accumulated deficit as of December 31, 2015.

This Amendment No. 1 on Form 10-K/A ("Form 10-K/A") to our Annual Report on Form 10-K for the annual period ended December 31, 2015, initially filed with the SEC on February 26, 2016 (the "Original Filing"), is being filed to reflect the restatement of (i) the Company's consolidated balance sheet at December 31, 2015 and (ii) the Company's consolidated statements of operations, comprehensive income, stockholders' equity and cash flows for the year ended December 31, 2015, and the notes related thereto. Additionally, although the effects were immaterial, the Company's consolidated balance sheet as of December 31, 2014 and the Company's consolidated statements of operations, comprehensive loss, stockholders' equity and cash flows for the years ended December 31, 2014 and 2013 included in this Form 10-K/A are being restated to reflect the correction of these errors. For the convenience of the reader, this Form 10-K/A sets forth the Original Filing in its entirety and only amends and restates Item 1A of Part I and Items 6, 7, 8 and 9A of Part II of the Original Filing to reflect the adjustments described above and in Note 2, and the related impact on disclosures. No other information in the Original Filing is amended. For a more detailed description of these matters, see Note 2 to the accompanying consolidated financial statements in this Form 10-K/A.

Notably, these adjustments did not negatively impact the following metrics of the Company:

Revenues;

Cash position or its total cash flows from operating, investing or financing activities;

Liquidity;

Funds from operations ("FFO");

Adjusted funds from operations ("AFFO");

Reported capitalization rates on the sale of assets; and

Any metric utilized in the determination of executive compensation.

Additionally, the Company remains in compliance with all of its debt agreements and financial covenants.

Pursuant to the rules of the SEC, Item 15 of Part IV of the Original Filing has been amended to contain the currently-dated certifications from our Chief Executive Officer and Chief Financial Officer, as required by Sections 302 and 906 of the Sarbanes-Oxley Act of 2002. The certifications of our Chief Executive Officer and Chief Financial Officer are attached to this Form 10-K/A as Exhibits 31.1, 31.2 and 32.1, respectively.

SPIRIT REALTY CAPITAL, INC.

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GLOSSARY

Definitions:

1031 Exchange	Tax-deferred like-kind exchange of properties held for business or investment purposes, pursuant to Section 1031 of the Code
2013 Credit Facility	\$400.0 million secured credit facility pursuant to the credit agreement between the Operating Partnership and certain lenders dated July 17, 2013
2015 Credit Facility	\$600.0 million unsecured credit facility pursuant to the Credit Agreement
2019 Notes	\$402.5 million convertible notes of the Corporation due in 2019
2021 Notes	\$345.0 million convertible notes of the Corporation due in 2021
401(k) Plan	Defined contribution retirement savings plan qualified under Section 401(k) of the Code
ACM	Asbestos-Containing Materials
ADA	Americans with Disabilities Act
Additional Collateral Deposit	A cash reserve deposit or letter of credit in the amount of \$8.0 million required pursuant to an amendment of a certain CMBS loan agreement
AFFO	Adjusted Funds From Operations
AOCL	Accumulated Other Comprehensive Loss
ASC	Accounting Standards Codification
ASU	Accounting Standards Update
ATM Program	At the Market equity distribution program, pursuant to which the Corporation may offer and sell registered shares of common stock from time to time
CAM	Tenant Common Area Maintenance costs
CMBS	Commercial Mortgage Backed Securities
Code	Internal Revenue Code of 1986, as amended
Cole II	Cole Credit Property Trust II, Inc.
Cole II Merger	Acquisition on July 17, 2013 of Cole II by the Company, in which the Company merged with and into the Cole II legal entity
Collateral Pools	Pools of collateral assets that are pledged to the indenture trustee for the benefit of the noteholders and secure obligations of issuers under the Spirit Master Funding Program
Company	The Corporation and its consolidated subsidiaries
Convertible Notes	The 2019 Notes and 2021 Notes, together
Corporation	Spirit Realty Capital, Inc., a Maryland corporation
CPI	Consumer Price Index
Credit Agreement	2015 credit facility agreement between the Operating Partnership and certain lenders dated March 31, 2015, as amended on November 3, 2015
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortization
EBITDAR	Earnings Before Interest, Taxes, Depreciation, Amortization and Rent
EDF	Estimated Default Frequency
Excess Cash	Rent received in excess of debt service obligations
Exchange Act	Securities Exchange Act of 1934, as amended
Exchange Offer	Offer to exchange the outstanding principal balance of three series of existing net-lease mortgage notes for three series of newly issued Master Trust 2014 notes in May 2014
FASB	Financial Accounting Standards Board
FFO	Funds From Operations
GAAP	Generally Accepted Accounting Principles in the United States
Incentive Award Plan	Spirit Realty Capital, Inc. and Spirit Realty, L.P. 2012 Incentive Award Plan
IASB	International Accounting Standards Board
IFRS	International Financial Reporting Standards

Definitions:

IPO	Initial Public Offering
IRS	Internal Revenue Service
LIBOR	London Interbank Offered Rate
Line of Credit	\$40.0 million secured revolving credit facility pursuant to the loan agreement between an indirect wholly-owned subsidiary of the Corporation and a certain lender dated March 27, 2013, as amended
Master Trust 2013	The net-lease mortgage securitization trust established in December 2013 under the Spirit Master Funding Program
Master Trust 2014	The net-lease mortgage securitization trust established in 2005 and amended and restated in 2014 under the Spirit Master Funding Program
Master Trust Exchange Costs	Legal, accounting and financial advisory services costs incurred in connection with the Exchange Offer
Master Trust Notes	The Master Trust 2013 and Master Trust 2014 notes, together
Master Trust Release	Proceeds from the sale of assets securing the Master Trust Notes held in restricted accounts until a qualifying substitution is made
Merger	The transaction in which the Corporation's prior legal entity merged into the Cole II legal entity
Merger Exchange Ratio	Merger exchange ratio of 1.9048
MGCL	Maryland General Corporation Law
Moody's	Moody's Investor Services
NAREIT	National Association of Real Estate Investment Trusts
Normalized Rental Revenue	Total rental revenue normalized to exclude rental revenues contributed by properties sold during a given period
Normalized Revenue	Total revenue normalized to exclude revenues contributed by properties sold during a given period
NYSE	New York Stock Exchange
OP Holdings	Spirit General OP Holdings, LLC
Operating Partnership	Spirit Realty, L.P., a Delaware limited partnership
PATH Act	Protecting Americans from Tax Hikes Act of 2015
REIT	Real Estate Investment Trust
Revolving Credit Facilities	The 2013 Credit Facility, the 2015 Credit Facility and Line of Credit, together
S&P	Standard & Poor's Rating Services
SEC	Securities and Exchange Commission
Securities Act	Securities Act of 1933, as amended
Shopko	Specialty Retail Shops Holding Corp. and certain of its affiliates
Spirit Master Funding Program	The Company's asset-backed securitization program that comprises Master Trust 2013 and Master Trust 2014
Term Loan	\$325.0 million senior unsecured term facility pursuant to the Term Loan Agreement
Term Loan Agreement	Term loan agreement between the Operating Partnership and certain lenders dated November 3, 2015
Total Debt	Principal debt outstanding before discounts, premiums or deferred financing costs
TRS	Taxable REIT Subsidiaries
TSR	Total Shareholder Return
U.S.	United States
Walgreens	Walgreen Company

Unless otherwise indicated or unless the context requires otherwise, all references to the "registrant," the "Company," "Spirit Realty Capital," "we," "us" or "our" refer to the Corporation and its consolidated subsidiaries, including the Operating Partnership.

PART I

The following discussion relates to our consolidated financial statements and should be read in conjunction with the consolidated financial statements and notes thereto appearing elsewhere in this Annual Report on Form 10-K/A. Statements contained in Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations" that are not historical facts may be forward-looking statements. Such statements are subject to certain risks and uncertainties, which could cause actual results to differ materially from those projected. Some of the information presented is forward-looking in nature, including information concerning projected future occupancy rates, rental rate increases, property development timing and investment amounts. Although the information is based on our current expectations, actual results could vary from expectations stated in this report. Numerous factors will affect our actual results, some of which are beyond our control. These include the breadth and duration of the current economic situation and its impact on our tenants, the strength of commercial and industrial real estate markets, market conditions affecting tenants, competitive market conditions, interest rate levels, volatility in our stock price and capital market conditions. You are cautioned not to place undue reliance on this information, which speaks only as of the date of this report. We assume no obligation to update publicly any forward-looking information, whether as a result of new information, future events, or otherwise, except to the extent we are required to do so in connection with our ongoing requirements under federal securities laws to disclose material information. For a discussion of important risks related to our business, and related to investing in our securities, including risks that could cause actual results and events to differ materially from results and events referred to in the forward-looking information, see Item 1A. "Risk Factors - Special Note Regarding Forward-Looking Statements" and Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations - Liquidity and Capital Resources." In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this Annual Report on Form 10-K/A might not occur.

Available Information

The Corporation's principal executive offices are located at 2727 North Harwood Street, Suite 300, Dallas, Texas 75201. Our telephone number at that location is 972-476-1900. We maintain an Internet Web site at www.spiritrealty.com. On the Investor Relations page on our Web site, we post the following filings as soon as reasonably practicable after they are electronically filed with or furnished to the SEC: our Annual Report on Form 10-K, our Quarterly Reports on Form 10-Q, our Current Reports on Form 8-K, and the Section 16 filings of our directors and officers as well as any amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act. All such filings on our Investor Relations page of our Web site are available to be viewed free of charge. Also available on our Web site, free of charge, are our corporate governance guidelines, the charters of the nominating and corporate governance, audit and compensation committees of our board of directors and our code of business conduct and ethics (which applies to all directors and employees, including our principal executive officer, principal financial officer and principal accounting officer).

Information contained on or hyperlinked from our Web site is not incorporated by reference into and should not be considered part of this Annual Report on Form 10-K/A or our other filings with the SEC. A copy of this Annual Report on Form 10-K/A is available without charge upon written request to: Investor Relations, Spirit Realty Capital, Inc., 2727 North Harwood Street, Suite 300, Dallas, Texas 75201. All reports we file with the SEC are available free of charge on the SEC's Web site at www.sec.gov. In addition, the public may read and copy materials we file with the SEC at the SEC's public reference room located at 100 F Street, N.E., Washington, D.C. 20549. Shares of our common stock are traded on the NYSE under the symbol "SRC."

Item 1. Business

The Company

The Corporation is a New York Stock Exchange listed company under the ticker symbol "SRC". We are a self-administered and self-managed REIT with in-house capabilities, including acquisition, portfolio management, asset management, credit research, real estate research, legal, finance and accounting and capital markets. We

primarily invest in single-tenant, operationally essential real estate throughout the U.S., which is generally acquired through strategic sale-leaseback transactions and subsequently leased on a long-term, triple-net basis to high-quality tenants with business operations within predominantly retail, but also office and industrial property types.

As of December 31, 2015, our undepreciated gross investment in real estate and loans totaled approximately \$8.30 billion, representing investments in 2,629 properties, including properties securing our mortgage loans. Of this amount,

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98.7% consisted of our gross investment in real estate, representing ownership of 2,485 properties, and the remaining 1.3% consisted primarily of commercial mortgage loans receivable secured by 144 real properties.

As of December 31, 2015, our owned properties were approximately 98.6% occupied (based on number of properties), and our leases had a weighted average non-cancelable remaining lease term (based on total rental revenue) of approximately 10.7 years. Our leases are generally long-term, typically with non-cancelable initial terms of 15 to 20 years and tenant renewal options for additional terms. As of December 31, 2015, approximately 88% of our single-tenant leases (based on Normalized Rental Revenue) provided for increases in future annual base rent. See Item 2. "Properties - Our Real Estate Investment Portfolio" for further information on our properties and tenants.

Our operations are carried out through the Operating Partnership. OP Holdings, one of our wholly-owned subsidiaries, is the sole general partner and owns 1.0% of the Operating Partnership. We and one of our wholly-owned subsidiaries are the only limited partners and together own the remaining 99.0% of the Operating Partnership.

Although the Operating Partnership is wholly-owned by us, in the future, we may issue partnership interests in the Operating Partnership to third parties in exchange for assets owned by such third parties. In general, any partnership interests of the Operating Partnership issued to third parties would be exchangeable for cash or, at our election, shares of our common stock at specified ratios set when partnership interests in the Operating Partnership are issued.

As of December 31, 2015, we had 71 employees, as compared to 73 employees as of December 31, 2014. None of these employees are represented by a labor union.

History

We began operations through a predecessor legal entity in 2003. We became a public company in December 2004 and were subsequently taken private in August 2007 by a consortium of private investors. On September 25, 2012, we completed our IPO of 33.35 million shares of common stock (including shares issued on October 1, 2012 pursuant to the underwriters' option to purchase additional shares).

On July 17, 2013, we completed the acquisition of Cole II through the Merger. Our board of directors (including two additional members designated by Cole II) and executive team managed the surviving entity, which was renamed Spirit Realty Capital, Inc. and began trading on the NYSE under the "SRC" symbol. Cole II was the "legal acquirer" in the Merger for certain legal and regulatory matters and the Corporation was deemed the "accounting acquirer" in the Merger for accounting and financial reporting purposes, including the financial information set forth herein.

Business and Growth Strategies

Our objective is to maximize stockholder value by seeking superior risk-adjusted returns with an emphasis on stable rental revenue, primarily by investing in and managing a portfolio of single-tenant, operationally essential real estate throughout the U.S. that is generally acquired through strategic sale-leaseback transactions and subsequently leased on a long-term, triple-net basis. We generate our revenue primarily by leasing our properties to our tenants. We operate in one reporting segment. See Item 2. "Properties" for property information and Item 6. "Selected Financial Data" for additional financial and asset information.

Single-tenant, operationally essential real estate consists of properties that are generally free-standing, commercial real estate facilities where our tenants conduct activities that are essential to the generation of their sales and profits. Under a triple-net lease, the tenant is typically responsible for all improvements and is contractually obligated to pay all property operating expenses, such as real estate taxes, insurance premiums and repair and maintenance costs. In support of our primary business of owning and leasing real estate, we have also strategically originated or acquired long-term, commercial mortgage and other loans. We view our operations as one segment consisting of leased properties. We intend to pursue our objective through the following business and growth strategies:

Focus on Small and Middle Market Companies. We primarily focus on investing in properties that we net lease to small and middle market companies that we determine have attractive credit characteristics and stable operating histories, but that may not carry a credit rating from a rating agency. This strategy offers us the opportunity to achieve superior risk-adjusted returns when coupled with our intensive credit and real estate analysis, lease structuring and ongoing portfolio management. Small and middle market companies are often willing to enter into leases with

structures and terms that we consider attractive (such as master leases, leases with rental escalations and leases that require ongoing tenant financial reporting) and that we believe increase the security of rental

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payments. In addition to small and middle market companies, we selectively acquire properties leased to large companies where we believe that we can achieve superior risk-adjusted returns.

The following chart highlights the tenants that we target based on company size and corporate credit equivalent:

Use Our Developed Underwriting and Risk Management Processes to Structure and Manage Our Portfolio. We seek to maintain the stability of our rental revenue and the long-term return on our investments by using our developed underwriting and risk management processes to structure and manage our portfolio. In particular, our underwriting and risk management processes emphasize the following:

Leases for Operationally Essential Real Estate with Relatively Long Terms. We seek to own properties that are operationally essential to our tenants, thereby reducing the risk that the tenant would choose not to renew an expiring lease or reject a lease in bankruptcy. In addition, we seek to enter into leases with relatively long terms, typically with non-cancelable initial terms of 15 to 20 years and tenant renewal options for additional terms with attractive rent escalation provisions.

Use of the Master Lease Structure. Where appropriate, we seek to enter into master leases, pursuant to which we lease multiple properties to a single tenant on an “all or none” basis. In a master lease structure, a tenant is responsible for a single lease payment relating to the entire portfolio of leased properties, as opposed to multiple lease payments relating to individually leased properties. The master lease structure prevents a tenant from “cherry picking” locations, where it unilaterally gives up underperforming properties while maintaining its leasehold interest in well-performing properties. As of December 31, 2015, we had 124 active master leases with portfolios of leased properties ranging from 2 to 189 and a weighted average non-cancelable remaining lease term (based on rental revenues) of 13.6 years. Master lease revenues contributed approximately 46% of our Normalized Rental Revenue. One master lease, consisting of 81 properties, contributed 7.7% of our Normalized Revenue, and our smallest master lease, consisting of 2 properties, contributed less than 1% of our Normalized Revenue for the three months ended December 31, 2015. As of December 31, 2015, the majority of our master leases include between two and eight properties.

Active Management and Monitoring of Risks Related to Our Investments. When monitoring existing investments or evaluating new investments, we typically consider two broad categories of risk: (1) tenant financial distress risk; and (2) lease renewal risk. We seek to measure these risks through various processes, including the use of a credit modeling product that we license from Moody’s Analytics that

estimates the performance of the leased properties relative to rental payments due under the leases, and a review of current market data and our historical recovery rates on re-leased properties and property dispositions. Our underwriting and risk management processes are designed to structure new investments and manage existing investments to address and mitigate each of the above risks and preserve the long-term return on our invested capital. Since our inception, our occupancy has never been below 96.1% (based on number of properties), despite the economic downturn of 2008 through 2010.

Portfolio Diversification. We monitor and manage the diversification of our real estate investment portfolio in order to reduce the risks associated with adverse developments affecting a particular tenant, property, industry or region. Our strategy emphasizes a portfolio that (1) derives no more than 10% of its annual rent from any single tenant and no more than 1.0% of its annual rent from any single property, (2) is leased to tenants operating in various industries and (3) is located across the U.S. without significant geographic concentration. While we consider the foregoing when making investments, we have made, and may make investments in the future that do not meet one or more of these criteria, and we may make additional investments that do not meet one or more of these criteria if we believe the opportunity is sufficiently attractive.

Enhance Our Portfolio through Contractual Growth. Approximately 88% of our single-tenant properties (based on Normalized Rental Revenue) contain contractual provisions that increase the rental revenue over the term of the lease. Generally, our rent escalators increase rent at specified dates by: (1) a fixed amount; or (2) the lesser of (a) 1 to 1.25 times any increase in the CPI over a specified period, or (b) a fixed percentage, typically 1% to 2% per year.

Selectively Grow Our Portfolio through Acquisitions. We plan to selectively make acquisitions that we believe will contribute to our business objective. We believe there will be ample acquisition opportunities in the single-tenant market fitting our underwriting and acquisition criteria, which may include improving our portfolio's tenant, industry and geographic diversification, among other rationale. Acquisitions of such properties or portfolios may be subject to existing indebtedness or to new indebtedness which may be incurred in connection with acquiring or refinancing these investments.

Deleverage Our Portfolio. A significant amount of our debt is partially amortizing, and its principal amount will be reduced prior to the balloon payments due at maturity. Contractual amortization payments are scheduled to reduce our outstanding principal amount of indebtedness by \$180.0 million prior to January 1, 2021. We may also selectively reduce our indebtedness using cash from operations in excess of our distributions or proceeds from equity offerings. We may also strategically replace or refinance certain indebtedness with proceeds from new borrowings that represent a lower cost of capital. We believe contractual rent growth, selective growth through acquisitions and the ongoing deleveraging of our portfolio will contribute to our cash available for distributions.

Disciplined Disposition of Select Assets. We typically retain and manage real estate assets that fit within our investment criteria, which criteria are subject to change without notice to or vote by our stockholders. Additionally, management may elect to dispose of assets when it believes appropriate in view of our business objective, considering criteria including, but not limited to, tenant concentration, tenant credit quality, unit financial performance, local market conditions and lease rates, associated indebtedness, asset location, tenant operation type (e.g., industry, sector, or concept/brand), and asset zoning, as well as potential capital appreciation, potential uses of proceeds and tax considerations, among others.

Financing Strategy

Our long-term financing strategy is to maintain a leverage profile that creates operational flexibility and generates superior risk-adjusted returns for our stockholders. We finance our operations and investments using a variety of methods, including available unrestricted cash balances, property operating revenue, proceeds from property dispositions, borrowing under our available Revolving Credit Facilities and Term Loan, common stock issuances, and

debt securities issuances, including mortgage indebtedness and senior unsecured debt. We determine the amount of equity and debt financing to be used when acquiring an asset by evaluating our cost of equity capital, terms available in the credit markets (such as interest rate, repayment provisions and maturity) and our assessment of the particular asset's risk.

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We may issue common stock when we believe that our share price is at a level that allows the offering proceeds to be accretively invested into additional properties, to permanently finance properties that were financed by our Revolving Credit Facilities or to repay high interest rate mortgage debt.

In November 2013, we filed a shelf registration statement with the SEC, which is effective for a term of three years and will expire in November 2016. The securities covered by this registration statement include (1) common stock, (2) preferred stock, (3) depositary shares representing shares or fractional shares of preferred stock, (4) warrants to purchase shares of common stock, preferred stock or depositary shares, (5) rights to purchase shares of common stock or other securities and (6) units consisting of two or more of the foregoing. We may periodically offer one or more of these securities in amounts, prices and on terms to be announced when and if these securities are offered. The specifics of any future offerings, along with the use of proceeds from any such offerings, will be described in detail in a prospectus supplement or other offering materials at the time of such offerings.

Historically, a significant portion of our debt has consisted of long-term borrowings secured by specific real estate assets or, more typically, pools of real estate assets. We have also utilized our asset-backed securitization platform to raise capital through the issuance of non-recourse net-lease mortgage notes collateralized by commercial real estate, net-leases and mortgage loans under the Spirit Master Funding Program. In addition, we have issued senior unsecured debt securities and have obtained other senior unsecured debt at the Operating Partnership level. To the extent practicable, we expect to maintain a well-balanced debt profile with manageable and balanced maturities.

We expect to fund our operating expenses and other short-term liquidity requirements, including property acquisitions, payment of principal and interest on our outstanding indebtedness, property improvements, re-leasing costs, and cash distributions to common stockholders, primarily through cash provided by operating activities, borrowings under our available Revolving Credit Facilities and Term Loan and occasionally through issuances of common stock and entering into secured and unsecured debt agreements.

We anticipate that we will continue to use a number of different sources to finance our acquisitions and operations going forward; however, we cannot assure you that we will have access to the capital and credit markets at times and at terms that are acceptable to us.

Recent Developments

Financing Activities

2015 Credit Facility

On March 31, 2015, the Operating Partnership entered into a new \$600.0 million unsecured Credit Agreement with various lenders with an initial term that expires on March 31, 2019 (extendable at the Operating Partnership's option to March 31, 2020, subject to certain requirements). The 2015 Credit Facility replaced the Operating Partnership's previous \$400.0 million secured revolving credit facility and bears interest at LIBOR plus an applicable margin based on our leverage. The applicable margin in effect at December 31, 2015 was 1.55%. The Credit Agreement includes an accordion feature to increase the size of the 2015 Credit Facility to up to \$1.0 billion, subject to satisfying certain requirements and obtaining additional lender commitments.

On November 3, 2015, the Company entered into a first amendment to the Credit Agreement. The amendment provided the release of the subsidiary guarantors that were parties thereto and conforms certain of the terms and covenants to those in the Term Loan Agreement. Additionally, the Operating Partnership's election to change the grid pricing from leverage based to credit rating based pricing will initially require at least two credit ratings of BBB- or better from S&P or Fitch or Baa3 or better from Moody's.

Issuance of Common Stock

In April 2015, we completed an underwritten public offering of 23.0 million shares of our common stock at \$11.85 per share, including 3.0 million shares issued pursuant to the underwriter's option to purchase additional shares. Gross proceeds raised were approximately \$272.6 million and net proceeds were approximately \$268.7 million after underwriter discounts and offering costs paid by the Company.

Term Loan

On November 3, 2015, the Company entered into a Term Loan Agreement among the Operating Partnership as borrower, the Corporation as guarantor and the lenders that are parties thereto. The Term Loan Agreement provides for a \$325.0 million senior unsecured term facility that has an initial maturity date of November 2, 2018, which may be extended at the Company's option pursuant to two one-year extension options, subject to the satisfaction of certain conditions and payment of an extension fee. On December 3, 2015, a new lender committed an additional \$45.0 million increasing the committed amount under the Term Loan to \$370.0 million. An accordion feature allows the Term Loan to be increased to up to \$600.0 million, subject to obtaining additional lender commitments. Borrowings may be repaid without premium or penalty and may be reborrowed within 30 days up to the then available loan commitment. Borrowings bear interest at either prime or LIBOR plus a margin at the Operating Partnership's option. If the Operating Partnership receives at least two credit ratings of BBB- or better from S&P or Fitch or Baa3 or better from Moody's, then the Operating Partnership may elect to change the grid pricing from leverage based to credit rating based pricing. Pricing under the Term Loan at December 31, 2015 was LIBOR plus 1.45%. Proceeds from the borrowing were primarily used to pay off amounts then outstanding under the 2015 Credit Facility and partially defease a certain CMBS loan balance.

See Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations - Liquidity and Capital Resources - Description of Certain Debt" for further information on our debt and equity financings.

Real Estate Portfolio Activities

Tenant Concentration

Shopko is our most significant tenant, representing 9.1% of our Normalized Revenue for the three months ended December 31, 2015. Shopko leases 137 properties under three separate master leases and two properties under individual leases with four indirect wholly-owned subsidiaries of ours. We took a number of steps during 2015 and 2014 to reduce the tenant concentration of Shopko assets below 10%, which we accomplished during the third quarter of 2015. Our Shopko concentration will continue to decrease over time as we grow our existing portfolio base and continue to effect accretive dispositions.

During the three months ended December 31, 2015, no other tenant exceeded 4.0% of our Normalized Revenue, and no one single property contributed more than 1.5% of our Normalized Revenue. See Item 2. "Properties - Our Real Estate Investment Portfolio" for further information on our ten largest tenants and the composition of our tenant base.

Acquisition and Dispositions

During the year ended December 31, 2015, we purchased 232 properties, representing an aggregate gross investment of \$889.2 million, which includes \$9.2 million in revenue producing follow-on investments in existing properties. The properties acquired had a weighted average lease term of 16.4 years. During the same period, we sold 110 properties for \$546.9 million in gross sales proceeds. See Note 5 to our Consolidated Financial Statements included in this Annual Report on Form 10-K/A for additional discussion of our investments.

Competition

We face competition for acquisitions of real property from investors, including traded and non-traded public REITs, private equity investors and institutional investment funds, some of which have greater financial resources than we do, a greater ability to borrow funds to acquire properties and the ability to accept more risk than we can prudently manage. This competition may increase the demand for the types of properties in which we typically invest and, therefore, reduce the number of suitable acquisition opportunities available to us and increase the prices paid for such. This competition will increase if investments in real estate become more attractive relative to other forms of investment.

As a landlord, we compete in the multi-billion dollar commercial real estate market with numerous developers and owners of properties, many of which own properties similar to ours in the same markets in which our properties are located. In operating and managing our portfolio, we compete for tenants based on a number of factors, including location, rental rates and flexibility. Some of our competitors have greater economies of scale, have lower cost of capital, have access to more resources and have greater name recognition than we do. If our competitors offer space at rental rates below current market rates or below the rental rates we currently charge our tenants, we may lose our tenants or prospective tenants and we may be pressured to reduce our rental rates or to offer substantial rent

abatements, tenant improvement allowances, early termination rights or below-market renewal options in order to retain tenants when our leases expire.

Regulation

General

Our properties are subject to various covenants, laws, ordinances and regulations, including regulations relating to common areas and fire and safety requirements. We believe that each of our properties has the necessary permits and approvals.

Americans With Disabilities Act

Pursuant to the ADA, our properties are required to meet federal requirements related to access and use by persons with disabilities. Compliance with the ADA, as well as a number of additional federal, state and local laws and regulations, may require modifications to properties we currently own and any properties we purchase, or may restrict renovations of those properties. Noncompliance with these laws or regulations could result in the imposition of fines or an award of damages to private litigants, as well as the incurrence of the costs of making modifications to attain compliance, and future legislation could impose additional financial obligations or restrictions on our properties. Although our tenants are generally responsible for all maintenance and repair costs pursuant to triple-net leases, including compliance with the ADA and other similar laws or regulations, we could be held liable as the owner of the property for a failure of one of our tenants to comply with such laws or regulations.

Environmental Matters

Federal, state and local environmental laws and regulations regulate, and impose liability for, releases of hazardous or toxic substances into the environment. Under various of these laws and regulations, a current or previous owner, operator or tenant of real estate may be required to investigate and clean up hazardous or toxic substances, hazardous wastes or petroleum product releases or threats of releases at the property, and may be held liable to a government entity or to third parties for property damage and for investigation, clean-up and monitoring costs incurred by those parties in connection with actual or threatened contamination. These laws typically impose clean-up responsibility and liability without regard to fault, or whether or not the owner, operator or tenant knew of or caused the presence of the contamination. The liability under these laws may be joint and several for the full amount of the investigation, clean-up and monitoring costs incurred or to be incurred or actions to be undertaken, although a party held jointly and severally liable may seek contributions from other identified, solvent, responsible parties for their fair share toward these costs. These costs may be substantial, and can exceed the value of the property. The presence of contamination, or the failure to properly remediate contamination, on a property may adversely affect the ability of the owner, operator or tenant to sell or rent that property or to borrow using the property as collateral, and may adversely impact our investment in that property.

Some of our properties contain, have contained, or are adjacent to or near other properties that have contained or currently contain storage tanks for the storage of petroleum products or other hazardous or toxic substances. Similarly, some of our properties are or were used for commercial or industrial purposes that involve or involved the use of petroleum products or other hazardous or toxic substances, or are adjacent to or near properties that have been or are used for similar commercial or industrial purposes. These operations create a potential for the release of petroleum products or other hazardous or toxic substances, and we could potentially be required to pay to clean up any contamination. In addition, strict environmental laws regulate a variety of activities that can occur on a property, including the storage of petroleum products or other hazardous or toxic substances, air emissions and water discharges. Such laws may impose fines or penalties for violations. As a result of the foregoing, we could be materially and adversely affected.

Environmental laws also govern the presence, maintenance and removal of ACM. Federal regulations require building owners and those exercising control over a building's management to identify and warn, through signs and labels, of potential hazards posed by workplace exposure to installed ACM in their building. The regulations also have employee training, record keeping and due diligence requirements pertaining to ACM. Significant fines can be assessed for violation of these regulations. As a result of these regulations, building owners and those exercising control over a building's management may be subject to an increased risk of personal injury lawsuits by workers and others exposed to ACM. The regulations may affect the value of a building containing ACM in which we have invested. Federal, state and local laws and regulations also govern the removal, encapsulation, disturbance, handling

and/or disposal of ACM when those materials are in poor condition or in the event of construction, remodeling, renovation or demolition of a

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building. These laws may impose liability for improper handling or a release into the environment of ACM and may provide for fines to, and for third parties to seek recovery from, owners or operators of real properties for personal injury or improper work exposure associated with ACM.

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 over a period of time. 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 our properties could require us 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 us to liability from our tenants, employees of our tenants or others if property damage or personal injury occurs. We are not presently aware of any material adverse indoor air quality issues at our properties that have not been previously addressed or remediated by us.

Before completing any property acquisition, we obtain environmental assessments in order to identify potential environmental concerns at the property. These assessments are carried out in accordance with the Standard Practice for Environmental Site Assessments (ASTM Practice E 1527-05) as set by ASTM International, formerly known as the American Society for Testing and Materials, and generally include a physical site inspection, a review of relevant federal, state and local environmental and health agency database records, one or more interviews with appropriate site-related personnel, review of the property's chain of title and review of historical aerial photographs and other information on past uses of the property. These assessments are limited in scope, however, if recommended in the initial assessments, we may undertake additional assessments such as soil and/or groundwater samplings or other limited subsurface investigations and ACM or mold surveys to test for substances of concern. A prior owner or operator of a property or historic operations at our properties may have created a material environmental condition that is not known to us or the independent consultants preparing the site assessments. Material environmental conditions may have arisen after the review was completed or may arise in the future, and future laws, ordinances or regulations may impose material additional environmental liability. If environmental concerns are not satisfactorily resolved in any initial or additional assessments, we may obtain environment insurance policies to insure against potential environmental risk or loss depending on the type of property, the availability and cost of the insurance and various other factors we deem relevant (i.e., an environmental occurrence affects one of our properties where our lessee may not have the financial capability to honor its indemnification obligations to us).

Generally, our leases provide that the lessee will indemnify us for any loss or expense we incur as a result of the presence, use or release of hazardous materials on our property. However, our ultimate liability for environmental conditions may exceed the policy limits on any environmental insurance policies we obtain, if any. If we are unable to enforce the indemnification obligations of our lessees or if the amount of environmental insurance we carry is inadequate, our results of operations would be adversely affected.

Insurance

Our tenants are generally required to maintain liability and property insurance coverage for the properties they lease from us pursuant to triple-net leases. Pursuant to such leases, our tenants are required to name us (and any of our lenders that have a mortgage on the property leased by the tenant) as additional insureds on their liability policies and additional named insured and/or loss payee (or mortgagee, in the case of our lenders) on their property policies. Tenants are required to maintain casualty coverage and most carry limits at 100% of replacement cost. Depending on the location of the property, losses of a catastrophic nature, such as those caused by earthquakes and floods, may be covered by insurance policies that are held by our tenant with limitations such as large deductibles or co-payments that a tenant may not be able to meet. In addition, losses of a catastrophic nature, such as those caused by wind/hail, hurricanes, terrorism or acts of war, may be uninsurable or not economically insurable. In the event there is damage to our properties that is not covered by insurance and such properties are subject to recourse indebtedness, we will continue to be liable for the indebtedness, even if these properties are irreparably damaged. See Item 1A. "Risk Factors-Risks Related to Our Business and Properties-Insurance on our properties may not adequately cover all losses

and uninsured losses could materially and adversely affect us.”

In addition to being a named insured on our tenants’ liability policies, we separately maintain commercial general liability coverage with an aggregate limit of \$52.0 million. We also maintain full property coverage on all unleased properties and other property coverage as may be required by our lenders and which is not required to be carried by our tenants under our leases.

Item 1A. Risk Factors

Special Note Regarding Forward-Looking Statements

This Annual Report on Form 10-K/A contains forward-looking statements within the meaning of the federal securities laws. In particular, statements pertaining to our business and growth strategies, investment, financing and leasing activities and trends in our business, including trends in the market for long-term, triple-net leases of freestanding, single-tenant properties, contain forward-looking statements. When used in this Annual Report on Form 10-K/A, the words “estimate,” “anticipate,” “expect,” “believe,” “intend,” “may,” “will,” “should,” “seek,” “approximately” or “plan,” or the words and phrases or similar words or phrases which are predictions of or indicate future events or trends and which do not relate solely to historical matters are intended to identify forward-looking statements. You can also identify forward-looking statements by discussions of strategy, plans or intentions of management.

Forward-looking statements involve numerous risks and uncertainties and you should not rely on them as predictions of future events. Forward-looking statements depend on assumptions, data or methods which may be incorrect or imprecise and we may not be able to realize them. We do not guarantee that the transactions and events described will happen as described (or that they will happen at all).

The following risks and uncertainties, among others, could cause actual results and future events to differ materially from those set forth or contemplated in the forward-looking statements:

- industry and economic conditions;
- volatility and uncertainty in the financial markets, including potential fluctuations in the CPI;
- our success in implementing our business strategy and our ability to identify, underwrite, finance, consummate, integrate and manage diversifying acquisitions or investments;
- our ability to diversify our tenant base and reduce the concentration of our significant tenant;
- the nature and extent of our competition;
- increases in our costs of borrowing as a result of changes in interest rates and other factors;
- our ability to access debt and equity capital markets;
- our ability to pay down, refinance, restructure and/or extend our indebtedness as it becomes due;
- our ability and willingness to renew our leases upon expiration and to reposition our properties on the same or better terms upon expiration in the event such properties are not renewed by tenants or we exercise our rights to replace existing tenants upon default;
- the impact of any financial, accounting, legal or regulatory issues or litigation that may affect us or our major tenants;
- our ability to manage our expanded operations;
- risks related to the relocation of our corporate headquarters to Dallas, Texas;
- our ability and willingness to maintain our qualification as a REIT; and
- other risks inherent in the real estate business, including tenant defaults, potential liability relating to environmental matters, illiquidity of real estate investments and potential damages from natural disasters.

You are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date of this Annual Report on Form 10-K/A. While forward-looking statements reflect our good faith beliefs, they are not guarantees of future performance. We disclaim any obligation to publicly update or revise any forward-looking statement to reflect changes in underlying assumptions or factors, new information, data or methods, future events or other changes, except as required by law.

Set forth below are some (but not all) of the risk factors that could adversely affect our business and financial performance. Because we operate in a highly competitive and rapidly changing environment, new risk factors emerge from time to time, and it is not possible for management to predict all such risk factors, nor can management assess the impact of all such risk factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

Given these risks and uncertainties, investors should not place undue reliance on forward-looking statements as a prediction of actual results.

Risks Related to Our Business and Properties

We are subject to risks related to commercial real estate ownership that could reduce the value of our properties.

Our core business is the ownership of real estate that is leased to retail, service and distribution companies on a triple-net basis. Accordingly, our performance is subject to risks incident to the ownership of commercial real estate, including:

- inability to collect rent from tenants due to financial hardship, including bankruptcy;
- changes in local real estate markets, including the availability and demand for single-tenant retail space;
- changes in consumer trends and preferences that affect the demand for products and services offered by our tenants;
- inability to lease or sell properties upon expiration or termination of existing leases;
- environmental risks related to the presence of hazardous or toxic substances or materials on our properties;
- subjectivity of real estate valuations and changes in such valuations over time;
- illiquid nature of real estate compared to most other financial assets;
- changes in laws and regulations, including those governing real estate usage and zoning;
- changes in interest rates and the availability of financing; and
- changes in the general economic and business climate.

The occurrence of any of the risks described above may cause the value of our real estate to decline, which could materially and adversely affect us.

Credit and capital market conditions may adversely affect our access to capital and/or the cost of capital.

Periods of volatility in the credit and capital markets negatively affect the amounts, sources and cost of capital available to us. We primarily use external financing to fund acquisitions and to refinance indebtedness as it matures. If sufficient sources of external financing are not available to us on cost effective terms, we could be forced to limit our acquisition activity and/or to take other actions to fund our business activities and repayment of debt, such as selling assets. To the extent that we access capital at a higher cost (reflected in higher interest rates for debt financing or lower stock price for equity financing), our acquisition yields, earnings per share and cash flow could be adversely affected.

Our business is dependent upon our tenants successfully operating their businesses and their failure to do so could materially and adversely affect us.

The success of our investments is materially dependent on the financial stability of our tenants' financial condition and leasing practices. Adverse economic conditions such as high unemployment levels, interest rates, tax rates and fuel and energy costs may have an impact on the results of operations and financial condition of our tenants and result in a decline in rent or an increased incidence of default under existing leases. Reduced demand for rental space could adversely affect our ability to maintain our current tenants and attract new tenants, which may affect our growth and profitability.

Our portfolio consists primarily of properties leased to single tenants that operate in multiple locations, which means we own numerous properties operated by the same tenant. As a result, the general failure of that tenant or a significant decline in its business could materially and adversely affect us.

At any given time, our tenants may experience a downturn in their business that may weaken the operating results and financial condition of individual properties or of their business as whole. As a result, a tenant may

delay lease commencement, decline to extend a lease upon its expiration, fail to make rental payments when due, become insolvent or declare bankruptcy. We depend on our tenants to operate the properties we own in a manner which generates revenues sufficient to allow them to meet their obligations to us, including their obligations to pay rent, maintain certain insurance coverage and pay real estate taxes and maintain the properties in a manner so as not to jeopardize their operating licenses or regulatory status. The ability of our tenants to fulfill their obligations under our leases may depend, in part, upon the overall profitability of their operations. Cash flow generated by certain tenant businesses may not be sufficient for a tenant to meet its obligations to us. Although our occupied properties are generally operationally essential to our tenants, meaning the property is essential to the tenant's generation of sales and profits, this does not guarantee that a tenant's operations at a particular property will be successful or that the tenant will be able to meet all of its obligations to us. Our tenants' failure to successfully operate their businesses could materially and adversely affect us.

Single-tenant leases involve particular and significant risks related to tenant default.

Our strategy focuses primarily on investing in single-tenant triple-net leased properties throughout the U.S. The financial failure of, or default in payment by, a single tenant under its lease is likely to cause a significant reduction in, or elimination of, our rental revenue from that property and a reduction in the value of the property. We may also experience difficulty or a significant delay in re-leasing or selling such property. This risk is magnified in situations where we lease multiple properties to a single tenant under a master lease. The failure or default of a tenant under a master lease could reduce or eliminate rental revenue from multiple properties and reduce the value of such properties. Although the master lease structure may be beneficial to us because it restricts the ability of tenants to remove individual underperforming properties from the portfolio of properties leased from us, there is no guarantee that a tenant will not default in its obligations to us or decline to renew its master lease upon expiration. The default of a tenant that leases multiple properties from us could materially and adversely affect us.

A substantial number of our properties are leased to one tenant, which may result in increased risk due to tenant and industry concentration.

Currently, we lease 139 properties to Shopko, primarily pursuant to three master leases. The Shopko leases are guaranteed by Specialty Retail Shops Holding Corp., the parent company of Shopko. Revenues generated from Shopko represented 9.1% of our Normalized Revenue for the three months ended December 31, 2015. Because a significant portion of our revenues are derived from rental revenues received from Shopko, any default, breach or delay in the payment of rent by Shopko may materially and adversely affect us.

As a result of the significant number of properties leased to Shopko, our results of operations and financial condition are closely tied to Shopko's performance under its leases, which is ultimately tied to the performance of its stores and the retail industry in which it operates. Shopko operates as a multi-department general merchandise retailer and retail health services provider primarily in mid-size and large communities in the Midwest, Pacific Northwest, North Central and Western Mountain states. Shopko is subject to the following risks, as well as other risks that we are not currently aware of, that could adversely affect its performance and thus its ability to pay rent to us:

The retail industry in which Shopko operates is highly competitive, which could limit its growth opportunities and reduce profitability. Shopko competes with other discount retail merchants as well as mass merchants, catalog merchants, internet retailers and other general merchandise, apparel and household merchandise retailers. It faces strong competition from large national discount retailers, such as Walmart, Kmart and Target, and mid-tier merchants such as Kohl's and JCPenney.

Shopko stores are geographically concentrated in the Midwest, Pacific Northwest, North Central and Western Mountain states. As a result, adverse economic conditions in these regions may materially and adversely affect its results of operations and retail sales.

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The seasonality in retail operations may cause fluctuations in Shopko's quarterly performance and results of operations and could adversely affect its cash flows.

Shopko stores are dependent on the efficient functioning of its distribution networks. Problems that cause delays or interruptions in the distribution networks could materially and adversely affect its results of operations.

Shopko stores depend on attracting and retaining quality employees. Many employees are entry-level or part-time with historically high rates of turnover.

If Shopko experiences a decline in its business, financial condition or results of operations, it may request discounts or deferrals on the rents it pays to us, seek to terminate its master leases with us or close certain of its stores, all of which could decrease the amount of revenue we receive from it. While we seek to reduce the tenant concentration of Shopko, we may have difficulty in selling or leasing to other tenants the properties currently leased by Shopko, due to, among other things, market demand or tax constraints. Furthermore, we can provide no assurance that we will deploy the proceeds from the disposition of any Shopko properties in a manner that would produce comparable or better yields.

A substantial portion of our properties are leased to unrated tenants and the tools we use to measure the credit quality of such tenants may not be accurate.

A substantial portion our properties are leased to unrated tenants whom we determine, through our internal underwriting and credit analysis, to be creditworthy. Many of our tenants are required to provide financial information, which includes balance sheet, income statement and cash flow statement data, on a quarterly and/or annual basis, and approximately 63.8% of our lease investment portfolio require the tenant to provide property-level performance information, which includes income statement data on a quarterly and/or annual basis. To assist in our determination of a tenant's credit quality, we license a product from Moody's Analytics that provides an EDF and a "shadow rating," and we evaluate a lease's property-level rent coverage ratio. An EDF is only an estimate of default probability based, in part, on assumptions incorporated into the product. A shadow rating does not constitute a published credit rating and lacks the extensive company participation that is typically involved when a rating agency publishes a rating; accordingly, a shadow rating may not be as indicative of creditworthiness as a rating published by Moody's, S&P, or another nationally recognized statistical rating organization. Our calculations of EDFs, shadow ratings and rent coverage ratios are based on financial information provided to us by our tenants and prospective tenants without independent verification on our part, and we must assume the appropriateness of estimates and judgments that were made by the party preparing the financial information. If our measurement of credit quality proves to be inaccurate, we may be subject to defaults, and investors may view our cash flows as less stable.

The decrease in demand for retail and restaurant space may materially and adversely affect us.

As of December 31, 2015, leases representing approximately 69.8% and 16.9% of our Normalized Rental Revenue were with tenants in the retail and restaurant industries, respectively. In the future, we may acquire additional retail and restaurant properties. Accordingly, decreases in the demand for retail and/or restaurant spaces adversely impact us. The market for retail and restaurant space has previously been, and could continue to be, adversely affected by weakness in the national, regional and local economies, the adverse financial condition of some large retail and restaurant companies, the ongoing consolidation in the retail and restaurant industries, the excess amount of retail and restaurant space in a number of markets and, in the case of the retail industry, increasing consumer purchases through catalogs or over the Internet. To the extent that these conditions continue, they are likely to negatively affect market rents for retail and restaurant space, which could materially and adversely affect us.

High concentration of our properties in a geographic area could magnify the effects of adverse economic or regulatory developments in such area on our results of operations and financial condition.

As of December 31, 2015, 11.6% of our portfolio (as a percentage of Normalized Rental Revenue) was located in Texas, representing the highest concentration of our assets. Geographic concentration exposes us to greater economic or regulatory risks than if we owned a more geographically diverse portfolio. We are susceptible to adverse developments in the economic or regulatory environments of the geographic areas in which we concentrate (or in which we may develop a substantial concentration of assets in the future), such as business layoffs or downsizing, industry slowdowns, relocations of businesses, increases in real estate and other taxes or costs of complying with governmental regulations.

We may be unable to renew leases, lease vacant space or re-lease space as leases expire on favorable terms or at all.

Our results of operations depend on our ability to continue to strategically lease space in our properties, including renewing expiring leases, leasing vacant space and re-leasing space in properties where leases expire, optimizing

our tenant mix or leasing properties on more economically favorable terms. As of December 31, 2015, leases representing approximately 3.8% of our rental revenue will expire during 2016. As of December 31, 2015, 36 of our properties, representing approximately 1.4% of our total number of owned properties, were vacant. Current tenants may decline, or may not have the financial resources available, to renew current leases and we cannot assure you that leases that are renewed will have terms that are as economically favorable to us as the expiring lease terms. If tenants do not renew the leases as they expire, we will have to find new tenants to lease our properties and there is no guarantee that we will be able to find new tenants or that our properties will be re-leased at rental rates equal to or above the current average rental rates or that substantial rent abatements, tenant improvement allowances, early termination rights, below-market renewal options or other lease incentive payments will not be offered to attract new tenants. We may experience significant costs in connection with renewing, leasing or re-leasing a significant number of our properties, which could materially and adversely affect us.

Our ability to realize future rent increases will vary depending on changes in the CPI.

Most of our leases contain rent escalators, or provisions that periodically increase the base rent payable by the tenant under the lease. Although some of our rent escalators increase rent at a fixed amount on fixed dates, most of our rent escalators increase rent by the lesser of (a) 1 to 1.25 times any increase in the CPI over a specified period or (b) a fixed percentage. If the product of any increase in the CPI multiplied by the applicable factor is less than the fixed percentage, the increased rent we are entitled to receive will be less than what we otherwise would have been entitled to receive if the rent escalator was based solely on a fixed percentage. Therefore, during periods of low inflation or deflation, small increases or decreases in the CPI will subject us to the risk of receiving lower rental revenue than we otherwise would have been entitled to receive if our rent escalators were based solely on fixed percentages or amounts. Conversely, if the product of any increase in the CPI multiplied by the applicable factor is more than the fixed percentage, the increased rent we are entitled to receive will be less than what we otherwise would have been entitled to receive if the rent escalator was based solely on an increase in CPI. Therefore, periods of high inflation will subject us to the risk of receiving lower rental revenue than we otherwise would have been entitled to receive if our rent escalators were based solely on CPI increases.

The bankruptcy or insolvency of any of our tenants could result in the termination of such tenant's lease and material losses to us.

The occurrence of a tenant bankruptcy or insolvency could diminish the income we receive from that tenant's lease or leases. If a tenant becomes bankrupt or insolvent, federal law may prohibit us from evicting such tenant based solely upon such bankruptcy or insolvency. In addition, a bankrupt or insolvent tenant may be authorized to reject and terminate its lease or leases with us. Any claims against such bankrupt tenant for unpaid future rent would be subject to statutory limitations that would likely result in our receipt of rental revenues that are substantially less than the contractually specified rent we are owed under the lease or leases. In addition, any claim we have for unpaid past rent, if any, may not be paid in full. We may also be unable to re-lease a terminated or rejected space or to re-lease it on comparable or more favorable terms.

Moreover, tenants who are considering filing for bankruptcy protection may request that we agree to amendments of their master leases to remove certain of the properties they lease from us under such master leases. We cannot guarantee that we will be able to sell or re-lease such properties or that lease termination fees, if any, received in exchange for such releases will be sufficient to make up for the rental revenues lost as a result of such lease amendments. As a result, tenant bankruptcies may materially and adversely affect us.

Property vacancies could result in significant capital expenditures and illiquidity.

The loss of a tenant, either through lease expiration or tenant bankruptcy or insolvency, may require us to spend significant amounts of capital to renovate the property before it is suitable for a new tenant and thus incur significant costs. Many of the leases we enter into or acquire are for properties that are especially suited to the particular business of our tenants. Because these properties have been designed or physically modified for a particular tenant, if the current lease is terminated or not renewed, we may be required to renovate the property at substantial costs, decrease the rent we charge or provide other concessions in order to lease the property to another tenant. In the event we are required to sell the property, we may have difficulty selling it to a party other than the tenant due to the special

purpose for which the property may have been designed or modified. This potential illiquidity may limit our ability to quickly modify our portfolio in response to changes in economic or other conditions, including tenant demand. These limitations may materially and adversely affect us.

Our future results will suffer if we do not effectively manage our expanded operations.

We may continue to expand our operations through additional acquisitions and other strategic transactions, and modernize our information technology and management systems through new systems implementations, some of which may involve complex challenges. Our future success will depend, in part, upon our ability to manage our expansion opportunities, integrate new operations into our existing business in an efficient and timely manner, successfully monitor our operations, costs and regulatory compliance, and develop and maintain other necessary systems, processes and internal controls. We cannot assure you that our expansion or acquisition opportunities will be successful, or that we will realize their expected operating efficiencies, cost savings, revenue enhancements, synergies or other benefits.

We may be unable to identify and complete acquisitions of suitable properties, which may impede our growth, or our future acquisitions may not yield the returns we expect.

Our ability to expand through acquisitions requires us to identify and complete acquisitions or investment opportunities that are compatible with our growth strategy and to successfully integrate newly acquired properties into our portfolio. We continually evaluate investment opportunities and may acquire properties when strategic opportunities exist. Our ability to acquire properties on favorable terms and successfully operate them may be constrained by the following significant risks:

- we face competition from other real estate investors with significant capital, including REITs and institutional investment funds, which may be able to accept more risk than we can prudently manage, including risks associated with paying higher acquisition prices;
- we face competition from other potential acquirers which may significantly increase the purchase price for a property we acquire, which could reduce our growth prospects;
- we may incur significant costs and divert management attention in connection with evaluating and negotiating potential acquisitions, including ones that we are subsequently unable to complete;
- we may acquire properties that are not accretive to our results upon acquisition, and we may be unsuccessful in managing and leasing such properties in accordance with our expectations;
- our cash flow from an acquired property may be insufficient to meet our required principal and interest payments with respect to debt used to finance the acquisition of such property;
- we may discover unexpected items, such as unknown liabilities, during our due diligence investigation of a potential acquisition or other customary closing conditions may not be satisfied, causing us to abandon an acquisition opportunity after incurring expenses related thereto;
- we may fail to obtain financing for an acquisition on favorable terms or at all;
- we may spend more than budgeted amounts to make necessary improvements or renovations to acquired properties;
- market conditions may result in higher than expected vacancy rates and lower than expected rental rates; or
- we may acquire properties subject to liabilities and without any recourse, or with only limited recourse, with respect to unknown liabilities such as liabilities for clean-up of undisclosed environmental contamination, claims by tenants, vendors or other persons dealing with the former owners of the properties, liabilities incurred in the ordinary course of business and claims for indemnification by general partners, directors, officers and others indemnified by the former owners of the properties.

If any of these risks are realized, we may be materially and adversely affected.

We rely on information systems in our operations and corporate functions, and any material failure, weakness, interruption or breach in security of such systems could prevent us from effectively operating our business.

We rely on information systems across our operations and corporate functions, including finance and accounting, and depend on such systems to ensure payment of obligations, collection of cash, data warehousing to support analytics, and other various processes and procedures. Our ability to efficiently manage our business depends significantly on the reliability and capacity of these systems. The failure of these systems to operate effectively, maintenance

problems, upgrading or transitioning to new platforms, or a breach in security of these systems, such as in the event of cyber-attacks, could result in the theft of intellectual property, personal information or

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personal property, damage to our reputation and third-party claims, as well as reduced efficiency in our operations and in the accuracy in our internal and external financial reporting. The remediation of such problems could result in significant unplanned expenditures.

Illiquidity of real estate investments could significantly impede our ability to respond to adverse changes in the performance of our properties and harm our financial condition.

The real estate investments made, and expected to be made, by us are relatively difficult to sell quickly. As a result, our ability to promptly sell one or more properties in our portfolio in response to changing economic, financial or investment conditions is limited. Return of capital and realization of gains, if any, from an investment generally will occur upon disposition or refinancing of the underlying property. We may be unable to realize our investment objective by sale, other disposition or refinancing at attractive prices within any given period of time or may otherwise be unable to complete any exit strategy. In particular, these risks could arise from weakness in or even the lack of an established market for a property, changes in the financial condition or prospects of prospective purchasers, changes in national or international economic conditions and changes in laws, regulations or fiscal policies of the jurisdiction in which a property is located.

In addition, the Code imposes restrictions on a REIT's ability to dispose of properties that are not applicable to other types of real estate companies. In particular, the tax laws applicable to REITs effectively require that we hold our properties for investment, rather than primarily for sale in the ordinary course of business, which may cause us to forgo or defer sales of properties that otherwise would be in our best interest. Therefore, we may not be able to vary our portfolio in response to economic or other conditions promptly or on favorable terms, which may materially and adversely affect us.

We face significant competition for tenants, which may decrease or prevent increases of the occupancy and rental rates of our properties, and competition for acquisitions may reduce the number of acquisitions we are able to complete and increase the costs of these acquisitions.

We compete with numerous developers, owners and operators of properties, many of which own properties similar to ours in the same markets in which our properties are located. If our competitors offer space at rental rates below current market rates or below the rental rates we currently charge our tenants, we may lose existing or potential tenants and we may be pressured to reduce our rental rates or to offer more substantial rent abatements, tenant improvements, early termination rights, below-market renewal options or other lease incentive payments in order to retain tenants when our leases expire. Competition for tenants could decrease or prevent increases of the occupancy and rental rates of our properties, which could materially and adversely affect us.

We also face competition for acquisitions of real property from investors, including traded and non-traded public REITs, private equity investors and institutional investment funds, some of which have greater financial resources than we do, a greater ability to borrow funds to acquire properties and the ability to accept more risk than we can prudently manage. This competition may increase the demand for the types of properties in which we typically invest and, therefore, reduce the number of suitable acquisition opportunities available to us and increase the prices paid for such acquisition properties. This competition will increase if investments in real estate become more attractive relative to other types of investment. Accordingly, competition for the acquisition of real property could materially and adversely affect us.

The loss of a borrower or the failure of a borrower to make loan payments on a timely basis will reduce our revenues, which could lead to losses on our investments and reduced returns to our stockholders.

We have originated or acquired long-term, commercial mortgage and other loans. The success of our loan investments is materially dependent on the financial stability of our borrowers. The success of our borrowers is dependent on each of their individual businesses and their industries, which could be affected by economic conditions in general, changes in consumer trends and preferences and other factors over which neither they nor we have control. A default of a borrower on its loan payments to us that would prevent us from earning interest or receiving a return of the principal of our loan could materially and adversely affect us. In the event of a default, we may also experience delays in

enforcing our rights as lender and may incur substantial costs in collecting the amounts owed to us and in liquidating any collateral.

Foreclosure and other similar proceedings used to enforce payment of real estate loans are generally subject to principles of equity, which are designed to relieve the indebted party from the legal effect of that party's default.

Foreclosure and other similar laws may limit our right to obtain a deficiency judgment against the defaulting party after a foreclosure or sale. The application of any of these principles may lead to a loss or delay in the payment on loans we hold, which in turn could reduce the amounts we have available to make distributions. Further, in the event we have to foreclose on a property, the amount we receive from the foreclosure sale of the property may be inadequate to fully pay the amounts owed to us by the borrower and our costs incurred to foreclose, repossess and sell the property which could materially and adversely affect us.

If we invest in mortgage loans, these investments may be affected by unfavorable real estate market conditions, including interest rate fluctuations, which could decrease the value of those loans.

If we invest in mortgage loans, we will be at risk of defaults by the borrowers and, in addition, will be subject to interest rate risks. To the extent we incur delays in liquidating defaulted mortgage loans, we may not be able to obtain all amounts due to us under such loans. Further, we will not know whether the values of the properties securing the mortgage loans will remain at the levels existing on the dates of origination of those mortgage loans or the dates of our investment in the loans. If the values of the underlying properties decline, the value of the collateral securing our mortgage loans will also decline and if we were to foreclose on any of the properties securing the mortgage loans, we may not be able to sell or lease them for an amount equal to the unpaid amounts due to us under the mortgage loans. As a result, defaults on mortgage loans in which we invest may materially and adversely affect us.

Inflation may materially and adversely affect us and our tenants.

Increased inflation could have a negative impact on variable-rate debt we currently have or that we may incur in the future. Our leases typically contain provisions designed to mitigate the adverse impact of inflation on our results of operations. Because tenants are typically required to pay all property operating expenses, increases in property-level expenses at our leased properties generally do not adversely affect us. However, increased operating expenses at vacant properties and the limited number of properties that are not subject to full triple-net leases could cause us to incur additional operating expense, which could increase our exposure to inflation. Additionally, the increases in rent provided by many of our leases may not keep up with the rate of inflation. Increased costs may also have an adverse impact on our tenants if increases in their operating expenses exceed increases in revenue, which may adversely affect the tenants' ability to pay rent owed to us.

The market price and trading volume of our common stock may be adversely impacted by various factors.

The market price and trading volume of our common stock may fluctuate widely due to various factors, including:

- actual or anticipated variations in our quarterly operating results or distributions, or those of our competitors;
- publication of research reports about us, our competitors or the real estate industry;
- adverse market reaction to any additional indebtedness we incur or debt or equity securities we or the Operating Partnership issue in the future;
- additions or departures of key management personnel;
- changes in our credit ratings;
- the financial condition, performance and prospects of our tenants; and
- the realization of any of the other risk factors presented in this Annual Report on Form 10-K/A.

We may issue shares of our common stock, preferred stock, or other securities without stockholder approval, including shares issued to satisfy REIT dividend distribution requirements. The Operating Partnership may issue partnership interests to third parties, and such partnership interests would be exchangeable for cash or, at our election, shares of our common stock at specified ratios set when partnership interests in the Operating Partnership are issued. Our existing stockholders have no preemptive rights to acquire any of these securities, and any issuance of equity securities by us or the Operating Partnership may dilute stockholder investment.

If we fail to maintain an effective system of internal control over financial reporting and disclosure controls, we may not be able to accurately and timely report our financial results.

Effective internal control over financial reporting and disclosure controls are necessary for us to provide reliable financial reports and effectively prevent fraud and to operate successfully as a public company. If we cannot provide reliable financial reports or prevent fraud, our reputation and operating results would be harmed. We are required to perform system and process evaluation and testing of our internal control over financial reporting to allow management to report on, and our independent registered public accounting firm to attest to, the effectiveness of our internal control over financial reporting, as required by Section 404 of the Sarbanes-Oxley Act of 2002.

We recently identified a deficiency in our internal control over financial reporting, which is considered to be a material weakness and led to the restatement of our audited consolidated financial statements for the year ended December 31, 2015 and our interim unaudited consolidated financial statements for the quarters ended March 31, 2015, June 30, 2015, September 30, 2015, March 31, 2016 and June 30, 2016. The Public Company Accounting Oversight Board's Auditing Standard No. 5 defines a material weakness as a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of annual or interim financial statements will not be prevented or detected on a timely basis. The identified material weakness related to our failure to maintain effective procedures and controls over the evaluation of and accounting for goodwill related to the disposal of assets and the allocation of goodwill to held for sale assets in determining impairment charges. To remedy the material weakness, we have designed and implemented additional controls, including the performance of additional analyses and procedures. However, there is no assurance that such actions have, in fact, fully remediated the material weakness, or that other deficiencies will not be identified in the future.

As a result of material weaknesses or significant deficiencies that may be identified in our internal control over financial reporting in the future, we may also identify certain deficiencies in some of our disclosure controls and procedures that we believe require remediation. If we or our independent registered public accounting firm discover any such weaknesses or deficiencies, we will make efforts to further improve our internal control over financial reporting and disclosure controls. However, there is no assurance that we will be successful. Any failure to maintain effective controls or timely effect any necessary improvement of our internal control over financial reporting and disclosure controls could harm operating results or cause us to fail to meet our reporting obligations, which could affect the listing of our common stock on the NYSE. Ineffective internal control over financial reporting and disclosure controls could also cause investors to lose confidence in our reported financial information, which would likely have a negative effect on the per share trading price of our common stock.

Increases in market interest rates may have an adverse effect on the value of our common stock as prospective purchasers of our common stock may expect a higher dividend yield and increased borrowing costs may decrease our funds available for distribution.

The market price of our common stock will generally be influenced by the dividend yield on our common stock (as a percentage of the price of our common stock) relative to market interest rates. An increase in market interest rates, which are currently at low levels relative to historical rates, may lead prospective purchasers of shares of our common stock to expect a higher dividend yield. However, higher market interest rates would likely increase our borrowing costs and potentially decrease funds available for distribution. Thus, higher market interest rates could cause the market price of our common stock to decrease.

Our growth depends on external sources of capital that are outside of our control and may not be available to us on commercially reasonable terms or at all.

In order to maintain our qualification as a REIT, we are required under the Code, among other things, to distribute annually at least 90% of our REIT taxable income, determined without regard to the dividends paid deduction and excluding any net capital gain. In addition, we will be subject to income tax at regular corporate rates to the extent that we distribute less than 100% of our REIT taxable income, determined without regard to the dividends paid deduction and including any net capital gain. Because of these distribution requirements, we may not be able to fund future

capital needs, including any necessary acquisition financing, from operating cash flow. Consequently, we may rely on third-party sources to fund our capital needs. We may not be able to obtain the financing on favorable terms or at all. Any additional debt we incur will increase our leverage and likelihood of default. Our access to third-party sources of capital depends, in part, on:

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- general market conditions;
- the market's perception of our growth potential;
- our current debt levels;
- our current and expected future earnings;
- our cash flow and cash distributions; and
- the market price per share of our common stock.

If we cannot obtain capital from third-party sources, we may not be able to acquire properties when strategic opportunities exist, meet the capital and operating needs of our existing properties, satisfy our debt service obligations or make the cash distributions to our stockholders necessary to maintain our qualification as a REIT.

Historically, we have raised a significant amount of debt capital through our Spirit Master Funding Program and the CMBS market. We have generally used the proceeds from these financings to repay debt and fund real estate acquisitions. As of December 31, 2015, we had issued notes under our Spirit Master Funding Program in eight different classes over five separate issuances with an aggregate outstanding principal balance of \$1.69 billion. The Master Trust Notes had a weighted average maturity of 7.2 years as of December 31, 2015. In addition, we had CMBS loans with an aggregate outstanding principal balance of \$1.42 billion and an average maturity of 2.7 years as of December 31, 2015. Our obligations under these loans are generally secured by liens on certain of our properties. In the case of our Spirit Master Funding Program, subject to certain conditions, we may substitute real estate collateral within our two securitization trusts from time to time. No assurance can be given that the CMBS market will be available to us in the future, whether to refinance existing debt or to raise additional debt capital. Moreover, we view our ability to substitute collateral under our Spirit Master Funding Program favorably, and no assurance can be given that financing facilities offering similar flexibility will be available to us in the future.

Failure to hedge effectively against interest rate changes may materially and adversely affect us.

We attempt to mitigate our exposure to interest rate volatility by using interest rate hedging arrangements. However, these arrangements involve risks and may not be effective in reducing our exposure to interest rate changes. In addition, the counterparties to our hedging arrangements may not honor their obligations. Failure to hedge effectively against changes in interest rates on our borrowings may materially and adversely affect us.

Our decision to dispose of real estate assets would change the holding period assumption in our valuation analyses, which could result in material impairment losses and adversely affect our financial results.

We evaluate real estate assets for impairment based on the projected cash flow of the asset over our anticipated holding period. If we change our intended holding period due to our intention to sell or otherwise dispose of an asset, we must reevaluate whether that asset is impaired under GAAP. Depending on the carrying value of the property at the time we change our intention and the amount that we estimate we would receive on disposal, we may record an impairment loss that would adversely affect our financial results. This loss could be material to our assets in the period that it is recognized.

Loss of our key personnel with long-standing business relationships could materially impair our ability to operate successfully.

Our continued success and our ability to manage anticipated future growth depend, in large part, upon the efforts of key personnel, particularly our Chief Executive Officer and Chairman of our board of directors, Thomas H. Nolan, Jr. and our Executive Vice President and Chief Investment Officer, Gregg A. Seibert, who have extensive market knowledge and relationships and exercise substantial influence over our operational, financing, acquisition and disposition activity. Among the reasons that they are important to our success is that each has a national or regional industry reputation that attracts business and investment opportunities and assists us in negotiations with lenders, existing and potential tenants and industry personnel.

Many of our other key executive personnel, particularly our senior managers, also have extensive experience and strong reputations in the real estate industry and have been instrumental in setting our strategic direction, operating

our business, identifying, recruiting and training key personnel and arranging necessary financing. In particular, the extent and nature of the relationships that these individuals have developed with financial institutions and existing and prospective tenants is critically important to the success of our business. The loss of services

of one or more members of our senior management team, or our inability to attract and retain highly qualified personnel, could adversely affect our business, diminish our investment opportunities and weaken our relationships with lenders, business partners, existing and prospective tenants and industry personnel, which could materially and adversely affect us.

We are currently in the midst of a search for a new general counsel. We cannot assure you that we will be able to hire an appropriately qualified individual. We expect our employment relationship with our current general counsel to terminate on March 4, 2016. We are currently seeking to negotiate a severance agreement with our current general counsel. We cannot assure you that we will be able to reach a separation on mutually agreeable terms.

The relocation of our corporate headquarters could adversely affect our operations, operating results and financial condition.

On November 16, 2015, we issued a press release announcing that our corporate headquarters will move from Scottsdale, Arizona to Dallas, Texas in the summer of 2016 with the move expected to be finalized by the end of 2016. We do not expect that the relocation of our headquarters will change our corporate or leadership structure. However, the process of moving our headquarters is inherently complex and not part of our day to day operations. The relocation process could cause significant disruption to our operations and cause the temporary diversion of management resources, all of which could have a material adverse affect on our operations, operating results and financial condition. We have implemented a transition plan to provide for the move of our corporate operations, including relocation benefits for employees who may be transferring, and severance and retention benefits for employees who will not be continuing with the Company after the move. We may encounter difficulties retaining employees who elected to transfer to Dallas. Similarly, we may experience difficulties attracting new talent in Dallas to replace our employees in Scottsdale who are unwilling to relocate.

The Company currently anticipates to incur total costs of approximately \$20.0 million related to this relocation. This amount includes an estimated \$4.8 million in capitalized costs related to tenant improvements and fixtures for the new corporate headquarters. In February 2016, the Company signed a lease for the new corporate headquarters in Dallas. We can give no assurance that the relocation will be completed as planned or within the expected timeframe. In addition, the relocation may involve significant additional costs to us and the expected benefits of the move may not be fully realized due to associated disruption to our operations and personnel.

We have a limited operating history as a public company and our past experience may not be sufficient to allow us to successfully operate as a public company going forward.

Prior to our September 2012 IPO, we had not been publicly traded since 2007. We cannot assure you that our past experience is sufficient to allow us to successfully operate as a public company, including compliance with the timely disclosure requirements of the SEC and the corporate governance requirements of the Sarbanes-Oxley Act of 2002. As a public company, we are required to develop and implement control systems and procedures in order to satisfy our periodic and current reporting requirements under applicable SEC regulations and NYSE listing standards, and this transition could place a significant strain on our management systems, infrastructure and other resources. As a result, we may not be able to operate successfully as a public company going forward.

If we fail to maintain an effective system of internal control over financial reporting and disclosure controls, we may not be able to accurately and timely report our financial results.

Effective internal control over financial reporting and disclosure controls are necessary for us to provide reliable financial reports and effectively prevent fraud and to operate successfully as a public company. If we cannot provide reliable financial reports or prevent fraud, our reputation and operating results would be harmed. We are required to perform system and process evaluation and testing of our internal control over financial reporting to allow management to report on, and our independent registered public accounting firm to attest to, the effectiveness of our internal control over financial reporting, as required by Section 404 of the Sarbanes-Oxley Act of 2002. As a result of material weaknesses or significant deficiencies that may be identified in our internal control over financial reporting,

we may also identify certain deficiencies in some of our disclosure controls and procedures that we believe require remediation. If we or our independent registered public accounting firm discover weaknesses, we will make efforts to improve our internal control over financial reporting and disclosure controls. However, there is no assurance that we will be successful. Any failure to maintain effective controls or timely effect any necessary

improvement of our internal control over financial reporting and disclosure controls could harm operating results or cause us to fail to meet our reporting obligations, which could affect the listing of our common stock on the NYSE. Ineffective internal control over financial reporting and disclosure controls could also cause investors to lose confidence in our reported financial information, which would likely have a negative effect on the per share trading price of our common stock.

We may become subject to litigation, which could materially and adversely affect us.

In the ordinary course of business, we may become subject to litigation, including claims relating to our operations, security offerings and otherwise. Some of these claims may result in significant defense costs and potentially significant judgments against us, some of which are not, or cannot be, insured against. We generally intend to vigorously defend ourselves. However, we cannot be certain of the ultimate outcomes of any claims that may arise in the future. Resolution of these types of matters against us may result in our having to pay significant fines, judgments, or settlements, which, if uninsured, or if the fines, judgments, and settlements exceed insured levels, could adversely impact our earnings and cash flows, thereby materially and adversely affecting us. Certain litigation or the resolution of certain litigation may affect the availability or cost of some of our insurance coverage, which could materially and adversely impact us, expose us to increased risks that would be uninsured, and materially and adversely impact our ability to attract directors and officers.

The costs of compliance with or liabilities related to environmental laws may materially and adversely affect us.

The properties we own or have owned in the past may subject us to known and unknown environmental liabilities. Under various federal, state and local laws and regulations relating to the environment, as a current or former owner or operator of real property, we may be liable for costs and damages resulting from the presence or discharge of hazardous or toxic substances, waste or petroleum products at, on, in, under or migrating from such property, including costs to investigate, clean up such contamination and liability for harm to natural resources. We may face liability regardless of:

- our knowledge of the contamination;
- the timing of the contamination;
- the cause of the contamination; or
- the party responsible for the contamination of the property.

There may be environmental liabilities associated with our properties of which we are unaware. We obtain Phase I environmental site assessments on all properties we finance or acquire. The Phase I environmental site assessments are limited in scope and therefore may not reveal all environmental conditions affecting a property. Therefore, there could be undiscovered environmental liabilities on the properties we own. Some of our properties use, or may have used in the past, underground tanks for the storage of petroleum-based products or waste products that could create a potential for release of hazardous substances or penalties if tanks do not comply with legal standards. If environmental contamination exists on our properties, we could be subject to strict, joint and/or several liability for the contamination by virtue of our ownership interest. Some of our properties may contain ACM. Strict environmental laws govern the presence, maintenance and removal of ACM and such laws may impose fines and penalties for failure to comply with these requirements or expose us to third-party liability (e.g., liability for personal injury associated with exposure to asbestos). Strict environmental laws also apply to other activities that can occur on a property, such as air emissions and water discharges, and such laws may impose fines and penalties for violations.

The presence of hazardous substances on a property may adversely affect our ability to sell, lease or improve the property or to borrow using the property as collateral. In addition, environmental laws may create liens on contaminated properties in favor of the government for damages and costs it incurs to address such contamination. Moreover, if contamination is discovered on our properties, environmental laws may impose restrictions on the manner in which they may be used or businesses may be operated, and these restrictions may require substantial expenditures.

In addition, although our leases generally require our tenants to operate in compliance with all applicable laws and to indemnify us against any environmental liabilities arising from a tenant's activities on the property, we could be subject to strict liability by virtue of our ownership interest. We cannot be sure that our tenants will, or will be

able to, satisfy their indemnification obligations, if any, under our leases. Furthermore, the discovery of environmental liabilities on any of our properties could lead to significant remediation costs or to other liabilities or obligations attributable to the tenant of that property, which may affect such tenant's ability to make payments to us, including rental payments and, where applicable, indemnification payments.

Our environmental liabilities may include property damage, personal injury, investigation and clean-up costs. These costs could be substantial. Although we may obtain insurance for environmental liability for certain properties that are deemed to warrant coverage, our insurance may be insufficient to address any particular environmental situation and we may be unable to continue to obtain insurance for environmental matters, at a reasonable cost or at all, in the future. If our environmental liability insurance is inadequate, we may become subject to material losses for environmental liabilities. Our ability to receive the benefits of any environmental liability insurance policy will depend on the financial stability of our insurance company and the position it takes with respect to our insurance policies. If we were to become subject to significant environmental liabilities, we could be materially and adversely affected.

Most of the environmental risks discussed above refer to properties that we own or may acquire in the future. However, each of the risks identified also applies to the owners (and potentially, the lessees) of the properties that secure each of the loans we have made and any loans we may acquire or make in the future. Therefore, the existence of environmental conditions could diminish the value of each of the loans and the abilities of the borrowers to repay the loans and could materially and adversely affect us.

Our properties may contain or develop harmful mold, 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 over a period of time. Some molds may produce airborne toxins or irritants. Concern about indoor exposure to mold has been increasing, as exposure to mold may cause a variety of adverse health effects and symptoms, including allergic or other reactions. As a result, should our tenants or their employees or customers be exposed to mold at any of our properties we could be required to undertake a costly remediation program to contain or remove the mold from the affected property. In addition, exposure to mold by our tenants or others could subject us to liability if property damage or health concerns arise. If we were to become subject to significant mold-related liabilities, we could be materially and adversely affected.

Insurance on our properties may not adequately cover all losses and uninsured losses could materially and adversely affect us.

Our tenants are required to maintain liability and property insurance coverage for the properties they lease from us pursuant to triple-net leases. Pursuant to such leases, our tenants are required to name us (and any of our lenders that have a mortgage on the property leased by the tenant) as additional insureds on their liability policies and additional named insured and/or loss payee (or mortgagee, in the case of our lenders) on their property policies. All tenants are required to maintain casualty coverage and most carry limits at 100% of replacement cost. Depending on the location of the property, losses of a catastrophic nature, such as those caused by earthquakes and floods, may be covered by insurance policies that are held by our tenant with limitations such as large deductibles or co-payments that a tenant may not be able to meet. In addition, losses of a catastrophic nature, such as those caused by wind/hail, hurricanes, terrorism or acts of war, may be uninsurable or not economically insurable. In the event there is damage to our properties that is not covered by insurance and such properties are subject to recourse indebtedness, we will continue to be liable for the indebtedness, even if these properties are irreparably damaged.

Inflation, changes in building codes and ordinances, environmental considerations, and other factors, including terrorism or acts of war, may make any insurance proceeds we receive insufficient to repair or replace a property if it is damaged or destroyed. In that situation, the insurance proceeds received may not be adequate to restore our economic position with respect to the affected real property. Furthermore, in the event we experience a substantial or comprehensive loss of one of our properties, we may not be able to rebuild such property to its existing specifications without significant capital expenditures which may exceed any amounts received pursuant to insurance policies, as reconstruction or improvement of such a property would likely require significant upgrades to meet zoning and building code requirements. The loss of our capital investment in or anticipated future returns from our properties due to material uninsured losses could materially and adversely affect us.

Compliance with the ADA and fire, safety and other regulations may require us to make unanticipated expenditures that materially and adversely affect us.

Our properties are subject to the ADA. Under the ADA, all public accommodations must meet federal requirements related to access and use by disabled persons. Compliance with the ADA requirements could require removal of access barriers and non-compliance could result in imposition of fines by the U.S. government or an award of damages to private litigants, or both. While our tenants are obligated by law to comply with the ADA and typically obligated under our leases and financing agreements to cover costs associated with compliance, if required changes involve greater expenditures than anticipated or if the changes must be made on a more accelerated basis than anticipated, the ability of our tenants to cover costs could be adversely affected. We could be required to expend our own funds to comply with the provisions of the ADA, which could materially and adversely affect us.

In addition, we are required to operate our 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 our properties. We may be required to make substantial capital expenditures to comply with those requirements and may be required to obtain approvals from various authorities with respect to our properties, including prior to acquiring a property or when undertaking renovations of any of our existing properties. There can be no assurance that existing laws and regulatory policies will not adversely affect us or the timing or cost of any future acquisitions or renovations, or that additional regulations will not be adopted that increase such delays or result in additional costs. Additionally, failure to comply with any of these requirements could result in the imposition of fines by governmental authorities or awards of damages to private litigants. While we intend to only acquire properties that we believe are currently in substantial compliance with all regulatory requirements, these requirements may change and new requirements may be imposed which would require significant unanticipated expenditures by us and could materially and adversely affect us.

As a result of acquiring C corporations in carry-over basis transactions, we may inherit material tax liabilities and other tax attributes from such acquired corporations, and we may be required to distribute earnings and profits. From time to time, we have and may continue to acquire C corporations in transactions in which the basis of the corporations' assets in our hands is determined by reference to the basis of the assets in the hands of the acquired corporations, or carry-over basis transactions.

If we acquire any asset from a corporation that is or has been a C corporation in a carry-over basis transaction, and we subsequently recognize gain on the disposition of the asset during the five-year period beginning on the date on which we acquired the asset, then we will be required to pay tax at the highest regular corporate tax rate on this gain to the extent of the excess of (1) the fair market value of the asset over (2) our adjusted basis in the asset, in each case determined as of the date on which we acquired the asset. Any taxes we pay as a result of such gain would reduce the amount available for distribution to our stockholders. The imposition of such tax may require us to forgo an otherwise attractive disposition of any assets we acquire from a C corporation in a carry-over basis transaction, and as a result may reduce the liquidity of our portfolio of investments. In addition, in such a carry-over basis transaction, we will succeed to any tax liabilities and earnings and profits of the acquired C corporation. To qualify as a REIT, we must distribute any non-REIT earnings and profits by the close of the taxable year in which such transaction occurs. Any adjustments to the acquired corporation's income for taxable years ending on or before the date of the transaction, including as a result of an examination of the corporation's tax returns by the IRS, could affect the calculation of the corporation's earnings and profits. If the IRS were to determine that we acquired non-REIT earnings and profits from a corporation that we failed to distribute prior to the end of the taxable year in which the carry-over basis transaction occurred, we could avoid disqualification as a REIT by paying a "deficiency dividend." Under these procedures, we generally would be required to distribute any such non-REIT earnings and profits to our stockholders within 90 days of the determination and pay a statutory interest charge at a specified rate to the IRS. Such a distribution would be in addition to the distribution of REIT taxable income necessary to satisfy the REIT distribution requirement and may require that we borrow funds to make the distribution even if the then-prevailing market conditions are not favorable for borrowings. In addition, payment of the statutory interest charge could materially and adversely affect us.

Changes in accounting standards may materially and adversely affect us.

From time to time the FASB, and the SEC, who create and interpret appropriate accounting standards, may change the financial accounting and reporting standards or their interpretation and application of these standards

that will govern the preparation of our financial statements. These changes could materially and adversely affect our reported financial condition and results of operations. In some cases, we could be required to apply a new or revised standard retroactively, resulting in restating prior period financial statements. Similarly, these changes could materially and adversely affect our tenants' reported financial condition or results of operations and affect their preferences regarding leasing real estate.

The SEC is currently considering whether issuers in the U.S. should be required to prepare financial statements in accordance with IFRS instead of GAAP. IFRS is a comprehensive set of accounting standards promulgated by the IASB which are rapidly gaining worldwide acceptance. The SEC currently has not finalized the timeframe it expects that U.S. issuers would first report under the new standards. If IFRS is adopted, the potential issues associated with lease accounting, along with other potential changes associated with the adoption or convergence with IFRS, may materially and adversely affect us.

Additionally, the FASB is considering various changes to GAAP, some of which may be significant, as part of a joint effort with the IASB to converge accounting standards. In particular, FASB has proposed accounting rules that would require companies to capitalize all leases on their balance sheets by recognizing a lessee's rights and obligations. If the proposal is adopted in its current form, many companies that account for certain leases on an "off balance sheet" basis would be required to account for such leases "on balance sheet." This change would remove many of the differences in the way companies account for owned property and leased property, and could have a material effect on various aspects of our tenants' businesses, including their credit quality and the factors they consider in deciding whether to own or lease properties. If the proposal is adopted in its current form, it could cause companies that lease properties to prefer shorter lease terms in an effort to reduce the leasing liability required to be recorded on the balance sheet. The proposal could also make lease renewal options less attractive, because, under certain circumstances, the rule would require a tenant to assume that a renewal right will be exercised and accrue a liability relating to the longer lease term. In the future, we may choose to acquire properties or portfolios of properties through tax deferred contribution transactions, which could result in stockholder dilution and limit our ability to sell such assets.

In the future we may acquire properties or portfolios of properties through tax deferred contribution transactions in exchange for partnership interests in the Operating Partnership, which may result in stockholder dilution. This acquisition structure may have the effect of, among other things, reducing the amount of tax depreciation we could deduct over the tax life of the acquired properties, and may require that we agree to protect the contributors' ability to defer recognition of taxable gain through restrictions on our ability to dispose of the acquired properties and/or the allocation of partnership debt to the contributors to maintain their tax bases. These restrictions could limit our ability to sell an asset at a time, or on terms, that would be favorable absent such restrictions.

Risks Related to Our Indebtedness

We have approximately \$4.19 billion principal balance of indebtedness outstanding, which may expose us to the risk of default under our debt obligations, limit our ability to obtain additional financing or affect the market price of our common stock or debt securities.

As of December 31, 2015, the total principal balance outstanding on our indebtedness was approximately \$4.19 billion, of which \$325.0 million outstanding against the Term Loan and \$61.8 million of CMBS debt incurs interest at a variable rate. The variable-rate CMBS debt is effectively fixed at approximately 5.14% through 8 amortizing swaps. In addition, we have an unsecured \$600.0 million revolving Credit Facility, under which no amounts were drawn as of December 31, 2015. We may also incur significant additional debt to finance future investment activities. Payments of principal and interest on borrowings may leave us with insufficient cash resources to meet our cash needs or make the distributions to our common stockholders necessary to maintain our REIT qualification. Our level of debt and the limitations imposed on us by our debt agreements could have significant adverse consequences, including the following:

- our cash flow may be insufficient to meet our required principal and interest payments;
- cash interest expense and financial covenants relating to our indebtedness may limit or eliminate our ability to make distributions to our common stockholders;

- we may be unable to borrow additional funds as needed or on favorable terms, which could, among other things, adversely affect our ability to capitalize upon acquisition opportunities or meet operational needs;
- we may be unable to refinance our indebtedness at maturity or the refinancing terms may be less favorable than the terms of our original indebtedness;
- because a portion of our debt bears interest at variable rates, increases in interest rates could increase our interest expense;
- we may be unable to hedge floating rate debt, counterparties may fail to honor their obligations under any hedge agreements we enter into, such agreements may not effectively hedge interest rate fluctuation risk, and, upon the expiration of any hedge agreements we enter into, we would be exposed to then-existing market rates of interest and future interest rate volatility;
- we may be forced to dispose of properties, possibly on unfavorable terms or in violation of certain covenants to which we may be subject;
- we may default on our obligations and the lenders or mortgagees may foreclose on our properties or our interests in the entities that own the properties that secure their loans and receive an assignment of rents and leases;
- we may be restricted from accessing some of our excess cash flow after debt service if certain of our tenants fail to meet certain financial performance metric thresholds;
- we may violate restrictive covenants in our loan documents, which would entitle the lenders to accelerate our debt obligations; and
- our default under any loan with cross-default provisions could result in a default on other indebtedness.

Changes in our leverage ratios may also negatively impact the market price of our equity or debt securities.

Furthermore, foreclosures could create taxable income without accompanying cash proceeds, which could hinder our ability to meet the REIT distribution requirements imposed by the Code.

Current market conditions could adversely affect our ability to refinance existing indebtedness or obtain additional financing for growth on acceptable terms or at all.

Over the last few years, the credit markets have experienced significant price volatility, displacement and liquidity disruptions, including the bankruptcy, insolvency or restructuring of certain financial institutions. These circumstances have materially impacted liquidity in the financial markets, making financing terms for borrowers less attractive, and in certain cases, have resulted in the unavailability of various types of debt financing. As a result, we may be unable to obtain debt financing on favorable terms or at all or fully refinance maturing indebtedness with new indebtedness. Reductions in our available borrowing capacity or inability to obtain credit when required or when business conditions warrant could materially and adversely affect us.

Furthermore, if prevailing interest rates or other factors at the time of refinancing result in higher interest rates upon refinancing, then the interest expense relating to that refinanced indebtedness would increase. Higher interest rates on newly incurred debt may negatively impact us as well. If interest rates increase, our interest costs and overall costs of capital will increase, which could materially and adversely affect us. Total debt service, including scheduled principal maturities and interest, for 2016 and 2017 is \$478.2 million and \$890.3 million, respectively. Debt service for 2016 also includes \$81.5 million for the acceleration of principal payable following an event of default under 4 separate CMBS loans with stated maturities in 2015 and 2017.

Some of our financing arrangements involve balloon payment obligations.

Some of our financings require us to make a lump-sum or “balloon” payment at maturity. Our ability to make any balloon payment is uncertain and may depend on our ability to obtain additional financing or our ability to sell our properties. At the time the balloon payment is due, we may or may not be able to refinance the balloon payment on terms as favorable as the original loan or sell our properties at a price sufficient to make the balloon payment, if at all. If the balloon payment is refinanced at a higher rate, it will reduce or eliminate any income from our properties. Our inability to meet a balloon payment obligation, through refinancing or sale proceeds, or refinancing on less attractive terms could materially and adversely affect us. We have balloon maturities of \$264.8 million and \$706.5 million in 2016 and 2017, respectively. If we are unable to refinance these maturities or otherwise retire the indebtedness by that time, we could be materially adversely affected, and could be forced to relinquish the related collateral.

The agreements governing our indebtedness contain restrictions and covenants which may limit our ability to enter into or obtain funding for certain transactions, operate our business or make distributions to our common stockholders. The agreements governing our indebtedness contain restrictions and covenants that limit or will limit our ability to operate our business. These covenants, as well as any additional covenants to which we may be subject in the future because of additional indebtedness, could cause us to forgo investment opportunities, reduce or eliminate distributions to our common stockholders or obtain financing that is more expensive than financing we could obtain if we were not subject to the covenants. In addition, the agreements may have cross default provisions, which provide that a default under one of our financing agreements would lead to a default on some or all of our debt financing agreements. If an event of default occurs under certain of our CMBS loans, if the master tenants at the properties that secure the CMBS loans, fail to maintain certain EBITDAR ratios or if an uncured monetary default exists under the master leases, then a portion of or all of the cash which would otherwise be distributed to us may be restricted by the lenders and unavailable to us until the terms are cured or the debt refinanced. If the financial performance of the collateral for our indebtedness under our Spirit Master Funding Program fails to achieve certain financial performance criteria, cash from such collateral may be unavailable to us until the terms are cured or the debt refinanced. Such cash sweep triggering events have occurred previously and may be ongoing from time to time. The occurrence of these events limit the amount of cash available to us for use in our business and could limit or eliminate our ability to make distributions to our common stockholders.

The covenants and other restrictions under our debt agreements affect, among other things, our ability to:

- incur indebtedness;
- create liens on assets;
- sell or substitute assets;
- modify certain terms of our leases;
- prepay debt with higher interest rates;
- manage our cash flows; and
- make distributions to equity holders.

Additionally, these restrictions may adversely affect our operating and financial flexibility and may limit our ability to respond to changes in our business or competitive environment, all of which may materially and adversely affect us.

Risks Related to Our Organizational Structure

Our charter and bylaws and Maryland law contain provisions that may delay, defer or prevent a change of control transaction, even if such a change in control may be in the interest of our stockholders, and as a result may depress the market price of our common stock.

Our charter contains certain restrictions on ownership and transfer of our stock. Our charter contains various provisions that are intended to preserve our qualification as a REIT and, subject to certain exceptions, authorize our directors to take such actions as are necessary or appropriate to preserve our qualification as a REIT. For example, our charter prohibits the actual, beneficial or constructive ownership by any person of more than 9.8% in value or number of shares, whichever is more restrictive, of the outstanding shares of our common stock or more than 9.8% in value of the aggregate of the outstanding shares of all classes and series of our stock. Our board of directors, in its sole and absolute discretion, may exempt a person, prospectively or retroactively, from these ownership limits if certain conditions are satisfied. The restrictions on ownership and transfer of our stock may:

- discourage a tender offer or other transactions or a change in management or of control that might involve a premium price for our common stock or that our stockholders otherwise believe to be in their best interests; or
- result in the transfer of shares acquired in excess of the restrictions to a trust for the benefit of a charitable beneficiary and, as a result, the forfeiture by the acquirer of the benefits of owning the additional shares.

We could increase the number of authorized shares of stock, classify and reclassify unissued stock and issue stock without stockholder approval. Our board of directors, without stockholder approval, has the power under our charter to amend our charter to increase the aggregate number of shares of stock or the number of shares of stock of any class or series that we are authorized to issue, to authorize us to issue authorized but unissued shares of our common stock or preferred stock and to classify or reclassify any unissued shares of our common stock or preferred stock into one or more classes or series of stock and to set the terms of such newly classified or reclassified shares. As a result, we may issue one or more series or classes of common stock or preferred stock with preferences, dividends, powers and rights, voting or otherwise, that are senior to, or otherwise conflict with, the rights of our common stockholders. Although our board of directors has no such intention at the present time, it could establish a class or series of common stock or preferred stock that could, depending on the terms of such series, delay, defer or prevent a transaction or a change of control that might involve a premium price for our common stock or otherwise be in the best interest of our stockholders.

Certain provisions of Maryland law could inhibit changes in control, which may discourage third parties from conducting a tender offer or seeking other change of control transactions that could involve a premium price for our common stock or that our stockholders otherwise believe to be in their best interest. Certain provisions of the MGCL may have the effect of inhibiting a third party from making a proposal to acquire us or of impeding a change of control under circumstances that otherwise could provide our common stockholders with the opportunity to realize a premium over the then-prevailing market price of such shares, including:

“business combination” provisions that, subject to certain limitations, prohibit certain business combinations between us and an “interested stockholder” (defined generally as any person who beneficially owns 10% or more of the voting power of our shares or of an affiliate of ours or an affiliate or associate of ours who was the beneficial owner, directly or indirectly, of 10% or more of the voting power of our then outstanding voting stock at any time within a two-year period immediately prior to the date in question) or any affiliate of an interested stockholder for five years after the most recent date on which the stockholder becomes an interested stockholder, and thereafter impose fair price and/or supermajority and stockholder voting requirements on these combinations; and

“control share” provisions that provide that a holder of “control shares” of our Company (defined as shares that, when aggregated with other shares controlled by the stockholder, entitle the stockholder to exercise one of three increasing ranges of voting power in electing directors) acquired in a “control share acquisition” (defined as the direct or indirect acquisition of ownership or control of outstanding “control shares”) has no voting rights with respect to those shares except to the extent approved by our stockholders by the affirmative vote of at least two-thirds of all the votes entitled to be cast on the matter, excluding all interested shares.

As permitted by the MGCL, we have elected, by resolution of our board of directors, to opt out of the business combination provisions of the MGCL and, pursuant to a provision in our bylaws, to exempt any acquisition of our stock from the control share provisions of the MGCL. However, our board of directors may by resolution elect to repeal the exemption from the business combination provisions of the MGCL and may by amendment to our bylaws opt into the control share provisions of the MGCL at any time in the future, whether before or after an acquisition of control shares.

Certain provisions of the MGCL permit our board of directors, without stockholder approval and regardless of what is currently provided in our charter or bylaws, to implement certain corporate governance provisions, some of which (for example, a classified board) are not currently applicable to us. These provisions may have the effect of limiting or precluding a third party from making an unsolicited acquisition proposal for us or of delaying, deferring or preventing a change in control of us under circumstances that otherwise could be in the best interests of our stockholders. Our charter contains a provision whereby we elect, at such time as we become eligible to do so, to be subject to the provisions of Title 3, Subtitle 8 of the MGCL relating to the filling of vacancies on our board of directors.

Termination of the employment agreements with certain members of our senior management team could be costly and prevent a change in control of our company.

The employment agreements with certain members of our senior management team provide that if their employment with us terminates under certain circumstances (including in connection with a change in control of our company), we

may be required to pay them significant amounts of severance compensation, thereby making

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it costly to terminate their employment. Furthermore, these provisions could delay or prevent a transaction or a change in control of our Company that might involve a premium paid for shares of our common stock or otherwise be in the best interests of our stockholders.

Our board of directors may change our investment and financing policies without stockholder approval and we may become more highly leveraged, which may increase our risk of default under our debt obligations.

Our investment and financing policies are exclusively determined by our board of directors. Accordingly, our stockholders do not control these policies. Further, our organizational documents do not limit the amount or percentage of indebtedness, funded or otherwise, that we may incur. Our board of directors may alter or eliminate our current policy on borrowing at any time without stockholder approval. If this policy changed, we could become more highly leveraged, which could result in an increase in our debt service. Higher leverage also increases the risk of default on our obligations. In addition, a change in our investment policies, including the manner in which we allocate our resources across our portfolio or the types of assets in which we seek to invest, may increase our exposure to interest rate risk, real estate market fluctuations and liquidity risk. Changes to our policies with regards to the foregoing could materially and adversely affect us.

Our rights and the rights of our stockholders to take action against our directors and officers are limited.

As permitted by Maryland law, our charter limits the liability of our directors and officers to us and our stockholders for money damages, except for liability resulting from:

- actual receipt of an improper benefit or profit in money, property or services; or
- active and deliberate dishonesty by the director or officer that was established by a final judgment as being material to the cause of action adjudicated.

As a result, we and our stockholders have rights against our directors and officers that are more limited than might otherwise exist. Accordingly, in the event that actions taken in good faith by any of our directors or officers impede the performance of our company, your and our ability to recover damages from such director or officer will be limited. In addition, our charter authorizes us to obligate our company, and our bylaws require us, to indemnify our directors and officers for actions taken by them in those and certain other capacities to the maximum extent permitted by Maryland law.

We are a holding company with no direct operations and will rely on funds received from the Operating Partnership to pay liabilities.

We are a holding company and conduct substantially all of our operations through the Operating Partnership. We do not have, apart from an interest in the Operating Partnership, any independent operations. As a result, we rely on distributions from the Operating Partnership to pay any dividends we might declare on shares of our common stock. We also rely on distributions from the Operating Partnership to meet any of our obligations, including any tax liability on taxable income allocated to us from the Operating Partnership. In addition, because we are a holding company, your claims as stockholders will be structurally subordinated to all existing and future liabilities and obligations (whether or not for borrowed money) of the Operating Partnership and its subsidiaries. Therefore, in the event of our bankruptcy, liquidation or reorganization, our assets and those of the Operating Partnership and its subsidiaries will be able to satisfy the claims of our stockholders only after all of our and the Operating Partnership's and its subsidiaries' liabilities and obligations have been paid in full.

We own directly or indirectly 100% of the interests in the Operating Partnership. However, in connection with our future acquisition of properties or otherwise, we may issue partnership interests of the Operating Partnership to third parties. Such issuances would reduce our ownership in the Operating Partnership. Because you will not directly own partnership interests of the Operating Partnership, you will not have any voting rights with respect to any such issuances or other partnership level activities of the Operating Partnership.

Conflicts of interest could arise in the future between the interests of our stockholders and the interests of holders of partnership interests in the Operating Partnership, which may impede business decisions that could benefit our stockholders.

Conflicts of interest could arise in the future as a result of the relationships between us and our affiliates, on the one hand, and the Operating Partnership or any future partner thereof, on the other. Our directors and officers have duties to our company under applicable Maryland law in connection with the management of our company. At the same time, one of our wholly-owned subsidiaries, OP Holdings, as the general partner of the Operating Partnership, has fiduciary duties and obligations to the Operating Partnership and its future limited partners under Delaware law and the partnership agreement of the Operating Partnership in connection with the management of the Operating Partnership. The fiduciary duties and obligations of OP Holdings, as general partner of the Operating Partnership, and its future partners may come into conflict with the duties of the directors and officers of our company.

Under the terms of the partnership agreement of the Operating Partnership, if there is a conflict between the interests of our stockholders on one hand and any future limited partners on the other, we will endeavor in good faith to resolve the conflict in a manner not adverse to either our stockholders or any future limited partners; provided, however, that for so long as we own a controlling interest in the Operating Partnership, any conflict that cannot be resolved in a manner not adverse to either our stockholders or any future limited partners shall be resolved in favor of our stockholders.

The partnership agreement also provides that the general partner will not be liable to the Operating Partnership, its partners or any other person bound by the partnership agreement for monetary damages for losses sustained, liabilities incurred or benefits not derived by the Operating Partnership or any future limited partner, except for liability for the general partner's intentional harm or gross negligence. Moreover, the partnership agreement provides that the Operating Partnership is required to indemnify the general partner and its members, managers, managing members, officers, employees, agents and designees from and against any and all claims that relate to the operations of the Operating Partnership, except (1) if the act or omission of the person was material to the matter giving rise to the action and either was committed in bad faith or was the result of active or deliberate dishonesty, (2) for any transaction for which the indemnified party received an improper personal benefit, in money, property or services or otherwise in violation or breach of any provision of the partnership agreement or (3) in the case of a criminal proceeding, if the indemnified person had reasonable cause to believe that the act or omission was unlawful.

Risks Related to Taxes and Our Status as a REIT

Failure to qualify as a REIT would materially and adversely affect us and the value of our common stock.

We believe that we have been organized and have operated in a manner that has allowed us to qualify as a REIT for federal income tax purposes commencing with our taxable year ended December 31, 2005, and we intend to continue operating in such a manner. We have not requested and do not plan to request a ruling from the IRS that we qualify as a REIT, and the statements in this Annual Report on Form 10-K/A are not binding on the IRS or any court. Therefore, we cannot assure you that we have qualified as a REIT, or that we will remain qualified as such in the future. If we lose our REIT status, we will face significant tax consequences that would substantially reduce our cash available for distribution to you for each of the years involved because:

- we would not be allowed a deduction for distributions to stockholders in computing our taxable income and would be subject to federal income tax at regular corporate rates;
- we also could be subject to the federal alternative minimum tax and increased state and local taxes; and
- unless we are entitled to relief under applicable statutory provisions, we could not elect to be taxed as a REIT for four taxable years following the year during which we were disqualified.

Any such corporate tax liability could be substantial and would reduce our cash available for, among other things, our operations and distributions to stockholders. In addition, if we fail to qualify as a REIT, we will not be required to make distributions to our stockholders. As a result of all these factors, our failure to qualify as a REIT also could impair our ability to expand our business and raise capital, and could materially and adversely affect the trading price of our common stock.

Qualification as a REIT involves the application of highly technical and complex Code provisions for which there are only limited judicial and administrative interpretations. The determination of various factual matters and circumstances not entirely within our control may affect our ability to qualify as a REIT. In order to qualify as a REIT, we must satisfy a number of requirements, including requirements regarding the ownership of our stock, requirements regarding the composition of our assets and a requirement that at least 95% of our gross income in any year must be derived from qualifying sources, such as “rents from real property.” Also, we must make distributions to stockholders aggregating annually at least 90% of our REIT taxable income, determined without regard to the dividends paid deduction and excluding any net capital gains. In addition, legislation, new regulations, administrative interpretations or court decisions may materially and adversely affect our investors, our ability to qualify as a REIT for federal income tax purposes or the desirability of an investment in a REIT relative to other investments.

Even if we qualify as a REIT for federal income tax purposes, we may be subject to some federal, state and local income, property and excise taxes on our income or property and, in certain cases, a 100% penalty tax, in the event we sell property as a dealer. In addition, our TRS will be subject to income tax as regular corporations in the jurisdictions in which they operate.

If the Operating Partnership fails to qualify as a partnership for federal income tax purposes, we would cease to qualify as a REIT and suffer other adverse consequences.

The Operating Partnership is currently treated as a partnership for federal income tax purposes. As a partnership, the Operating Partnership is not subject to federal income tax on its income. Instead, each of its partners, including us, is allocated, and may be required to pay tax with respect to, such partner’s share of its income. We cannot assure you that the IRS will not challenge the status of the Operating Partnership or any other subsidiary partnership or limited liability company in which we own an interest as a disregarded entity or partnership for federal income tax purposes, or that a court would not sustain such a challenge. If the IRS were successful in treating the Operating Partnership or any such other subsidiary partnership or limited liability company as an entity taxable as a corporation for federal income tax purposes, we would fail to meet the gross income tests and certain of the asset tests applicable to REITs and, accordingly, we would likely cease to qualify as a REIT. Also, the failure of the Operating Partnership or any subsidiary partnerships or limited liability company to qualify as a disregarded entity or partnership for applicable income tax purposes could cause it to become subject to federal and state corporate income tax, which would reduce significantly the amount of cash available for debt service and for distribution to its partners or members, including us. Our ownership of taxable REIT subsidiaries is subject to certain restrictions, and we will be required to pay a 100% penalty tax on certain income or deductions if our transactions with our taxable REIT subsidiaries are not conducted on arm’s length terms.

Our TRS may acquire securities in additional taxable REIT subsidiaries in the future. A taxable REIT subsidiary is a corporation, other than a REIT, in which a REIT directly or indirectly holds stock, and that has made a joint election with such REIT to be treated as a taxable REIT subsidiary. If a taxable REIT subsidiary owns more than 35% of the total voting power or value of the outstanding securities of another corporation, such other corporation will also be treated as a taxable REIT subsidiary. Other than some activities relating to lodging and health care facilities, a taxable REIT subsidiary may generally engage in any business, including the provision of customary or non-customary services to tenants of its parent REIT. A taxable REIT subsidiary is subject to federal income tax as a regular C corporation. In addition, a 100% excise tax will be imposed on certain transactions between a taxable REIT subsidiary and its parent REIT that are not conducted on an arm’s length basis.

A REIT’s ownership of securities of a taxable REIT subsidiary is not subject to the 5% or 10% asset tests applicable to REITs. Not more than 25% of the value of our total assets may be represented by securities (including securities of taxable REIT subsidiaries), other than those securities includable in the 75% asset test, and, for taxable years beginning after December 31, 2017, not more than 20% of the value of our total assets may be represented by securities of taxable REIT subsidiaries. We anticipate that the aggregate value of the stock and securities of any TRS and other nonqualifying assets that we own will be less than 25% (or 20%, as applicable) of the value of our total assets, and we will monitor the value of these investments to ensure compliance with applicable ownership limitations. In addition, we intend to structure our transactions with any TRS that we own to ensure that they are entered into on arm’s length terms to avoid incurring the 100% excise tax described above. There can be no assurance, however, that we will be able to comply with the above limitations or to avoid application of the 100% excise tax

discussed above.

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To maintain our REIT status, we may be forced to borrow funds during unfavorable market conditions, and the unavailability of such capital on favorable terms at the desired times, or at all, may cause us to curtail our investment activities and/or to dispose of assets at inopportune times, which could materially and adversely affect us.

To qualify as a REIT, we generally must distribute to our stockholders at least 90% of our REIT taxable income each year, determined without regard to the dividends paid deduction and excluding any net capital gains, and we will be subject to regular corporate income taxes on our undistributed taxable income to the extent that we distribute less than 100% of our REIT taxable income, determined without regard to the dividends paid deduction and including any net capital gains, each year. In addition, we will be subject to a 4% nondeductible excise tax on the amount, if any, by which distributions paid by us in any calendar year are less than the sum of 85% of our ordinary income, 95% of our capital gain net income and 100% of our undistributed income from prior years. In order to maintain our REIT status and avoid the payment of income and excise taxes, we may need to borrow funds to meet the REIT distribution requirements even if the then prevailing market conditions are not favorable for these borrowings. These borrowing needs could result from, among other things, differences in timing between the actual receipt of cash and recognition of income for federal income tax purposes, or the effect of non-deductible capital expenditures, the creation of reserves or required debt or amortization payments. These sources, however, may not be available on favorable terms or at all. Our access to third-party sources of capital depends on a number of factors, including the market's perception of our growth potential, our current debt levels, the market price of our common stock, and our current and potential future earnings. We cannot assure you that we will have access to such capital on favorable terms at the desired times, or at all, which may cause us to curtail our investment activities and/or to dispose of assets at inopportune times, and could materially and adversely affect us.

The IRS may treat sale-leaseback transactions as loans, which could jeopardize our REIT status or require us to make an unexpected distribution.

The IRS may take the position that specific sale-leaseback transactions that we treat as leases are not true leases for federal income tax purposes but are, instead, financing arrangements or loans. If a sale-leaseback transaction were so re-characterized, we might fail to satisfy the REIT asset tests, the income tests or distribution requirements and consequently lose our REIT status effective with the year of re-characterization unless we elect to make an additional distribution to maintain our REIT status. The primary risk relates to our loss of previously incurred depreciation expenses, which could affect the calculation of our REIT taxable income and could cause us to fail the REIT distribution test that requires a REIT to distribute at least 90% of its REIT taxable income, determined without regard to the dividends paid deduction and excluding any net capital gain. In this circumstance, we may elect to distribute an additional dividend of the increased taxable income so as not to fail the REIT distribution test. This distribution would be paid to all stockholders at the time of declaration rather than the stockholders existing in the taxable year affected by the re-characterization.

Dividends payable by REITs generally do not qualify for the reduced tax rates available for some dividends, which may negatively affect the value of our shares.

Income from "qualified dividends" payable to U.S. stockholders that are individuals, trusts and estates are generally subject to tax at preferential rates. Dividends payable by REITs, however, generally are not eligible for the preferential tax rates applicable to qualified dividend income. Although these rules do not adversely affect the taxation of REITs or dividends payable by REITs, to the extent that the preferential rates continue to apply to regular corporate qualified dividends, investors who are individuals, trusts and estates may perceive investments in REITs to be relatively less attractive than investments in the stocks of non-REIT corporations that pay dividends, which could materially and adversely affect the value of the shares of REITs, including the per share trading price of our common stock.

The tax imposed on REITs engaging in "prohibited transactions" may limit our ability to engage in transactions which would be treated as sales for federal income tax purposes.

A REIT's net income from prohibited transactions is subject to a 100% penalty tax. In general, prohibited transactions are sales or other dispositions of property, other than foreclosure property, held primarily for sale to customers in the ordinary course of business. Although we do not intend to hold any properties that would be characterized as held for sale to customers in the ordinary course of our business, unless a sale or disposition qualifies under certain statutory safe harbors, such characterization is a factual determination and no guarantee can be given that the IRS would agree with our characterization of our properties or that we will always be able to make use of the available safe harbors.

Complying with REIT requirements may affect our profitability and may force us to liquidate or forgo otherwise attractive investments.

To qualify as a REIT, we must continually satisfy tests concerning, among other things, the nature and diversification of our assets, the sources of our income and the amounts we distribute to our stockholders. We may be required to liquidate or forgo otherwise attractive investments in order to satisfy the asset and income tests or to qualify under certain statutory relief provisions. We also may be required to make distributions to stockholders at disadvantageous times or when we do not have funds readily available for distribution. As a result, having to comply with the distribution requirement could cause us to: (1) sell assets in adverse market conditions; (2) borrow on unfavorable terms; or (3) distribute amounts that would otherwise be invested in future acquisitions, capital expenditures or repayment of debt. Accordingly, satisfying the REIT requirements could materially and adversely affect us. Moreover, if we are compelled to liquidate our investments to meet any of these asset, income or distribution tests, or to repay obligations to our lenders, we may be unable to comply with one or more of the requirements applicable to REITs or may be subject to a 100% tax on any resulting gain if such sales constitute prohibited transactions.

Legislative or other actions affecting REITs could have a negative effect on us.

The rules dealing with federal income taxation are constantly under review by persons involved in the legislative process and by the IRS and the U.S. Department of the Treasury. Changes to the tax laws, with or without retroactive application, could materially and adversely affect our investors or us. We cannot predict how changes in the tax laws might affect our investors or us. New legislation, Treasury Regulations, administrative interpretations or court decisions could significantly and negatively affect our ability to qualify as a REIT or the federal income tax consequences of such qualification.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

Our Real Estate Investment Portfolio

As of December 31, 2015, our investment in real estate and loans totaled approximately \$8.30 billion, representing investments in 2,629 properties. Of this amount, 98.7% consisted of our investment in real estate, representing ownership of 2,485 properties, and the remaining 1.3% consisted primarily of commercial mortgage loans receivable secured by 144 real properties. Over 86.0% of our leases (based on Normalized Rental Revenue) as of December 31, 2015 are triple-net, under which the tenant is typically responsible for all improvements and is contractually obligated to pay all property operating expenses, such as real estate taxes, insurance premiums and repair and maintenance costs. Due to the triple-net structure of our leases, we do not expect to incur significant capital expenditures relating to our triple-net leased properties, and the potential impact of inflation on our operating expenses is reduced.

Property Portfolio Information

Our diverse real estate portfolio at December 31, 2015 consisted of 2,485 owned properties:

• leased to 438 tenants;

• located in 49 states as well as in the U.S. Virgin Islands, with only 5 states each contributing 5% or more of our rental revenue;

• operating in 28 different industries;

• with an occupancy rate of 98.6%; and

• with a weighted average remaining lease term of 10.7 years.

Property Portfolio Diversification

The following tables present the diversity of our properties owned at December 31, 2015. The portfolio metrics are calculated based on the percentage of Normalized Revenue or Normalized Rental Revenue. Total revenues and total rental revenues used in the calculations are normalized to exclude revenues contributed by properties sold during the given period.

Diversification By Tenant

Tenant concentration represents the tenant's quarterly contribution to Normalized Revenue during the period. The following table lists the top ten tenants of our owned real estate properties as of December 31, 2015:

Tenant ⁽²⁾	Number of Properties	Total Square Feet (in thousands)	Percent of Normalized Revenue ⁽¹⁾
Shopko	139	9,058	9.1 %
Walgreens	63	925	3.3
84 Properties, LLC	108	3,388	2.9
Cajun Global, LLC (Church's Chicken)	199	280	2.2
Alimentation Couche-Tard, Inc. (Circle K)	84	253	1.9
Academy, LTD (Academy Sports + Outdoors)	6	2,758	1.8
CVS Caremark Corporation	37	416	1.5
Carmike Cinemas, Inc.	13	615	1.3
CarMax, Inc.	8	356	1.3
Regal Entertainment Group	13	541	1.2
Other	1,779	33,795	73.5
Vacant	36	2,170	—
Total	2,485	54,555	100.0 %

⁽¹⁾ Total revenues for the quarter ended December 31, 2015, excluding revenue contributed from properties sold during the period.

⁽²⁾ Tenants represent legal entities ultimately responsible for obligations under the lease agreements. Other tenants may operate certain of the same business concepts or brands set forth above, but represent distinct tenant credits.

Diversification By Industry

The following table sets forth information regarding the diversification of our owned real estate properties among different industries as of December 31, 2015:

Industry	Number of Properties	Total Square Feet (in thousands)	Percent of Normalized Rental Revenue ⁽¹⁾	
General Merchandise	179	10,643	11.4	%
Restaurants - Casual Dining	367	2,339	9.7	
Restaurants - Quick Service	552	1,231	7.2	
Convenience Stores	250	863	6.5	
Movie Theatres	49	2,430	6.4	
Grocery	69	3,267	6.0	
Drug Stores / Pharmacies	125	1,637	6.0	
Building Materials	171	5,634	5.5	
Medical / Other Office	111	1,228	4.0	
Sporting Goods	25	3,894	3.7	
Health and Fitness	35	1,425	3.5	
Automotive Parts and Service	151	1,043	3.0	
Home Furnishings	32	1,914	2.7	
Education	48	879	2.7	
Apparel	13	2,184	2.5	
Entertainment	19	948	2.4	
Automotive Dealers	25	715	2.2	
Home Improvement	12	1,487	2.0	
Consumer Electronics	13	981	1.5	
Specialty Retail	22	735	1.5	
Distribution	12	935	1.5	
Manufacturing	18	2,467	1.3	
Dollar Stores	84	890	1.3	
Car Washes	27	154	1.2	
Pet Supplies and Service	4	1,016	1.0	%
Wholesale Clubs	4	393	*	
Office Supplies	19	441	*	
Financial Services	4	243	*	
Miscellaneous	9	369	*	
Vacant	36	2,170	—	
Total	2,485	54,555	100.0	%

* Less than 1%

⁽¹⁾ Total rental revenues during the month ended December 31, 2015, excluding rental revenues contributed from properties sold during the period.

Diversification By Asset Type

The following table sets forth information regarding the diversification of our owned real estate properties among different asset types as of December 31, 2015:

Asset Type	Number of Properties	Total Square Feet (in thousands)	Percent of Normalized Rental Revenue ⁽¹⁾
Retail	2,291	42,572	86.7 %
Industrial	71	9,711	7.4
Office	123	2,272	5.9
Total	2,485	54,555	100.0 %

⁽¹⁾ Total rental revenues during the month ended December 31, 2015, excluding rental revenues contributed from properties sold during the period.

Diversification By Geography

The following table sets forth information regarding the geographic diversification of our owned real estate properties as of December 31, 2015:

Location	Number of Properties	Total Square Feet (in thousands)	Percent of Normalized Rental Revenue ⁽¹⁾
Texas	286	6,217	11.6 %
Illinois	120	3,558	6.3
California	62	1,667	5.9
Georgia	174	3,146	5.8
Ohio	139	2,625	5.0
Florida	136	1,426	4.7
Wisconsin	56	3,894	4.2
Tennessee	122	1,704	3.2
Minnesota	49	1,717	2.8
Missouri	82	1,372	2.8
North Carolina	70	1,390	2.7
Indiana	78	1,346	2.6
Michigan	89	1,691	2.6
Virginia	72	1,569	2.5
South Carolina	46	991	2.5
Alabama	102	886	2.4
Arizona	55	922	2.2
Pennsylvania	67	1,506	2.0
Colorado	35	910	1.9
New York	51	957	1.8
Kansas	40	969	1.7
New Mexico	40	563	1.6
Kentucky	63	900	1.4
Nevada	6	1,039	1.4
Washington	24	759	1.3
Oregon	17	528	1.3
Oklahoma	57	523	1.3

Massachusetts	6	1,222	1.2
Iowa	37	636	1.1

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Location	Number of Properties	Total Square Feet (in thousands)	Percent of Normalized Rental Revenue ⁽¹⁾
Nebraska	18	811	1.0
Arkansas	40	696	1.0
Mississippi	41	391	1.0
Utah	10	901	*
Louisiana	28	296	*
Idaho	13	617	*
New Hampshire	16	640	*
Maryland	24	371	*
Montana	8	531	*
New Jersey	15	568	*
West Virginia	28	535	*
South Dakota	9	395	*
North Dakota	6	288	*
Connecticut	3	306	*
Maine	26	79	*
Wyoming	9	186	*
Rhode Island	3	95	*
Delaware	3	86	*
Vermont	2	42	*
Virgin Islands	1	38	*
Alaska	1	50	*
Total	2,485	54,555	100.0 %

* Less than 1%

⁽¹⁾ Total rental revenues during the month ended December 31, 2015, excluding rental revenues contributed from properties sold during the period.

Lease Expirations

The following table sets forth a summary schedule of expiration dates for leases in place as of December 31, 2015. As of December 31, 2015, the weighted average remaining non-cancelable initial term of our leases (based on total rental revenue) was 10.7 years. The information set forth in the table assumes that tenants do not exercise renewal options and or any early termination rights:

Leases Expiring In:	Number of Properties	Normalized Rental Revenue Annualized (in thousands) ⁽¹⁾	Total Square Feet (in thousands)	Percent of Expiring Annual Rental Revenue
2016	49	\$ 24,444	2,447	3.8 %
2017	63	21,276	2,012	3.3
2018	74	23,388	2,041	3.7
2019	109	22,572	1,957	3.5
2020	93	27,780	2,250	4.3
2021	162	36,480	4,050	5.7
2022	100	24,828	1,916	3.9
2023	93	35,004	3,380	5.5
2024	69	21,648	1,373	3.4
2025	81	36,156	2,115	5.6
2026 and thereafter	1,556	366,456	28,844	57.3
Vacant	36	—	2,170	—
Total owned properties	2,485	\$ 640,032	54,555	100.0 %

⁽¹⁾ Total rental revenues for the month ended December 31, 2015 for properties owned at December 31, 2015 multiplied by twelve.

Item 3. Legal Proceedings

From time-to-time, we may be subject to certain claims and lawsuits in the ordinary course of business, the outcome of which cannot be determined at this time. In the opinion of management, any liability we might incur upon the resolution of these claims and lawsuits will not, in the aggregate, have a material adverse effect on our consolidated financial position or results of operations.

Item 4. Mine Safety Disclosure

None.

PART II

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

Market Information for Common Stock, Holders of Record and Dividend Policy

Our common stock is traded on the NYSE under the symbol "SRC." The following table shows the high and low sales prices per share for our common stock as reported by the NYSE, and dividends declared per share of common stock, for the periods indicated.

	Price Per Share of Common Stock		Dividends Declared
	High	Low	
2015			
First quarter	\$12.99	\$11.66	\$0.17000
Second quarter	12.40	9.67	0.17000
Third quarter	10.55	9.04	0.17000
Fourth quarter	10.40	9.33	0.17500
Total			\$0.68500
2014			
First quarter	\$11.43	\$9.83	\$0.16625
Second quarter	11.49	10.62	0.16625
Third quarter	12.02	10.92	0.16625
Fourth quarter	12.02	11.06	0.17000
Total			\$0.66875

The closing sale price per share of our common stock on February 19, 2016, as reported by the NYSE, was \$11.09. As of February 19, 2016, there were approximately 3,200 stockholders of record of our common stock. Because many of our shares of common stock are held by brokers and other institutions on behalf of stockholders, we are unable to estimate the total number of stockholders represented by these record holders.

We intend to pay regular quarterly dividends to our stockholders, although all future distributions will be declared and paid at the discretion of the board of directors and will depend upon cash generated by operating activities, our financial condition, capital requirements, annual distribution requirements under the REIT provisions of the Code and such other factors as the board of directors deems relevant.

Recent Sales of Unregistered Securities; Use of Proceeds From Registered Securities

None.

Issuer Purchases of Equity Securities

We did not repurchase equity securities during the fourth quarter of 2015.

Equity Compensation Plan Information

Our equity compensation plan information required by this item will be included in the Proxy Statement to be filed relating to our 2016 Annual Meeting of Stockholders and is incorporated herein by reference.

Performance Graph

The information below shall not be deemed to be “soliciting material” or to be “filed” with the SEC or subject to Regulation 14A or 14C, other than as provided in Item 201 of Regulation S-K, or to the liabilities of Section 18 of the Exchange Act, except to the extent we specifically request that such information be treated as soliciting material or specifically incorporate it by reference into a filing under the Securities Act or the Exchange Act.

The following graph shows our cumulative total stockholder return for the period beginning with the initial listing of our common stock on the NYSE on September 20, 2012 and ending on December 31, 2015, with stock prices retroactively adjusted for the Merger Exchange Ratio. The graph assumes a \$100 investment in each of the indices on September 20, 2012 and the reinvestment of all dividends. Our stock price performance shown in the following graph is not indicative of future stock price performance.

Index:	Period Ended				
	9/20/2012	12/31/2012	12/31/2013	12/31/2014	12/31/2015
Spirit Realty Capital, Inc.	\$ 100	\$ 121	\$ 136	\$ 175	\$ 158
S&P 500	\$ 100	\$ 98	\$ 130	\$ 148	\$ 150
NAREIT US Equity REIT Index	\$ 100	\$ 105	\$ 105	\$ 135	\$ 139

Item 6. Selected Financial Data

As discussed in the Explanatory Note to this Form 10-K/A and in Note 2 to the consolidated financial statements included in Part II, Item 8 of this Form 10-K/A, we are restating our audited consolidated financial statements and related disclosures for the year ended December 31, 2015. The following tables set forth, on a historical basis, selected financial and operating data for the Company. The following data should be read in conjunction with our

financial statements and notes thereto and Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in this Annual Report on Form 10-K/A.

	Years Ended December 31,				
	2015 ⁽¹⁾	2014 ⁽¹⁾	2013 ⁽¹⁾	2012	2011
	(Dollars in thousands, except share and per share data)				
	(Restated) (Restated) (Restated)				
Operating Data:					
Revenues:					
Rentals	\$634,151	\$574,456	\$404,402	\$266,567	\$255,672
Interest income on loans receivable	6,948	7,239	5,928	5,696	6,772
Earned income from direct financing leases	3,024	3,343	1,572	—	—
Tenant reimbursement income	15,952	13,085	5,637	—	—
Other income and interest from real estate transactions	7,260	4,748	1,928	852	786
Total revenues	667,335	602,871	419,467	273,115	263,230
Expenses:					
General and administrative	47,730	42,637	35,146	36,252	27,854
Restructuring charges	7,056	—	—	—	—
Finance restructuring costs	—	13,022	717	—	—
Merger costs	—	—	56,644	—	—
Property costs	27,715	23,383	11,760	5,176	4,693
Real estate acquisition costs	2,739	3,631	1,718	1,054	553
Interest	222,901	220,070	179,267	156,220	169,343
Depreciation and amortization	260,633	247,966	164,054	104,984	103,179
Impairments (recoveries)	70,695	37,598	(185)	8,918	5,646
Total expenses	639,469	588,307	449,121	312,604	311,268
Income (loss) from continuing operations before other expense and income tax expense	27,866	14,564	(29,654)	(39,489)	(48,038)
Other expense:					
Loss on debt extinguishment	(3,162)	(64,750)	(2,405)	(32,522)	—
Total other expense	(3,162)	(64,750)	(2,405)	(32,522)	—
Income (loss) from continuing operations before income tax (expense) benefit	24,704	(50,186)	(32,059)	(72,011)	(48,038)
Income tax (expense) benefit	(601)	(673)	(1,113)	(504)	60
Income (loss) from continuing operations	24,103	(50,859)	(33,172)	(72,515)	(47,978)
Discontinued operations: ⁽²⁾					
Income (loss) from discontinued operations	98	3,368	(4,530)	(369)	(13,149)
Gain (loss) on disposition of assets	590	325	36,086	(3,349)	(2,736)
Income (loss) from discontinued operations	688	3,693	31,556	(3,718)	(15,885)
Income (loss) before gain on disposition of assets	24,791	(47,166)	(1,616)	(76,233)	(63,863)
Gain on disposition of assets	68,421	10,221	—	—	—
Net income (loss)	93,212	(36,945)	(1,616)	(76,233)	(63,863)
Less: preferred dividends	—	—	—	(63)	(16)
Net income (loss) attributable to common stockholders	\$93,212	\$(36,945)	\$(1,616)	\$(76,296)	\$(63,879)
Net income (loss) per share of common stock—basic:					
Continuing operations	\$0.21	\$(0.11)	\$(0.14)	\$(0.92)	\$(0.97)
Discontinued operations	—	0.01	0.13	(0.05)	(0.33)
Net income (loss) per share attributable to common stockholders—basic	\$0.21	\$(0.10)	\$(0.01)	\$(0.97)	\$(1.30)
Net income (loss) per share of common stock—diluted:					

Continuing operations \$0.21 \$(0.11) \$(0.14) \$(0.92) \$(0.97)

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Discontinued operations	—	0.01	0.13	(0.05) (0.33)
Net income (loss) per share attributable to common stockholders—diluted	\$ 0.21	\$ (0.10) \$ (0.01) \$ (0.97) \$ (1.30)
Weighted average shares of common stock outstanding:						
Basic common shares ⁽³⁾	432,222,953	386,809,746	255,020,565	78,625,102	49,265,701	
Diluted common shares ⁽³⁾	432,545,625	386,809,746	255,020,565	78,625,102	49,265,701	
Dividends declared per common share issued ⁽⁴⁾	\$ 0.68500	\$ 0.66875	\$ 0.65843	\$ 0.17480	\$ —	

⁽¹⁾ As a result of the Merger completed on July 17, 2013, Operating Data includes the results of operations from the acquired properties for a full year in 2015 and 2014 and for less than half a year in 2013.

⁽²⁾ Includes gains, losses and results of operations from all property dispositions and from properties classified as held for sale at the end of the period for all periods prior to 2014. During 2015 and 2014, only those properties classified as held for sale as of December 31, 2013 are reported as discontinued operations and will continue to be reported as such until they are disposed.

⁽³⁾ Historical weighted average number of shares of common stock outstanding (basic and diluted) have been adjusted for the Merger Exchange Ratio. No potentially dilutive securities were included as their effect would be anti-dilutive on results from continuing operations.

⁽⁴⁾ Dividends declared per common share issued for the years ended December 31, 2013 and 2012 have been adjusted for the Merger.

	Years Ended December 31,					
	2015 ⁽¹⁾	2014 ⁽¹⁾	2013 ⁽¹⁾	2012	2011	
	(Dollars in thousands)					
	(Restated)	(Restated)	(Restated)			
Balance Sheet Data (end of period):						
Gross investments, including related lease intangibles	\$ 8,302,688	\$ 8,043,497	\$ 7,235,732	\$ 3,654,925	\$ 3,582,870	
Net investments	7,425,719	7,316,694	6,743,439	3,119,608	3,147,109	
Cash and cash equivalents	21,790	176,181	66,588	73,568	49,536	
Total assets ⁽³⁾	7,891,039	7,964,230	7,207,775	3,245,938	3,225,628	
Total debt, net ⁽³⁾	4,092,787	4,323,302	3,758,241	1,893,139	2,621,213	
Total liabilities ⁽³⁾	4,429,165	4,652,568	4,093,034	1,992,495	2,699,268	
Total stockholders' equity ⁽²⁾	3,461,874	3,311,662	3,114,741	1,253,443	526,360	
Other Data:						
FFO ⁽⁴⁾	\$ 354,686	\$ 238,105	\$ 139,487	\$ 52,830	\$ 69,766	
AFFO ⁽⁴⁾	\$ 378,050	\$ 322,400	\$ 208,853	\$ 119,248	\$ 99,574	
Number of properties in investment portfolio	2,629	2,509	2,186	1,207	1,153	
Owned properties occupancy at period end (based on number of properties)	99	% 98	% 99	% 99	% 98	%

⁽¹⁾ As a result of the Merger completed on July 17, 2013, Balance Sheet Data and Other Data include the impact of the acquired properties for the years ended December 31, 2015, 2014 and 2013.

⁽²⁾ Stockholders' equity for the year ended December 31, 2012 includes the issuance of 33.35 million shares of our common stock in connection with the IPO.

⁽³⁾ During 2015, we elected to early adopt ASU 2015-03, Simplifying the Presentation of Debt Issuance Costs, in which capitalized deferred financing costs, previously recorded in deferred costs and other assets on the consolidated balance sheets, are presented as a direct deduction from the carrying amount of the debt liability to which these costs relate, and this presentation is retrospectively applied to prior periods. Capitalized deferred financing costs incurred in connection with the 2013 Credit Facility and 2015 Credit Facility continue to be presented in deferred costs and other assets, net on the consolidated balance sheets as amounts can be drawn and repaid periodically, which is in accordance

with ASU 2015-15, Presentation and Subsequent Measurement of Debt Issuance Costs Associated with Line-of-Credit Arrangements.

⁽⁴⁾ We calculate FFO in accordance with the standards established by the NAREIT. FFO represents net income (loss) attributable to common stockholders (computed in accordance with GAAP), excluding real estate-related depreciation and amortization, impairment charges and net losses (gains) from property dispositions. FFO is a supplemental non-GAAP financial measure. We use FFO as a supplemental performance measure because we believe that FFO is beneficial to investors as a starting point in

measuring our operational performance. Specifically, in excluding real estate-related depreciation and amortization, gains and losses from property dispositions and impairment charges, which do not relate to or are not indicative of operating performance, FFO provides a performance measure that, when compared year-over-year, captures trends in occupancy rates, rental rates and operating costs. We also believe that, as a widely recognized measure of the performance of equity REITs, FFO will be used by investors as a basis to compare our operating performance with that of other equity REITs. However, because FFO excludes depreciation and amortization and does not capture the changes in the value of our properties that result from use or market conditions, all of which have real economic effects and could materially impact our results from operations, the utility of FFO as a measure of our performance is limited. In addition, other equity REITs may not calculate FFO as we do, and, accordingly, our FFO may not be comparable to such other equity REITs' FFO. Accordingly, FFO should be considered only as a supplement to net income (loss) attributable to common stockholders as a measure of our performance.

AFFO is a non-GAAP financial measure of operating performance used by many companies in the REIT industry. Accordingly, AFFO should be considered only as a supplement to net income (loss) attributable to common stockholders as a measure of our performance. We adjust FFO to eliminate the impact of certain items that we believe are not indicative of our core operating performance, including merger, finance and other restructuring costs, default interest on non-recourse mortgage indebtedness, debt extinguishment gains (losses), transaction costs incurred in connection with the acquisition of real estate investments subject to existing leases and certain non-cash items. These certain non-cash items include non-cash revenues (comprised of straight-line rents, amortization of above and below market rent on our leases, amortization of lease incentives, amortization of net premium (discount) on loans receivable and amortization of capitalized lease transaction costs), non-cash interest expense (comprised of amortization of deferred financing costs and amortization of net debt discount/premium) and non-cash compensation expense (stock-based compensation expense). In addition, other equity REITs may not calculate AFFO as we do, and, accordingly, our AFFO may not be comparable to such other equity REITs' AFFO. AFFO does not represent cash generated from operating activities determined in accordance with GAAP, is not necessarily indicative of cash available to fund cash needs and should not be considered as an alternative to net income determined in accordance with GAAP as a performance measure. The following table sets forth a reconciliation of our FFO and AFFO to net income (loss) (computed in accordance with GAAP) for the periods presented.

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	Years Ended December 31,				
	2015	2014	2013	2012	2011
	(Dollars in thousands)				
	(Restated)	(Restated)	(Restated)		
Net income (loss) attributable to common stockholders (1)	\$93,212	\$(36,945)	\$(1,616)	\$(76,296)	\$(63,879)
Add/(less):					
Portfolio depreciation and amortization					
Continuing operations	260,257	247,587	163,874	104,929	103,086
Discontinued operations	—	—	3,545	7,116	8,691
Portfolio impairments					
Continuing operations	70,197	37,592	183	9,098	2,546
Discontinued operations	34	417	9,587	4,634	16,586
Realized (gain) loss on sales of real estate (2)	(69,014)	(10,546)	(36,086)	3,349	2,736
Total adjustments	261,474	275,050	141,103	129,126	133,645
FFO	\$354,686	\$238,105	\$139,487	\$52,830	\$69,766
Add/(less):					
Loss (gain) on debt extinguishment					
Continuing operations	3,162	64,750	2,405	32,522	—
Discontinued operations	—	—	(1,028)	—	—
Restructuring charges	7,056	—	—	—	—
Loss on derivative instruments related to term note extinguishment	—	—	—	8,688	1,025
Expenses incurred to secure lenders' consents to the IPO	—	—	—	4,743	374
Expenses incurred to amend term note	—	—	—	—	7,226
Litigation	—	—	—	—	151
Cole II Merger related costs (3)	—	—	66,700	—	—
Master Trust Exchange Costs	—	13,022	717	—	—
Real estate acquisition costs	2,739	3,631	1,718	1,054	553
Non-cash interest expense	10,367	5,175	8,840	16,495	22,704
Non-cash revenues	(20,930)	(16,732)	(18,755)	(3,015)	(2,225)
Accrued interest and fees on defaulted loans	7,649	3,103	—	—	—
Non-cash compensation expense	13,321	11,346	8,769	5,931	—
Total adjustments to FFO	23,364	84,295	69,366	66,418	29,808
AFFO	\$378,050	\$322,400	\$208,853	\$119,248	\$99,574
FFO per share of common stock					
Diluted (4) (5)	\$0.82	\$0.61	\$0.54	\$0.57	\$1.42
AFFO per share of common stock					
Diluted (4) (6)	\$0.87	\$0.83	\$0.81	\$1.14	\$2.02
Weighted average shares of common stock outstanding:					
Basic	432,222,953	386,809,746	255,020,565	78,625,102	49,265,701
Diluted	432,545,623	387,585,580	255,210,757	112,509,283	49,265,701

(1) Amount is net of distributions paid to preferred stockholders for the years ended December 31, 2012 and 2011.

(2) Includes amounts related to discontinued operations.

(3) Includes \$10.1 million of interest expense charges related to the Merger.

(4) Assumes the issuance of potentially issuable shares unless the result would be anti-dilutive.

(5) FFO per share for the years ended December 31, 2015, 2014 and 2013 deducts dividends paid to participating stockholders of \$696, \$1,099 and \$1,291, respectively, in its computation. FFO per share for the year ended December 31, 2012 adds back cash and non-cash interest savings under the "if converted method" of \$11,578 for assumed conversion of the term note in the computation of diluted FFO per share.

(6) AFFO per share for the years ended December 31, 2015, 2014 and 2013 deducts dividends paid to participating stockholders of \$696, \$1,099 and \$1,291, respectively, in its computation. AFFO per share for the year ended December 31, 2012 adds back cash interest savings under the "if converted method" of \$9,020 for assumed conversion of the term note in the computation of diluted AFFO per share.

Adjusted Debt, Adjusted EBITDA and Annualized Adjusted EBITDA

	December 31,	
	2015	2014 ⁽⁶⁾
	(in thousands)	
Revolving Credit Facilities	\$—	\$15,114
Term Loan, net	322,902	—
Mortgages and notes payable, net	3,079,787	3,629,998
Convertible Notes, net	690,098	678,190
	4,092,787	4,323,302
Add/(less):		
Preferred stock	—	—
Unamortized debt (premium) discount, net	52,203	51,586
Unamortized deferred financing costs	41,577	46,332
Cash and cash equivalents	(21,790)	(176,181)
Cash reserves on deposit with lenders as additional security classified as other assets	(24,660)	(46,481)
Total adjustments	47,330	(124,744)
Adjusted Debt ⁽¹⁾	\$4,140,117	\$4,198,558
	Three Months	
	Ended December 31,	
	2015	2014
	(Dollars in thousands)	
	(Restated)	(Restated)
Net income attributable to common stockholders	\$6,301	\$31,328
Add/(less): ⁽²⁾		
Interest	54,147	56,144
Depreciation and amortization	65,173	63,380
Income tax (benefit) expense	(106)	87
Total adjustments	119,214	119,611
EBITDA	\$125,515	\$150,939
Add/(less): ⁽²⁾		
Restructuring charges	6,956	—
Real estate acquisition costs	617	1,259
Impairments (recoveries)	13,691	(5,268)
Realized gain on sales of real estate	(2,131)	(9,135)
Loss on debt extinguishment	5,651	254
Total adjustments to EBITDA	24,784	(12,890)
Adjusted EBITDA ⁽³⁾	\$150,299	\$138,049
Annualized Adjusted EBITDA ⁽⁴⁾	\$601,196	\$552,196
Adjusted Debt / Annualized Adjusted EBITDA ⁽⁵⁾	6.9	7.6

⁽¹⁾ Adjusted Debt represents interest bearing debt (reported in accordance with GAAP) adjusted to exclude unamortized debt discount/premium and deferred financing costs, as further reduced by cash and cash equivalents and cash reserves on deposit with lenders as additional security. By excluding unamortized debt discount/premium and deferred financing costs, cash and cash equivalents, and cash reserves on deposit with lenders as additional security, the result provides an estimate of the contractual amount of borrowed capital to be repaid, net of cash available to repay it. We believe this calculation constitutes a beneficial supplemental non-GAAP financial disclosure to investors in understanding our financial condition.

⁽²⁾ Adjustments include all amounts charged to continuing and discontinued operations.

(3) Adjusted EBITDA represents EBITDA modified to include other adjustments to GAAP net income (loss) attributable to common stockholders for restructuring charges, real estate acquisition costs, impairment losses, gains/losses from the sale of real estate and debt transactions and other items that we do not consider to be indicative of our on-going operating performance. We focus

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our business plans to enable us to sustain increasing shareholder value. Accordingly, we believe that excluding these items, which are not key drivers of our investment decisions and may cause short-term fluctuations in net income, provides a useful supplemental measure to investors and analysts in assessing the net earnings contribution of our real estate portfolio. Because these measures do not represent net income (loss) that is computed in accordance with GAAP, they should not be considered alternatives to net income (loss) or as an indicator of financial performance. A reconciliation of net income (loss) attributable to common stockholders (computed in accordance with GAAP) to EBITDA and Adjusted EBITDA is included in the financial information in the above table.

⁽⁴⁾ Adjusted EBITDA of the current quarter multiplied by four.

⁽⁵⁾ Adjusted Debt to Annualized Adjusted EBITDA is a supplemental non-GAAP financial measure we use to evaluate the level of borrowed capital being used to increase the potential return of our real estate investments, and a proxy for a measure we believe is used by many lenders and ratings agencies to evaluate our ability to repay and service our debt obligations over time. We believe the ratio is a beneficial disclosure to investors as a supplemental means of evaluating our ability to meet obligations senior to those of our equity holders. Our computation of this ratio may differ from the methodology used by other equity REITs, and therefore, may not be comparable to such other REITs.

⁽⁶⁾ Certain reclassifications were made to the prior period to conform to the current period presentation.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations Restatement

As discussed in the Explanatory Note to this Form 10-K/A and in Note 2 to the consolidated financial statements included in Part II, Item 8 of this Form 10-K/A, we are restating our audited consolidated financial statements and related disclosures for the year ended December 31, 2015. The following discussion and analysis of our financial condition and results of operations incorporates the restated amounts. For this reason, the data set forth in this Item 7 may not be comparable to the discussion and data in our previously filed Annual Report on Form 10-K for the year ended December 31, 2015.

Overview

We are a self-administered and self-managed REIT with in-house capabilities including acquisition, portfolio management, asset management, credit research, real estate research, legal, finance and accounting and capital markets. We primarily invest in single-tenant, operationally essential real estate throughout the U.S., which are generally acquired through strategic sale-leaseback transactions and subsequently leased on a long-term, triple-net basis to high-quality tenants with business operations within predominantly retail, but also office and industrial property types. Single-tenant, operationally essential real estate consists of properties that are generally free-standing, commercial real estate facilities where our tenants conduct activities that are essential to the generation of their sales and profits. In support of our primary business of owning and leasing real estate, we have also strategically originated or acquired long-term, commercial mortgage and other loans to provide a range of financing solutions to our tenants. We generate our revenue primarily by leasing our properties to our tenants. As of December 31, 2015, our undepreciated investment in real estate and loans totaled approximately \$8.30 billion, representing investments in 2,629 properties, including properties securing our mortgage loans. Of this amount, 98.7% consisted of our investment in real estate, representing ownership of 2,485 properties, and the remaining 1.3% consisted of commercial mortgage and other loans receivable primarily secured by the remaining 144 real properties or other related assets. Our operations are carried out through the Operating Partnership. OP Holdings, one of our wholly-owned subsidiaries, is the sole general partner and owns 1.0% of the Operating Partnership. We and one of our wholly-owned subsidiaries are the only limited partners, and together own the remaining 99.0% of the Operating Partnership. Although the Operating Partnership is wholly-owned by us, in the future, we may issue partnership interests in the Operating Partnership to third parties in exchange for property owned by such third parties. In general, any partnership interests in the Operating Partnership issued to third parties would be exchangeable for cash or, at our election, shares of our common stock at specified ratios set when such partnership interests in the Operating Partnership are issued.

We have elected to be taxed as a REIT for federal income tax purposes commencing with our taxable year ended December 31, 2005. We believe that we have been organized and have operated in a manner that has allowed us to

qualify as a REIT for federal income tax purposes commencing with such taxable year, and we intend to continue operating in such a manner.

As of December 31, 2015, our owned properties were approximately 98.6% occupied (based on number of properties), and our leases had a weighted average non-cancelable remaining lease term (based on total rental revenue) of

approximately 10.7 years. Our leases are generally originated with long lease terms, typically non-cancelable initial terms of 15 to 20 years and tenant renewal options for additional years. As of December 31, 2015, approximately 88% of our single-tenant properties (based on Normalized Rental Revenue) provided for increases in future annual base contractual rent.

2015 Highlights

For the year ended December 31, 2015:

Generated revenues of \$667.3 million, a 10.7% increase over revenues reported during the year ended December 31, 2014.

Generated AFFO of \$0.87 per diluted share, FFO of \$0.82 per diluted share, and net income of \$0.21 per share.

Closed 97 real estate transactions totaling \$889.2 million, which added 232 properties to our portfolio, earning an initial weighted average cash yield of 7.68% under leases with an average term of 16.4 years.

Sold 110 properties generating gross proceeds of \$546.9 million, with a weighted average capitalization rate of 7.22%, including 34 Shopko properties for approximately \$300.7 million, resulting in an overall gain on sale of \$69.0 million, including \$0.6 million reflected in discontinued operations.

Reduced Shopko concentration to 9.1% of Normalized Revenue from 14.0% at December 31, 2014.

Strengthened our balance sheet and acquisition capacity:

Issued 23.0 million shares of common stock in a follow-on offering at \$11.85 per share, including the underwriter's option to purchase additional shares, raising net proceeds of \$268.7 million.

Sold 6.6 million shares of common stock under our ATM program, at a weighted average share price of \$12.07, generating aggregate net proceeds of \$78.5 million.

Entered into a new \$600.0 million unsecured Credit Agreement and terminated our \$400.0 million secured revolving credit facility.

Entered into a new \$325.0 million Term Loan Agreement and increased the Term Loan to \$370.0 million during the fourth quarter of 2015.

Extinguished \$536.6 million of high coupon debt that had a 5.73% weighted average rate.

Factors that May Influence Our Operating Results

Acquisitions

Our principal line of business is acquiring commercial real estate properties and leasing these properties to our tenants. Our ability to grow revenue and produce superior risk adjusted returns will principally depend on our ability to acquire additional properties that meet our investment criteria at a yield sufficiently in excess of our cost of capital. We primarily focus on opportunities to acquire attractive commercial real estate by providing capital to small and middle-market companies that we conclude have stable and proven operating histories and attractive credit characteristics, but lack the access to capital that large companies often have. Small and middle-market companies are often willing to enter into leases with structures and terms that we consider appealing (such as master leases and leases that require ongoing tenant financial reporting) and that we believe increase the security of rental payments. In the year ended December 31, 2015, we acquired 232 properties for a gross investment of \$889.2 million in 97 real estate transactions, including follow-on investments, with a weighted average initial cash yield of 7.68% and a weighted average remaining lease term of 16.4 years. Of the 232 properties acquired during 2015, 78.1% of the gross investments were direct sale leasebacks, and 96.0% of the gross investments were retail. During the year ended December 31, 2014, we acquired 361 properties for a gross investment of \$971.7 million in 82 real estate transactions, including follow-on investments, with a weighted average initial cash yield of 7.55% and a weighted average remaining lease term of 15.7 years.

Operationally Essential Real Estate with Long-Term Leases

We seek to own properties that are operationally essential to our tenants, thereby reducing the risk that our tenant would choose not to renew an expiring lease or reject a lease in bankruptcy. In addition, we seek to enter into leases with relatively long terms, typically with initial terms of 15 to 20 years and tenant renewal options for additional terms with attractive rent escalation provisions. As of December 31, 2015, our leases had a weighted average remaining lease term of approximately 10.7 years (based on rental revenue) compared to approximately 10.8 years as of December 31, 2014. Approximately 18.6% of our leases (based on rental revenue) as of December 31, 2015 will expire prior to January 1, 2021.

Portfolio Diversification

Our strategy emphasizes a portfolio that (1) derives no more than 10% of its annual rent from any single tenant and no more than 1.0% of its annual rent from any single property, (2) is leased to tenants operating in various industries and (3) is located across the U.S. without significant geographic concentration.

As of December 31, 2015, Shopko represents our most significant tenant. Following the 2014 restructuring of the Shopko master lease and defeasance of the related secured indebtedness, we have continued our objective to reduce the tenant concentration of Shopko. During the year ended December 31, 2015, we sold 34 Shopko properties having an investment value of \$287.1 million. These sales, coupled with our increased rental revenue from real estate investments of \$889.2 million during the past 12 months, have reduced our current Shopko tenant concentration to 9.1% for the three months ended December 31, 2015 compared to 14.0% for the corresponding period in 2014.

84 Properties, LLC, with a 2.9% tenant concentration as of December 31, 2015, represents our third most significant tenant. As of December 31, 2015, there were 108 properties under a master lease subject to senior mortgage debt with \$68.5 million of principal outstanding, which reflects a partial principal repayment of \$68.7 million in the fourth quarter 2015. The master lease agreement includes a purchase option, which upon 180 days prior written notice, 84 Properties, LLC can elect to purchase all of the properties from us prior to the end of the 10th, 15th and 20th years of the lease. The purchase option does not allow for a purchase of less than all of the properties. The option purchase price is equal to 100% of our gross purchase price of approximately \$200.6 million in May 2007, plus any subsequent improvements and other capitalized costs incurred in connection with the properties (as defined in the master lease agreement). 84 Properties, LLC will be eligible to execute its first purchase option in May 2017 and, if it elects to exercise it, 84 Properties, LLC will need to provide written notice in December 2016 of their intent to purchase the properties.

We believe that our experience, in-depth market knowledge and extensive network of long-standing relationships in the real estate industry will continue to provide us access to an ongoing pipeline of attractive acquisitions. However, because we primarily use external financing to fund acquisitions, periods of volatility in the credit and capital markets that may negatively affect the amounts, sources and cost of capital available to us could force us to limit our acquisition activity. Additionally, to the extent that we access capital at a higher cost (reflected in higher interest rates for debt financing or lower stock price for equity financing), our financial results could be adversely affected.

Our Leases

Rent Escalators

Generally, our single-tenant leases contain contractual provisions increasing the rental revenue over the term of the lease at specified dates by: (1) a fixed amount or (2) the lesser of (a) 1 to 1.25 times any increase in CPI over a specified period or (b) a fixed percentage, typically 1% to 2% per year. The percentage of our single-tenant properties (based on Normalized Rental Revenue) containing rent escalators decreased slightly to approximately 88% as of December 31, 2015 compared to approximately 89% as of December 31, 2014.

Master Lease Structure

Where appropriate, we seek to enter into master leases, pursuant to which we lease multiple properties to a single tenant on an “all or none” basis. We seek to use the master lease structure to prevent a tenant from unilaterally giving up underperforming properties while retaining well-performing properties. We had 124 active master leases with properties ranging from 2 to 189 and a weighted average non-cancelable remaining lease term (based on Normalized Rental Revenue) of 13.6 years as of December 31, 2015 compared to 105 active master leases with properties ranging

from 2 to 191 and a weighted average non-cancelable remaining lease term (based on Normalized Rental Revenue) of 13.6 years as of December 31, 2014.

Master lease revenue contributed approximately 46% of our Normalized Rental Revenue during the year ended December 31, 2015 compared to approximately 45% for the same period in 2014. One master lease, consisting of 81 and 112 properties, contributed 7.7% and 12.3% of our Normalized Revenue during the three months ended December 31, 2015 and 2014, respectively. Our smallest master lease, consisting of 2 properties, contributed less than 1% to our Normalized Revenue in each of the years ended December 31, 2015 and 2014, respectively. As of December 31, 2015, the majority of our master leases include between two and eight properties.

Triple-Net Leases

Our leases are predominantly triple-net, which require the tenant to pay all property operating expenses such as real estate taxes, insurance premiums and repair and maintenance costs. As a result of our Merger, we acquired a limited number of single and double-net leases where we initially incur property expenses for which we are ultimately reimbursed by the tenant, subject to certain caps and limitations as provided in the leases. We occasionally enter into leases, or acquire properties with existing leases, pursuant to which we retain responsibility for the costs of structural repair, maintenance and certain other property costs. Although such leases have not historically resulted in significant costs to us, an increase in costs related to these responsibilities could negatively impact our operating results. Similarly, an increase in the vacancy rate of our portfolio would increase our costs, as we would be responsible for expenses that our tenants are currently required to pay. As of December 31, 2015, approximately 86.0% of our properties (based on Normalized Rental Revenue) are subject to triple-net leases compared to approximately 85.5% as of December 31, 2014.

Impact of Inflation

Our leases typically contain provisions designed to mitigate the adverse impact of inflation on our results of operations. Since tenants are typically required to pay all property operating expenses, increases in property-level expenses at our leased properties generally do not adversely affect us. However, increased operating expenses at vacant properties and the limited number of properties that are not subject to full triple-net leases could cause us to incur additional operating expenses, which could increase our exposure to inflation. Additionally, our leases generally provide for rent escalators designed to mitigate the effects of inflation over a lease's term. However, since some of our leases do not contain rent escalators and many that do limit the amount by which rent may increase, any increase in our rental revenue may not keep up with the rate of inflation.

Asset Management

The stability of the rental revenue generated by our properties depends principally on our and our tenants' ability to 1) pay rent and our ability to collect rent due, 2) renew expiring leases or re-lease space upon expiration or other termination, 3) lease or dispose of currently vacant properties, and 4) maintain or increase rental rates. Each of these could be negatively impacted by adverse economic conditions, particularly those that affect the markets in which our properties are located, downturns in our tenants' industries, increased competition for our tenants at our property locations, or the bankruptcy of one or more of our tenants. We seek to manage these risks by using our developed underwriting and risk management processes to structure and manage our portfolio.

On September 8, 2015, Haggen Holdings, LLC and a number of its affiliates, including Haggen Operations Holdings, LLC, (collectively, the "Debtors") filed petitions for bankruptcy protection under Chapter 11 of the U.S. Bankruptcy Code in the U.S. Bankruptcy Court for the District of Delaware. At the time of the filing, Haggen Operations Holdings, LLC leased 20 properties on a triple net basis from a subsidiary of ours under a master lease with initial monthly rents of \$1.4 million and an initial lease expiration date of February 28, 2035. Haggen Holdings, LLC is the

guarantor of the tenant's obligations under that master lease. Our subsidiary and the debtors entered into a settlement agreement whereby our subsidiary consented to the partial assumption and partial rejection of the master lease permitting (a) the assumption of nine stores subject to the lease and their assignment to three unaffiliated grocery operators with winning bids in an auction of the respective leaseholds, (b) the rejection of the leasehold with respect to six of the stores and their return to our possession, and (c) the assumption and continued operation by the tenant of five of the stores. Under the settlement agreement, our subsidiary received an unsecured stipulated damages claim for \$21.0 million against each of Hagggen Operations Holdings, LLC and Hagggen Holding, LLC, as well as certain agreed upon fees, expenses and cure payments in the bankruptcy. The court approved the settlement agreement in an order entered

November 25, 2015. The bankruptcy proceeding remains ongoing, and there is no guaranty that the claims will be paid or otherwise satisfied in full.

Active Management and Monitoring of Risks Related to Our Investments

We seek to measure tenant financial distress risk and lease renewal risk through various processes. Many of our tenants are required to provide corporate-level and or unit-level financial information, which includes balance sheet, income statement and cash flow statement data on a quarterly and/or annual basis, and approximately 63.8% of our leases as of December 31, 2015 require the tenant to provide property-level performance information, which includes income statement data on a quarterly and/or annual basis. To assist in our determination of a tenant's credit quality, we license a product from Moody's Analytics that provides an estimated default frequency and a "shadow rating," and we evaluate a lease's property-level rent coverage ratio. We also review current market data and our historical recovery rates on re-leased properties and property dispositions. Our underwriting and risk management processes are designed to structure new investments and manage existing investments to address and mitigate tenant credit quality risks and preserve the long-term return on our invested capital. We continuously monitor our underperforming and non-performing properties for potential re-lease or disposition which may trigger impairment charges when the expected future cash flows from these properties are less than their net book value. Since our inception, our occupancy has never been below 96.1% (based on number of properties), despite the economic downturn of 2008 through 2010. The percentage of our properties (based on number of properties) that were occupied increased slightly to approximately 98.6% as of December 31, 2015 from approximately 98.4% as of December 31, 2014.

We monitor and manage the diversification of our real estate investment portfolio in order to reduce the risks associated with adverse developments affecting a particular tenant, property, industry or region. During the three months ended December 31, 2015 and 2014, we reduced our tenant concentrations, with no tenant exceeding 4.0% of our Normalized Revenue, and no one single property contributing more than 1.5% of our Normalized Revenue during the three months ended December 31, 2015 compared to 1.6% during the three months ended December 31, 2014, in each case excluding Shopko. We lease 139 properties to Shopko, 137 of which are under three master leases that had a weighted average non-cancelable remaining lease term of approximately 13.7 years and 14.7 years as of December 31, 2015 and 2014, respectively. Because a significant portion of our revenue is derived from rental revenue received from Shopko, defaults, breaches or delays in rent payments by Shopko may materially and adversely affect us.

In June 2014, we released 112 Shopko properties (relating to a single master lease) from the security liens under a master loan agreement through the defeasance of an aggregate loan principal balance of approximately \$488.7 million. In December 2014, we amended one of the master leases concerning these 112 properties to permit us to sell properties or sub-portfolios leased thereunder and extended the weighted average lease term by approximately five years to 15.9 years. The total annual rent of \$74.7 million under the master lease remained unchanged by the amendment; however, future sales of Shopko properties would reduce the individual rents thereunder. In connection with the amendment to the master lease, we made a one-time payment of \$18.8 million to Shopko which is amortized as a reduction to rental revenue over the remaining lease term. Any below market rent intangibles related to the properties for which the lease term was extended were written off as of December 31, 2014, resulting in a \$9.8 million reduction to total impairment charges in our consolidated results of operations. We also agreed to pay to Shopko \$50,000 for each property to which we assign our rights under the amended master lease, with such payment due at the time of the respective assignment. During the year ended December 31, 2015, we sold 34 Shopko properties for gross sales proceeds of \$300.7 million and relet four additional properties to a new tenant.

Capital Recycling

We continuously evaluate opportunities for the potential disposition of properties in our portfolio when we believe such disposition is appropriate in view of our business objectives, considering criteria including, but not limited to, tenant concentration, tenant credit quality, unit financial performance, local market conditions and lease rates,

associated indebtedness, asset location, and tenant operation type (e.g., industry, sector, or concept/brand), as well as potential uses of proceeds and tax considerations. As part of this strategy, we attempt at times to enter into 1031 Exchanges, when possible, to defer some or all of the taxable gains on the dispositions, if any, for federal and state income tax purposes.

The timing of any potential dispositions will depend on market conditions and other factors, including but not limited to, our capital needs and ability to defer some or all of the taxable gains on the sales. We can provide no assurance that we will dispose of any additional properties or that future acquisitions and/or dispositions, if any, will qualify as

1031 Exchanges. Furthermore, we can provide no assurance that we will deploy the proceeds from future dispositions in a manner that produces comparable or better yields.

Capital Funding

Our principal demands for funds are for property acquisitions, payment of principal and interest on our outstanding indebtedness, operating and property maintenance expenses and distributions to our stockholders. Generally, cash needs for payments of principal and interest, operating and property maintenance expenses and distributions to stockholders will be generated from cash flows from operations, which are primarily driven by the rental income received from our leased properties, interest income earned on loans receivable and interest income on our cash balances. We generally temporarily fund the acquisition of real estate utilizing our Revolving Credit Facilities, followed by permanent financing through asset level financing or by issuing debt or equity securities.

Debt Capital Structure

As of December 31, 2015, we had an approximately \$4.19 billion principal balance outstanding consisting primarily of \$3.11 billion of non-recourse mortgage indebtedness, \$747.5 million of unsecured Convertible Notes, \$325.0 million under our Term Loan and the borrowing capacity of \$591.7 million and \$45.0 million under our unsecured 2015 Credit Facility and Term Loan, respectively, and a \$40.0 million Line of Credit, which expires in March 2016 (each described in "Liquidity and Capital Resources - Description of Certain Debt" below). These Revolving Credit Facilities and Term Loan provide for financial flexibility to help fund future acquisitions and for general corporate purposes. Our non-recourse mortgage indebtedness is comprised of \$1.36 billion of fixed-rate CMBS, including \$81.5 million from acceleration of defaulted loans, \$61.8 million of variable-rate CMBS and \$1.69 billion in securitized net-lease mortgage notes under our Spirit Master Funding Program. Approximately \$1.88 billion of our outstanding principal indebtedness is fully or partially amortizing, providing for an ongoing reduction in principal prior to maturity. Prior to January 1, 2019, contractual amortization payments are scheduled to reduce our outstanding principal amount of indebtedness by \$96.6 million, and we have \$1.54 billion of balloon payments due at maturity under a number of different loans, which includes \$81.5 million, including \$8.2 million of capitalized interest, for the acceleration of principal payable following an event of default under 4 separate CMBS loans.

Interest Costs

As of December 31, 2015, the weighted average stated interest rate on our fixed and variable-rate debt under our CMBS and Master Trust Notes, excluding the amortization of deferred financing costs and debt discounts, was approximately 5.38%. The weighted average stated rate of our unsecured Convertible Notes as of December 31, 2015 was 3.28%. Our fixed-rate debt structure provides us with a stable and predictable cash requirement related to our debt service. The stated rate of our unsecured variable-rate Term Loan as of December 31, 2015 was 1.69%. The variable-rate CMBS loans consist of eight mortgage notes. We entered into interest rate swaps that effectively fixed the interest rates at approximately 5.14% on all of the variable-rate CMBS debt. We amortize on a non-cash basis the deferred financing costs and debt discounts/premiums associated with our fixed-rate debt to interest expense using the effective interest rate method over the terms of the related notes. For the year ended December 31, 2015, non-cash interest expense recognized on our Revolving Credit Facilities, mortgages and notes payable, Convertible Notes and Term Loan totaled approximately \$10.4 million. Any changes to our debt structure, including borrowings under our 2015 Credit Facility or debt financing associated with property acquisitions, could materially influence our operating results depending on the terms of any such indebtedness. A significant amount of our debt provides for scheduled principal payments. As principal is repaid, our interest expense decreases. Changing interest rates will increase or decrease the interest expense we incur on unhedged variable interest rate debt and may impact our ability to refinance maturing debt.

Critical Accounting Policies and Estimates

Our accounting policies are determined in accordance with GAAP. The preparation of our financial statements requires us to make estimates and assumptions that are subjective in nature and, as a result, our actual results could differ materially from our estimates. Estimates and assumptions include, among other things, subjective judgments regarding the fair values and useful lives of our properties for depreciation and lease classification purposes, the collectability of receivables and asset impairment analysis. Set forth below are the more critical accounting policies that require management judgment and estimates in the preparation of our consolidated financial statements.

Real Estate Investments

Revenue Recognition

We lease real estate to our tenants under long-term, triple-net leases that are primarily classified as operating leases. Under a triple-net lease, the tenant is typically responsible for all improvements and is contractually obligated to pay all property operating expenses, such as real estate taxes, insurance premiums and repair and maintenance costs. Under certain leases, tenant reimbursement revenue, which is comprised of additional amounts recoverable from tenants for common area maintenance expenses and certain other recoverable expenses, is recognized as revenue in the period in which the related expenses are incurred. Tenant reimbursements are recorded on a gross basis, as we are generally the primary obligor with respect to purchasing goods and services from third-party suppliers. Tenant receivables are carried net of the allowances for uncollectible amounts.

Lease origination fees are deferred and amortized over the related lease term as an adjustment to rental revenue. Our leases generally provide for rent escalations throughout the lease terms. For leases that provide for specific contractual escalations, rental revenue is recognized on a straight-line basis so as to produce a constant periodic rent over the term of the lease. Accordingly, accrued rental revenue, calculated as the aggregate difference between the rental revenue recognized on a straight-line basis and scheduled rents, represents unbilled rent receivables that we will receive only if the tenants make all rent payments required through the expiration of the initial term of the leases. The accrued rental revenue representing this straight-line adjustment is subject to an evaluation for collectability, and we record a provision for losses against rental revenues if collectability of these future rents is not reasonably assured.

Leases that have contingent rent escalators indexed to future increases in the CPI may adjust over a one-year period or over multiple-year periods. Generally, these escalators increase rent at the lesser of (1) 1 to 1.25 times any increase in the CPI over a specified period or (2) a fixed percentage. Because of the volatility and uncertainty with respect to future changes in the CPI, our inability to determine the extent to which any specific future change in the CPI is probable at each rent adjustment date during the entire term of these leases and our view that the multiplier does not represent a significant leverage factor, rental revenue from leases with this type of escalator are recognized only after the changes in the rental rates have occurred.

Some of our leases also provide for contingent rent based on a percentage of the tenant's gross sales. For contingent rentals that are based on a percentage of the tenant's gross sales, we recognize contingent rental revenue when the change in the factor on which the contingent lease payment is based actually occurs.

We suspend revenue recognition if the collectability of amounts due pursuant to a lease is not reasonably assured or if the tenant's monthly lease payments become more than 60 days past due, whichever is earlier.

Lease termination fees are recognized when there is a signed termination agreement and all of the conditions of the agreement have been met and are included in other income and interest from real estate transactions on our consolidated statements of operations.

Purchase Accounting and Acquisition of Real Estate; Property Held for Sale

When acquiring a property for investment purposes, we allocate the purchase price (including acquisition and closing costs) to land, building, improvements and equipment based on their relative fair values. For properties acquired with in-place leases, we allocate the purchase price of real estate to the tangible and intangible assets and liabilities acquired based on their estimated fair values and acquisition costs are expensed as incurred. In making estimates of fair values for this purpose, we use a number of sources, including independent appraisals and information obtained about each property as a result of our pre-acquisition due diligence and our marketing and leasing activities. Property classified as held for sale is recorded at the lower of its carrying value or its fair value less anticipated selling costs.

Lease Intangibles

Lease intangibles, if any, acquired in conjunction with the purchase of real estate represent the value of in-place leases and above- or below-market leases. For real estate acquired subject to existing lease agreements, in-place lease intangibles are valued based on our estimates of costs related to tenant acquisition and the carrying costs that would be incurred during the time it would take to locate a tenant if the property were vacant, considering current market conditions and costs to execute similar leases at the time of the acquisition. Above- and below-market lease intangibles are recorded based on the present value of the difference between the contractual amounts to be paid pursuant to

the leases at the time of acquisition of the real estate and our estimate of current market lease rates for the property, measured over a period equal to the remaining initial term of the lease.

In-place lease intangibles are amortized on a straight-line basis over the remaining initial term of the related lease and included in depreciation and amortization expense. Above-market lease intangibles are amortized over the remaining initial terms of the respective leases as a decrease in rental revenue. Below market lease intangibles are generally amortized as an increase to rental revenue over the remaining initial term of the respective leases, but may be amortized over the renewal periods if we believe it is likely the tenant will exercise the renewal option. Should a lease terminate early, the unamortized portion of any related lease intangible is immediately recognized in impairment loss in our consolidated statements of operations.

Impairment

We review our real estate investments and related lease intangibles periodically for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. We consider factors such as expected future undiscounted cash flows, estimated residual value, market trends (such as the effects of leasing demand and competition) and other factors in making this assessment. An asset is considered impaired if its carrying value exceeds its estimated undiscounted cash flows and the impairment is calculated as the amount by which the carrying value of the asset exceeds its estimated fair value. Estimating future cash flows and fair values are highly subjective and such estimates could differ materially from actual results. Key assumptions used in estimating future cash flows and fair values include, but are not limited to, revenue growth rates, interest rates, discount rates, capitalization rates, lease renewal probabilities, tenant vacancy rates and other factors.

Provision for Doubtful Accounts

We review our rent receivables for collectability on a regular basis, taking into consideration changes in factors such as the tenant's payment history, the financial condition of the tenant, business conditions in the industry in which the tenant operates and economic conditions in the area in which the property is located. In the event that the collectability of a receivable with respect to any tenant is in doubt, a provision for uncollectible amounts will be established or a write-off of the specific receivable will be made. Uncollected accounts receivable are written off against the allowance when all possible means of collection have been exhausted. For accrued rental revenues related to the straight-line method of reporting rental revenue, we establish a provision for losses based on our estimate of uncollectible receivables and our assessment of the risks inherent in our portfolio, giving consideration to historical experience and industry default rates for long-term receivables.

Loans Receivable

In support of our primary business of owning and leasing real estate, we have also strategically originated or acquired long-term, commercial mortgage loans receivable. Mortgage loans are secured by single-tenant, operationally essential real estate. The loans are carried at cost, including related unamortized premiums.

Revenue Recognition

Interest income on mortgage loans is recognized using the effective interest method applied on a loan-by-loan basis. Direct costs associated with originating loans are offset against any related fees received and the balance, along with any premium or discount, is deferred and amortized as an adjustment to interest income over the terms of the related loans using the effective interest method. A loan is placed on non-accrual status when the loan has become 60 days past due or earlier if we believe full recovery of the contractually specified payments of principal and interest is doubtful. While on non-accrual status, interest income is recognized only when received.

Impairment and Provision for Loan Losses

We periodically evaluate the collectability of our loans receivable, including accrued interest, by analyzing the underlying property-level economics and trends, collateral value and quality, and other relevant factors in determining the adequacy of our allowance for loan losses. A loan is determined to be impaired when, in management's judgment based on current information and events, it is probable that we will be unable to collect all amounts due according to the contractual terms of the loan agreement. Specific allowances for loan losses are provided for impaired loans on an individual loan basis in the amount by which the carrying value exceeds the estimated fair value of the underlying collateral less

disposition costs. Delinquent loans receivable are written off against the allowance when all possible means of collection have been exhausted.

Accounting for Derivative Financial Instruments and Hedging Activities

We use derivative instruments such as interest rate swaps and caps for purposes of reducing exposures to fluctuations in interest rates associated with certain of our financing transactions. We may incur additional variable-rate debt in the future, including amounts borrowed under the Term Loan and amounts that we may borrow under the 2015 Credit Facility, and we may choose to seek to hedge the interest rate risk ascribed with any such debt. At the inception of a hedge transaction, we enter into a contractual arrangement with the hedge counterparty and formally document the relationship between the derivative instrument and the financing transaction being hedged, as well as our risk management objective and strategy for undertaking the hedge transaction. At inception and at least quarterly thereafter, a formal assessment is performed to determine whether the derivative instrument has been highly effective in offsetting changes in cash flows of the related financing transaction and whether it is expected to be highly effective in the future.

The fair value of the derivative instrument is recorded on the balance sheet as either an asset or liability. For derivatives designated as cash flow hedges, the effective portions of the corresponding change in fair value of the derivatives are recorded in accumulated other comprehensive loss within stockholders' equity. Changes in fair value reported in other comprehensive loss are reclassified to operations in the period in which operations are affected by the underlying hedged transaction. Any ineffective portions of the change in fair value are recognized immediately in general and administrative expense. The amounts paid or received on the hedge are recognized as adjustments to interest expense.

Income Taxes

Our REIT Status

We have elected to be taxed as a REIT for federal income tax purposes commencing with our taxable year ended December 31, 2005. We believe that we have been organized and have operated in a manner that has allowed us to qualify as a REIT for federal income tax purposes commencing with such taxable year, and we intend to continue operating in such a manner. To maintain our qualification as a REIT, we are required to annually distribute to our stockholders at least 90% of our REIT taxable income, determined without regard to the dividends paid deduction and excluding any net capital gain, and meet the various other requirements imposed by the Code relating to such matters as operating results, asset holdings, distribution levels and diversity of stock ownership. Provided that we qualify for taxation as a REIT, we are generally not subject to corporate level federal income tax on the earnings distributed to our stockholders that we derive from our REIT qualifying activities. We are still subject to state and local income and franchise taxes and to federal income and excise tax on our undistributed income. If we fail to qualify as a REIT in any taxable year and are unable to avail ourselves of certain savings provisions set forth in the Code, all of our taxable income would be subject to federal income tax at regular corporate rates, including any applicable alternative minimum tax. Unless entitled to relief under specific statutory provisions, we would be ineligible to elect to be treated as a REIT for the four taxable years following the year for which we lose our qualification. It is not possible to state whether in all circumstances we would be entitled to this statutory relief.

Our TRS

We have elected, together with certain of our subsidiaries, to treat such subsidiaries as our TRS for federal income tax purposes. A taxable REIT subsidiary generally may provide both customary and non-customary services to tenants of its parent REIT and engage in other activities that the parent REIT may not engage in directly without adversely affecting its qualification as a REIT. Currently, our TRS do not provide any services to our tenants or conduct other material activities. However, one or more TRS of ours may in the future provide services to certain of our tenants. We may form additional taxable REIT subsidiaries in the future, and we may contribute some or all of our interests in certain wholly-owned subsidiaries or their assets to a TRS of ours. Any income earned by our TRS will not be included in our taxable income for purposes of the 75% or 95% gross income tests, except to the extent such income is distributed to us as a dividend, in which case such dividend income will qualify under the 95%, but not the 75%, gross income test. Because a taxable REIT subsidiary is subject to federal income tax, and state and local income tax (where applicable), as a regular C corporation, the income earned by our TRS generally will be subject to an additional level of tax as compared to the income earned by our other subsidiaries. Historically, we have not actively pursued or

engaged in material activities that would require the use of our TRS.
Updates to REIT Rules

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The PATH Act was enacted on December 18, 2015 and contains several provisions pertaining to REIT qualification and taxation. Below is a summary of those provisions which apply to our current operations:

For taxable years beginning before January 1, 2018, no more than 25% of the value of our assets may consist of stock or securities of one or more taxable REIT subsidiaries. For taxable years beginning after December 31, 2017, the PATH Act reduces this limit to 20%. We do not anticipate this provision to have a material impact on our investments in taxable REIT subsidiaries.

For taxable years beginning after December 31, 2015, certain obligations secured by a mortgage on both real property and personal property will be treated as a qualifying real estate asset and give rise to qualifying income for purposes of the 75% gross income test if the fair market value of such personal property does not exceed 15% of the total fair market value of all such property. We do not anticipate this provision to have a material impact on our ability to meet the 75% gross income test.

For taxable years beginning after December 31, 2015, a 100% excise tax is imposed on “redetermined TRS service income,” which is income of a taxable REIT subsidiary attributable to services provided to, or on behalf of its associated REIT and which would otherwise be increased on distribution, apportionment, or allocation under Section 482 of the Code. We do not anticipate this provision to have a material impact on how we currently utilize our taxable REIT subsidiaries nor any tax arising out of such utilization.

For taxable years beginning after December 31, 2015, the PATH Act expands the amount of property that a REIT may sell within the prohibited transactions safe harbor, in certain cases, from 10% of their total asset basis to 20%. However, REITs can only qualify for the safe harbor at the 20% or less level in a taxable year if the three-year average sales are 10% or less of their total asset basis. We do not anticipate this provision to have a material impact on our ability to meet the prohibited transactions safe harbor.

Additionally, if we acquire any asset from a corporation that is or has been a C corporation in a carry-over basis transaction, such as our Shopko acquisition in 2006, and we subsequently recognize gain on the disposition of the asset during the applicable recognition period beginning on the date on which we acquired the asset, then we will be required to pay tax at the highest regular corporate tax rate on this gain to the extent of the excess of the fair market value of the asset over our adjusted basis in the asset, in each case determined as of the date on which we acquired the asset. Previously, the applicable recognition period was generally ten years but had been reduced to a shorter period for certain taxable years. The PATH Act was signed into effect which made permanent a five-year recognition period, effective for taxable years beginning after December 31, 2014. As a result, the sale of our Shopko assets will not be subject to this built-in gains tax.

Share-Based Compensation

Under our Incentive Award Plan, we may grant equity incentive awards to eligible employees, directors and other service providers. Awards under the Incentive Award Plan may be in the form of stock options, restricted stock, dividend equivalents, restricted stock units, stock appreciation rights, performance awards, stock payment awards, performance share awards, LTIP units and other incentive awards. If an award under the Incentive Award Plan is forfeited, expires or is settled for cash, any shares subject to such award may, to the extent of such forfeiture, expiration or cash settlement, be used again for new grants under the Incentive Award Plan. Awards granted under the Incentive Award Plan may require service-based vesting over a period of years subsequent to the grant date and resulting equity-based compensation expense, measured at the fair value of the award on the date of grant, will be recognized as an expense in our consolidated financial statements over the vesting period.

Results of Operations

Comparison of the Years Ended December 31, 2015 and 2014

The following discussion includes the results of our continuing operations as summarized in the table below:

	Years Ended December 31,			
	2015	2014	Change	% Change
	(in thousands)			
	(Restated)	(Restated)		
Revenues:				
Rentals	\$634,151	\$574,456	\$59,695	10.4 %
Interest income on loans receivable	6,948	7,239	(291)	(4.0)%
Earned income from direct financing leases	3,024	3,343	(319)	(9.5)%
Tenant reimbursement income	15,952	13,085	2,867	21.9 %
Other income and interest from real estate transactions	7,260	4,748	2,512	52.9 %
Total revenues	667,335	602,871	64,464	10.7 %
Expenses:				
General and administrative	47,730	42,637	5,093	11.9 %
Restructuring charges	7,056	—	7,056	NM
Finance restructuring costs	—	13,022	(13,022)	(100.0)%
Property costs	27,715	23,383	4,332	18.5 %
Real estate acquisition costs	2,739	3,631	(892)	(24.6)%
Interest	222,901	220,070	2,831	1.3 %
Depreciation and amortization	260,633	247,966	12,667	5.1 %
Impairment	70,695	37,598	33,097	88.0 %
Total expenses	639,469	588,307	51,162	8.7 %
Income from continuing operations before other expense and income tax expense	27,866	14,564	13,302	91.3 %
Other expense:				
Loss on debt extinguishment	(3,162)	(64,750)	61,588	95.1 %
Total other expense	(3,162)	(64,750)	61,588	95.1 %
Income (loss) from continuing operations before income tax expense	24,704	(50,186)	74,890	NM
Income tax expense	(601)	(673)	72	10.7 %
Income (loss) from continuing operations	\$24,103	\$(50,859)	\$74,962	NM
Gain on disposition of assets	\$68,421	\$10,221	\$58,200	NM

NM - Percentages over 100% are not displayed.

Revenues

For the year ended December 31, 2015, 95.5% of our total revenues were generated from long-term leases of our owned properties. The year over year increase of 10.7% in total revenue was due primarily to an increase in base rental revenue resulting from real estate acquisitions subsequent to December 31, 2014.

Rentals

The year-over-year increase in rental revenue was primarily attributable to the acquisition of 232 properties with a gross investment in real estate of \$889.2 million during the year ended December 31, 2015. This increase was partially

offset by the sale of 110 properties during the same period having a real estate investment value of \$541.0 million. During the year ended December 31, 2015 and 2014, non-cash rentals were \$23.4 million and \$19.3 million, respectively, representing approximately 3.7% and 3.4% of total rental revenue from continuing operations, respectively. Contractual rent escalations subsequent to December 31, 2014 also contributed to the increase.

As of December 31, 2015, 98.6% of our owned properties were occupied (based on number of properties). The majority of our nonperforming properties were in the restaurant, grocery and manufacturing industries. As of December 31, 2015 and 2014, respectively, 36 and 37 of our properties, representing approximately 1.4% and 1.6% of our owned properties, were vacant and not generating rent. Of the 36 vacant properties, 12 were held for sale as of December 31, 2015.

Tenant reimbursement income

We have a number of leases that require our tenants to reimburse us for certain property costs we incur. Tenant reimbursement income is driven by the tenant reimbursable property costs described below.

Other income and interest on real estate transactions

The net change is primarily attributable to lease settlement fees in 2015 of \$5.8 million related to three tenants compared to income of \$2.7 million from a legal settlement associated with the resolution of a dispute with a tenant during 2014.

Expenses

General and administrative

The year-over-year increase in general and administrative expenses is primarily due to higher compensation and related benefits of \$4.8 million, which includes \$1.7 million related to non-cash stock compensation. The increase in compensation and related benefits is primarily attributable to the acceleration of cash and non-cash stock compensation of approximately \$2.2 million related to the departure of certain executive officers during the year ended December 31, 2015. The balance of the increase in compensation and related benefits is primarily attributable to an increase in employee headcount and salaries between the comparable periods.

Restructuring charges

During the three months ended December 31, 2015, we made the strategic decision to relocate the Company's headquarters from Scottsdale, Arizona to Dallas, Texas. As a result, during the year ended December 31, 2015, the Company incurred \$7.1 million of restructuring charges. Comprising the majority of this amount were estimated employee separation costs, which were based on the anticipated separation date of June 30, 2016 and recognized on the date the employee elected to separate in December 2015. Employee separation costs primarily consist of severance payments, retention bonuses and pro-rated 2016 annual bonuses. Costs associated with employees electing to relocate to Dallas are recognized as the liability is incurred. These costs include a transition bonus and reimbursements for certain relocation costs, including home sale costs, lease breakage penalties, moving costs and a miscellaneous allowance. Other restructuring charges, including placement fees and third party consulting fees, will be recognized when incurred. The Company currently anticipates to incur total costs of approximately \$20.0 million related to this relocation. This amount includes an estimated \$4.8 million in capitalized costs related to tenant improvements and fixtures for the new corporate headquarters. In February 2016, the Company signed a lease for the new corporate headquarters in Dallas. We anticipate we will begin occupying the new corporate headquarters in the summer of 2016 with the move finalized by the end of 2016. There were no such costs incurred during the year ended December 31, 2014.

Finance restructuring costs

In connection with the Exchange Offer, we incurred costs of approximately \$13.0 million during the year ended December 31, 2014, which included legal, accounting and financial advisory services, and other third-party expenses. No such costs were incurred during the year ended December 31, 2015.

Property costs

For the year ended December 31, 2015, property costs were \$27.7 million (including \$16.0 million of tenant reimbursables) compared to \$23.4 million (including \$13.1 million of tenant reimbursables) for the same period in 2014. The increase in property costs is primarily attributable to increases in operating costs, such as utilities and property taxes at certain vacant properties, and general operating costs at various properties that allow for reimbursement of such costs. The increase in tenant reimbursables represents the corresponding increase in general reimbursable operating costs.

Interest

Year-over-year interest was relatively unchanged. The higher Convertible Notes interest during the current period was due to the timing of our \$747.5 million May 2014 offering. Total cash interest was reduced due to the retirement of high interest rate mortgage notes and maintaining a lower average outstanding principal balance under our Revolving Credit Facilities. During 2015, we extinguished \$536.6 million of mortgage notes with a weighted average interest rate of 5.73%, and our average principal balance drawn on our Revolving Credit Facilities was \$48.0 million during 2015 compared to \$81.3 million during 2014. The reduction in cash interest was offset by an increase in interest incurred on our Term Loan, which closed in November 2015, and the timing of the \$510.0 million Master Trust 2014 Notes offering, with a weighted average interest rate of 4.30%, in December 2014.

Non-cash interest increased \$5.2 million resulting primarily from the amortization of capitalized deferred financing costs associated with the Master Trust 2014 Notes offering as well as the debt discount associated with our Convertible Notes offering.

The following table summarizes our interest expense on related borrowings from continuing operations:

	Years Ended	
	December 31,	
	2015	2014
	(in thousands)	
Interest expense – Revolving Credit Facilities ⁽¹⁾	\$2,698	\$3,597
Interest expense - Term Loan	888	—
Interest expense – mortgages and notes payable	184,439	196,246
Interest expense – Convertible Notes	24,509	15,046
Interest expense – other	—	6
Non-cash interest expense:		
Amortization of deferred financing costs	7,937	5,899
Amortization of net losses related to interest rate swaps	108	125
Amortization of debt (premium)/discount, net	2,322	(849)
Total interest expense	\$222,901	\$220,070

⁽¹⁾ Includes non-utilization fees of approximately \$1.6 million and \$1.2 million for the years ended December 31, 2015 and 2014, respectively.

Depreciation and amortization

Depreciation and amortization expense relates primarily to depreciation on the commercial buildings and improvements we own and to amortization of the related lease intangibles. The year-over-year increase is primarily due to the acquisition of 232 properties, representing a gross investment in real estate of \$889.2 million, during the year ended December 31, 2015. The increase was partially offset by dispositions of 110 properties during 2015 with a real estate investment value of \$541.0 million.

The following table summarizes our depreciation and amortization expense from continuing operations:

	Years Ended	
	December 31,	
	2015	2014
	(in thousands)	
Depreciation of real estate assets	\$210,395	\$194,383
Other depreciation	375	379
Amortization of lease intangibles	49,863	53,204
Total depreciation and amortization	\$260,633	\$247,966

Impairments

During the year ended December 31, 2015, we incurred impairment losses of \$55.4 million primarily from 22 vacant or underperforming properties within the education, restaurant-casual dining and sporting goods industries. In addition, 29 properties held for sale during the period incurred impairment losses of \$15.0 million. The balance of the impairment loss included an allowance for loan loss on an unsecured note. During the year ended December 31, 2014, we recorded impairment losses of \$37.6 million. These charges included \$20.2 million on the impairment of 21 properties that were held for sale, including two multi-tenant properties, and \$22.7 million of impairment on twelve properties which were underperforming. Of the twelve underperforming properties, seven were in the manufacturing industry relating to one original tenant, three were in the quick service restaurant industry, one in the home furnishings industry and one in the pharmaceutical industry. In addition during the year ended December 31, 2014, lease intangible write-offs resulted in a net credit to impairment of \$4.8 million primarily due to the write-off of below market rent intangible liabilities following the amendment to the Shopko master lease.

The following summarizes our impairment loss from continuing operations:

	Years Ended	
	December 31,	
	2015	2014
	(in thousands)	
	(Restated)	(Restated)
Real estate and intangible asset impairment	\$68,531	\$41,890
Write-off of lease intangibles due to lease terminations, net	1,666	(4,820)
Loans receivable impairment	324	—
Total impairments from real estate investment net assets	70,521	37,070
Other impairment	174	528
Total impairment loss	\$70,695	\$37,598
Other expense		

During the year ended December 31, 2015, we recognized a loss on debt extinguishment of \$3.2 million. The loss included approximately \$8.1 million in defeasance costs and fees paid for the retirement of \$536.6 million of debt. This amount was partially offset by an agreed upon reduction in principal to a portion of a defaulted CMBS note that exceeded the proceeds from the sale of four properties that secured the loan. During the year ended December 31, 2014, we recorded a loss on debt extinguishment of \$64.8 million. The loss on debt extinguishment was related to the retirement of certain senior mortgage notes payable with an aggregate principal balance of \$583.8 million. The loss on

debt extinguishment was primarily the result of costs incurred related to the Shopko defeasance.

Gain on disposition of assets

During the year ended December 31, 2015, we recorded gains totaling \$68.4 million from continuing operations on the disposition of certain real estate assets. These gains are primarily attributable to a \$58.7 million gain from the sale of 34 Shopko properties. The Shopko property sales are consistent with management's strategic decision to reduce our Shopko tenant concentration while maximizing our investment value. Additionally, we sold or disposed of 76 other properties, including 31 vacant properties and 5 multi-tenant properties. During 2014, we disposed of 32 properties, and recorded gains totaling \$10.2 million from continuing operations. An additional \$0.3 million in gains were recorded in discontinued operations from the sale of six properties during 2014.

Results of Operations

Comparison of the Years Ended December 31, 2014 and 2013

The following discussion includes the results of our continuing operations as summarized in the table below:

	Years Ended December 31,			% Change
	2014	2013	Change	
	(in thousands)			
	(Restated) (Restated)			
Revenues:				
Rentals	\$574,456	\$404,402	\$170,054	42.1 %
Interest income on loans receivable	7,239	5,928	1,311	22.1 %
Earned income from direct financing leases	3,343	1,572	1,771	NM
Tenant reimbursement income	13,085	5,637	7,448	NM
Other income and interest from real estate transactions	4,748	1,928	2,820	NM
Total revenues	602,871	419,467	183,404	43.7 %
Expenses:				
General and administrative	42,637	35,146	7,491	21.3 %
Finance restructuring costs	13,022	717	12,305	NM
Merger costs	—	56,644	(56,644)	NM
Property costs	23,383	11,760	11,623	98.8 %
Real estate acquisition costs	3,631	1,718	1,913	NM
Interest	220,070	179,267	40,803	22.8 %
Depreciation and amortization	247,966	164,054	83,912	51.1 %
Impairment (recoveries)	37,598	(185)	37,783	NM
Total expenses	588,307	449,121	139,186	31.0 %
Income (loss) from continuing operations before other expense and income tax expense	14,564	(29,654)	44,218	NM
Other expense:				
Loss on debt extinguishment	(64,750)	(2,405)	(62,345)	NM
Total other expense	(64,750)	(2,405)	(62,345)	NM
Loss from continuing operations before income tax expense	(50,186)	(32,059)	(18,127)	(56.5)%
Income tax expense	(673)	(1,113)	440	39.5 %
Loss from continuing operations	\$(50,859)	\$(33,172)	\$(17,687)	(53.3)%
Gain on disposition of assets	\$10,221	\$—	\$10,221	NM

NM - Percentages over 100% are not displayed.

Revenues

For the year ended December 31, 2014, 95.8% of our total revenues were generated from long-term leases of our owned properties. As more fully described below, the year-over-year increase in total revenue was due primarily to \$136.7 million of additional revenue provided by the properties acquired in the Merger. The remaining increase is attributable to an increase in base rental revenue resulting from \$971.7 million of non-Merger real estate investments acquired subsequent to December 31, 2013 and contractual rent increases, net of \$117.0 million of real estate investment value related to properties sold in 2014.

Rentals

The year-over-year increase in rental revenue was primarily attributable to \$123.1 million of rental income generated from properties acquired in the Merger. Additionally, the acquisition of 361 properties with a gross investment value of \$971.7 million and contractual rent increases on our existing leases further contributed to the increase. During the third quarter of 2013, we recognized \$10.9 million of previously unrecognized straight-line rent due primarily to our determination that the risk of loss associated with a specific tenant had decreased due to the tenant's sustained improvement in financial performance. This change of estimate during the prior period partially offset the increase in rental revenues attributable to our 2014 property acquisition activity noted above.

Rental revenue attributable to the amortization of non-cash rent for the years ended December 31, 2014 and 2013 was \$19.3 million and \$20.1 million, respectively, representing approximately 3.4% and 5.0% of total rental revenue from continuing operations for the years ended December 31, 2014 and 2013, respectively.

As of December 31, 2014, 98.4% of our owned properties were occupied (based on number of properties). The majority of our non-performing leases were in the restaurant and manufacturing industries. At December 31, 2014 and 2013, 37 and 21 of our properties, representing approximately 1.6% and 1.0%, respectively, of our owned properties, were vacant and not generating rent. The increase in the number of vacant properties is primarily attributable to the bankruptcy of two tenants under two master leases comprising 17 properties within the restaurant and manufacturing industries. Eight of our vacant properties were held for sale as of December 31, 2014.

Interest income on loans receivable and other income

The year-over-year increase in interest income on loans receivable and other income was attributable to \$3.3 million of additional income from loans receivable acquired in the Merger, which was partially offset by the decrease in income as a result of the prepayment of six notes totaling \$11.4 million during 2013, as well as scheduled maturities and a reduction in interest amortization subsequent to December 31, 2013.

In connection with the Merger, we acquired a number of properties accounted for as direct financing leases which generated earned income of \$3.3 million for the year ended December 31, 2014. During the year ended December 31, 2013, these properties were in our portfolio for less than half a year and generated earned income of \$1.6 million. Tenant reimbursement income recorded for the year ended December 31, 2014 of \$13.1 million is offset by expenses recorded under property costs related to certain non-triple net properties acquired in the Merger. During the year ended December 31, 2013, tenant reimbursement income of \$5.6 million was recognized on certain properties acquired in the Merger for less than half a year.

Other income and interest from real estate transactions contributed \$4.7 million and \$1.9 million for the years ended December 31, 2014 and 2013, respectively. The increase is primarily attributable to income of \$2.7 million from a legal settlement associated with the resolution of a dispute with a tenant during 2014. During the same period in 2013, \$0.9 million was attributable to a lease termination fee received from a tenant.

Expenses

General and administrative

During the year ended December 31, 2014, we incurred higher compensation and related benefits of \$5.8 million due primarily to higher non-cash stock compensation of \$2.7 million and higher wages and employee benefits of \$2.2 million due to hiring additional personnel subsequent to the Merger and servicing our expanded portfolio. Professional fees for accounting, tax, consulting and other outside services increased \$1.2 million during 2014, primarily due to higher costs incurred for compliance and consulting fees resulting from the integration of the net assets acquired in the Merger. These increases in 2014 were partially offset by lower corporate legal costs and a reduction in the use of temporary employment services.

Finance restructuring costs

In connection with the Exchange Offer, we incurred costs of approximately \$13.0 million during the year ended December 31, 2014, which included legal, accounting and financial advisory services, and other third-party expenses. We incurred \$0.7 million of such costs during the same period during the fourth quarter of 2013.

Merger costs

During the year ended December 31, 2013, we incurred Merger related costs of approximately \$56.6 million. These costs included legal, accounting and financial advisory services, debt financing related costs, and other third-party expenses. Merger related costs represent costs incurred specifically to consummate the Merger transaction and no such costs were incurred during the same period in 2014. Costs incurred to integrate the net assets acquired in the Merger are reflected in general and administrative expenses.

Property costs

Of the year-over-year increase in property costs, \$10.8 million is attributable to the year-over-year reimbursable costs incurred on non-triple-net leases acquired in the Merger during the second half of 2013. The remaining increase is mostly attributable to higher insurance premiums, legal fees, and repair and maintenance costs associated with managing the expanded portfolio.

Interest

The year-over-year increase in interest expense was primarily due to the assumption of debt of \$1.8 billion in connection with our Merger on July 17, 2013. Additionally, interest expense increased as a result of our \$747.5 million second quarter 2014 Convertible Notes offering and the \$330.0 million Master Trust 2013 notes offering in December 2013. These increases were offset by the extinguishment of \$583.8 million aggregate principal amount of senior mortgage indebtedness with a weighted average contractual interest rate of 6.41% during the year ended December 31, 2014.

The following table summarizes our interest expense on related borrowings from continuing operations:

	Years Ended	
	December 31,	
	2014	2013
	(in thousands)	
Interest expense – Revolving Credit Facilities ⁽¹⁾	\$3,597	\$3,037
Interest expense – mortgages and notes payable	196,246	157,903
Interest expense – Convertible Notes	15,046	—
Interest expense – other	6	475
Non-cash interest expense:		
Amortization of deferred financing costs ⁽²⁾	5,899	13,188
Amortization of net losses related to interest rate swaps	125	11

Amortization of debt (premium)/discount, net	(849) 4,653
Total interest expense	\$220,070	\$179,267

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(1) Includes non-utilization fees of approximately \$1.2 million and \$0.7 million for the years ended December 31, 2014 and 2013, respectively.

(2) Includes \$9.5 million arising from financing commitments related to the Merger for the year ended December 31, 2013.

Depreciation and amortization

Depreciation and amortization expense relates primarily to depreciation on the commercial buildings and improvements we own and to amortization of the related lease intangibles. Of the year-over-year total increase, a significant portion relates to depreciation and amortization on assets acquired in the Merger, with the remainder related to \$971.7 million of gross investment in real estate throughout 2014.

The following table summarizes our depreciation and amortization expense from continuing operations:

	Years Ended	
	December 31, 2014	2013
	(in thousands)	
Depreciation of real estate assets	\$ 194,383	\$ 130,285
Other depreciation	379	180
Amortization of lease intangibles	53,204	33,589
Total depreciation and amortization	\$ 247,966	\$ 164,054

Impairments

During the year ended December 31, 2014, we recorded impairment losses of \$37.6 million. These charges included \$20.2 million on the impairment of 19 properties that were held for sale, including two multi-tenant properties, and \$22.7 million of impairment losses on twelve properties which were underperforming. Of the twelve underperforming properties, seven were in the manufacturing industry relating to one original tenant, three were in the quick service restaurant industry, one in the home furnishings industry and one in the pharmaceutical industry. In addition during the year ended December 31, 2014, lease intangible write-offs resulted in a net credit to impairment of \$4.8 million primarily due to the write-off of below market rent intangible liabilities following the amendment to the Shopko master lease. Beginning January 1, 2014, as a result of our adoption of ASU 2014-08, impairment losses incurred on properties classified as held for sale are prospectively reported in continuing operations. Impairment losses incurred on properties that were held for sale at or prior to December 31, 2013, are and will continue to be reflected in discontinued operations during those periods. We strategically seek to identify non-performing properties that we may re-lease or dispose of in an effort to improve our returns. The disposition or re-leasing of non-performing or underperforming properties may trigger impairment charges when the expected future cash flows from the properties for sale or re-lease are less than their net book value.

The following summarizes our impairment loss (recovery) from continuing operations:

	Years Ended	
	December 31, 2014	2013
	(in thousands)	
	(Restated)	(Restated)
Real estate and intangible asset impairment	\$41,890	\$ 182
Write-off of lease intangibles due to lease terminations, net	(4,820)	—
Loan receivable impairment recovery	—	(367)
Total impairments from real estate investment net assets	37,070	(185)
Other impairment	528	—
Total impairment loss (recovery)	\$37,598	\$ (185)

Other expense

During the year ended December 31, 2014, we recorded a loss on debt extinguishment of \$64.8 million, which is recorded in other expense. The loss on debt extinguishment was related to the retirement of certain senior mortgage notes payable with an aggregate principal balance of \$583.8 million. The loss on debt extinguishment was primarily the result of costs incurred related to the Shopko defeasance. During the year ended December 31, 2013, we recognized a loss on debt extinguishment of \$2.4 million.

Income tax expense

The year-over-year decrease in income tax expense was primarily attributable to the deferred state tax expense recognized in 2013 from our Merger and the state built-in gain tax recognized in 2013 related to one property sale.

Discontinued operations

As a result of our adoption of ASU 2014-08, the properties that were reported as held for sale as of December 31, 2013, will continue to be reported under the prior standards and will be presented in discontinued operations until they are disposed of. The presentation of prior periods reflect accounting treatment under the previous standard in which gains, losses and operations from all property dispositions during a period or from properties classified as held for sale at the end of the period, were reclassified to and reported as part of “discontinued operations.”

We recognized income from discontinued operations of \$3.7 million and \$31.6 million for the years ended December 31, 2014 and 2013, respectively. For 2014, \$2.9 million of the income was attributable to the receipt of a lease termination fee related to a property that was sold. The 2013 income included a \$35.5 million gain attributable to the sale of a multi-tenant property. Non-cash impairment charges included in income from discontinued operations for the years ended December 31, 2014 and 2013 were \$0.4 million and \$9.6 million, respectively.

Gain on disposition of assets

During 2014, we disposed of 32 properties and recorded gains totaling \$10.2 million from continuing operations. An additional \$0.3 million in gains were recorded in discontinued operations from the sale of six properties during 2014. No such gains or losses were recorded during the year ended December 31, 2013.

Liquidity and Capital Resources

Short-term Liquidity and Capital Resources

On a short-term basis, our principal demands for funds will be for operating expenses, including financing of acquisitions, distributions to stockholders and interest and principal on current and any future debt financings. We expect to fund our operating expenses and other short-term liquidity requirements, capital expenditures, payment of principal and interest on our outstanding indebtedness, property improvements, re-leasing costs and cash distributions to common stockholders, primarily through cash provided by operating activities and borrowings under the 2015 Credit Facility and Term Loan. On March 31, 2015, the Operating Partnership entered into the Credit Agreement, establishing a \$600.0 million unsecured credit facility and terminated its \$400.0 million 2013 Credit Facility previously in place. On November 3, 2015, the Operating Partnership entered into the Term Loan Agreement that provides for a \$325.0 million senior unsecured term facility that was upsized to \$370.0 million on December 3, 2015. Our 2015 Credit Facility and Term Loan increases our capacity to fund acquisitions, while continuing to meet our short-term working capital requirements. As of December 31, 2015, \$591.7 million and \$45.0 million of borrowing capacity was available under the 2015 Credit Facility and Term Loan, respectively. In addition, we have \$40.0 million of borrowing capacity available under our Line of Credit as of December 31, 2015, which is set to expire in March 2016.

We have a shelf registration statement on file with the SEC under which we may issue secured or unsecured indebtedness and equity financing through the instruments and on the terms most attractive to us at such time. During

2015, we sold an aggregate total of 6.6 million shares under our ATM Program for net proceeds of \$78.5 million after payment of commissions and other issuance costs of \$1.3 million. The net proceeds were contributed to the Operating Partnership to fund acquisitions, repay borrowings under the Revolving Credit Facilities and for general corporate purposes. As of December 31, 2015, \$103.6 million in gross proceeds capacity remained available under the ATM Program. In addition, during April 2015, we completed an underwritten public offering of 23.0 million shares of our common stock and raised net proceeds of \$268.7 million. The net proceeds from the offering were used to repay the

outstanding balances under the 2015 Credit Facility and Line of Credit. The remaining net proceeds were used to fund acquisitions and for general corporate purposes (including additional repayments of borrowings outstanding from time to time under the Revolving Credit Facilities). Further, in February 2016, our Board of Directors approved a stock repurchase program, which authorizes us to purchase up to \$200.0 million of our common stock in the open market or through private transactions from time to time over the next 18 months. Purchase activity will be dependent on various factors, including our capital position, operating results, funds generated by asset sales, dividends that may be required by those sales, and investment options that may be available, including acquiring new properties or retiring debt. The stock repurchase program does not obligate the Company to repurchase any specific number of shares and may be suspended at any time at its discretion. We intend to fund any repurchases with the net proceeds from asset sales, cash flow from operations, existing cash on the balance sheet and other sources.

Long-term Liquidity and Capital Resources

We plan to meet our long-term capital needs, including long-term financing of property acquisitions, by issuing registered debt or equity securities, obtaining asset level financing and occasionally by issuing fixed rate secured notes and bonds. We may continue to issue common stock when we believe that our share price is at a level that allows for the proceeds of any offering to be accretively invested into additional properties. In addition, we may issue common stock to permanently finance properties that were financed by our 2015 Credit Facility or other indebtedness. In the future, some of our property acquisitions could be made by issuing partnership interests of our Operating Partnership in exchange for property owned by third parties. These partnership interests would be exchangeable for cash or, at our election, shares of our common stock.

We continually evaluate alternative financing and believe that we can obtain financing on reasonable terms. However, we cannot assure you that we will have access to the capital markets at times and on terms that are acceptable to us. We expect that our primary uses of capital will be for property and other asset acquisitions and the payment of tenant improvements, operating expenses, including debt service payments on any outstanding indebtedness, and distributions to our stockholders.

Description of Certain Debt

Spirit Master Funding Program

The Spirit Master Funding Program is an asset-backed securitization platform in which we raise capital through the issuance of non-recourse net lease mortgage notes collateralized by commercial real estate, net leases and mortgage loans. The Spirit Master Funding Program allows us to issue notes that are secured by the assets of the special purpose entity note issuers that are pledged to the indenture trustee for the benefit of the noteholders and managed by the Operating Partnership as property manager. These Collateral Pools consist primarily of commercial real estate properties, the issuers' rights in the leases of such properties and commercial mortgage loans secured by commercial real estate properties. In general, monthly rental and mortgage receipts with respect to the leases and mortgage loans are deposited with the indenture trustee who will first utilize these funds to satisfy the debt service requirements on the notes and any fees and costs associated with the administration of the Spirit Master Funding Program. The remaining funds are remitted to the issuers monthly on the note payment date.

In addition, upon satisfaction of certain conditions, the issuers may, from time to time, sell or exchange real estate properties or mortgage loans from the Collateral Pools. Proceeds from the sale of assets within the Collateral Pools are held on deposit by the indenture trustee until a qualifying substitution is made or the amounts are distributed as an early repayment of principal. At December 31, 2015, \$12.1 million was held on deposit and classified as restricted cash within deferred costs and other assets, net in our consolidated balance sheet included in this Annual Report on Form 10-K/A.

The Spirit Master Funding Program consists of two separate securitization trusts that have one or multiple bankruptcy-remote, special purpose entities as issuers of the Master Trust 2013 and Master Trust 2014 notes. Each issuer is an indirect wholly-owned subsidiary of ours. All outstanding series of Master Trust Notes were rated investment grade as of December 31, 2015.

Master Trust 2013

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In December 2013, an indirect wholly-owned subsidiary of ours issued \$330.0 million aggregate principal amount of net-lease mortgage notes comprised of \$125.0 million of 3.89% interest only notes expected to be repaid in December 2018 and \$205.0 million of 5.27% amortizing notes expected to be repaid in December 2023.

Master Trust 2014

In May 2014, we completed our Exchange Offer to exchange the outstanding principal balance of three series of existing net-lease mortgage notes for three series of newly issued Master Trust 2014 notes. The terms of the new notes remain generally similar to the old notes including the interest rate and anticipated final repayment dates; however, the new notes generally amortize more slowly than the old notes and have a legal final payment date that is 17 years later than the old notes (although the anticipated repayment date remains the same). The revisions to Master Trust 2014, in connection with the issuance of the new notes, generally provide the Operating Partnership more administrative flexibility as property manager and special servicer. In addition, there is no requirement that the new notes be insured by third party financial guaranty insurance as were the old notes and we no longer pay the associated insurance premium which approximated \$0.2 million per month during the applicable periods of 2014. The Exchange Offer was accounted for as a debt modification and the related costs of \$13.0 million and \$0.7 million for the years ended December 31, 2014 and 2013, respectively, are classified as finance restructuring costs in our consolidated statements of operations included in this Annual Report on Form 10-K/A.

In November 2014, the existing issuers under Master Trust 2014 and two additional indirect wholly-owned subsidiaries of ours, collectively as co-issuers, completed the issuance of \$510.0 million aggregate principal amount of net-lease mortgage notes comprised of \$150.0 million of 3.50% interest only notes expected to be repaid in January 2020 and \$360.0 million of 4.63% amortizing notes (interest only through November 2017) expected to be repaid in January 2030.

The Master Trust Notes are summarized below:

	Stated Rates (1)	Remaining Term (in Years)	December 31, 2015	December 31, 2014
			(in Thousands)	
Series 2014-1 Class A1	5.1 %	4.5	\$65,027	\$75,489
Series 2014-1 Class A2	5.4 %	4.6	253,300	253,300
Series 2014-2	5.8 %	5.2	229,674	232,867
Series 2014-3	5.7 %	6.2	312,276	312,705
Series 2014-4 Class A1	3.5 %	4.1	150,000	150,000
Series 2014-4 Class A2	4.6 %	14.1	360,000	360,000
Total Master Trust 2014 notes	5.1 %	7.5	1,370,277	1,384,361
Series 2013-1 Class A	3.9 %	3.0	125,000	125,000
Series 2013-2 Class A	5.3 %	8.0	196,817	201,019
Total Master Trust 2013 notes	4.7 %	6.0	321,817	326,019
Total Master Trust Notes			1,692,094	1,710,380
Debt discount, net			(22,909)	(26,903)
Deferred financing costs, net			(19,345)	(22,113)
Total Master Trust Notes, net			\$1,649,840	\$1,661,364

(1) Represents the individual series stated interest rate as of December 31, 2015 and the weighted average stated rate of the total Master Trust Notes, based on the collective series outstanding principal balances as of December 31, 2015.

As of December 31, 2015, the Master Trust 2014 notes were secured by 942 owned and financed properties issued by 5 indirect wholly-owned subsidiaries of the Corporation. The notes issued under Master Trust 2014 are cross-collateralized by the assets of all issuers within this trust. As of December 31, 2015, the Master Trust 2013 notes were secured by 312 owned and financed properties issued by a single indirect wholly-owned subsidiary of the Corporation.

Convertible Notes

The Convertible Notes are comprised of two series of notes with an aggregate principal amount of \$747.5 million at both December 31, 2015 and December 31, 2014. Interest on the Convertible Notes is payable semiannually in arrears on May 15 and November 15 of each year. The 2019 Notes, aggregate principal amount \$402.5 million, accrue interest at 2.875% and are scheduled to mature on May 15, 2019. The 2021 Notes, aggregate principal amount \$345.0 million, accrue interest at 3.75% and are scheduled to mature on May 15, 2021. As of December 31, 2015, the carrying amount of the Convertible Notes was \$690.1 million, which is net of discounts (for the value of the embedded conversion feature) and unamortized deferred financing costs.

Holder may convert notes of either series prior to November 15, 2018, in the case of the 2019 Notes, or November 15, 2020, in the case of the 2021 Notes, only under the following circumstances: (1) if the closing price of our common stock for each of at least 20 trading days (whether or not consecutive) during the last 30 consecutive trading days in the quarter is greater than or equal to 130% of the conversion price for the Convertible Notes; (2) during the five business day period after any 10 consecutive trading day period in which the trading price per \$1,000 principal amount of the Convertible Notes for each trading day of the measurement period was less than 98% of the product of the last closing price of our common stock and the conversion rate for the Convertible Notes; (3) if we call any or all of the Convertible Notes for redemption prior to the redemption date; or (4) upon the occurrence of specified corporate events as described in the Convertible Notes prospectus supplement. On or after November 15, 2018, in the case of the 2019 Notes, or November 15, 2020, in the case of the 2021 Notes, until the close of business on the second scheduled trading day immediately preceding the maturity date of the Convertible Notes, holders may convert the Convertible Notes of the applicable series at any time, regardless of the foregoing circumstances. Upon conversion, we will pay or deliver cash, shares of common stock or a combination of cash and shares of common stock, at our election.

The initial conversion rate for the Convertible Notes is 76.3636 shares of common stock per \$1,000 principal amount of notes (equivalent to an initial conversion price of approximately \$13.10 per share of common stock). The conversion rate for each series of the Convertible Notes is subject to adjustment for some events, including dividends paid in excess of threshold amounts stipulated in the agreement, but will not be adjusted for any accrued and unpaid interest. If we undergo a fundamental change (as defined in the Convertible Notes supplemental indentures), holders may require us to repurchase all or any portion of their notes at a repurchase price equal to 100% of the principal amount of the notes to be repurchased, plus accrued and unpaid interest.

2015 Credit Facility

On March 31, 2015, the Operating Partnership entered into the Credit Agreement that established a new \$600.0 million unsecured credit facility and terminated its secured \$400.0 million 2013 Credit Facility. The 2015 Credit Facility was subsequently amended in November and matures on March 31, 2019 (extendable at the Operating Partnership's option to March 31, 2020, subject to satisfaction of certain requirements). The 2015 Credit Facility includes an accordion feature to increase the committed facility size to up to \$1.0 billion, subject to satisfying certain requirements and obtaining additional lender commitments. The 2015 Credit Facility includes a \$50.0 million sublimit for swingline loans and up to \$60.0 million available for issuances of letters of credit. Swingline loans and letters of credit reduce availability under the 2015 Credit Facility on a dollar-for-dollar basis. The amendment provided the release of the subsidiary guarantors that were parties thereto and conforms certain of the terms and covenants to those in the Term Loan Agreement.

At the election of the Operating Partnership, the 2015 Credit Facility initially bears interest at our current leverage grid pricing equal to either LIBOR plus 1.40% to 1.90% per annum, or a specified base rate plus 0.40% to 0.90% per annum. In each case, the applicable rates depend on our leverage ratio. Per the amendment, the Operating Partnership's election to change the grid pricing from leverage based to credit rating based pricing will initially require at least two credit ratings of BBB- or better from S&P or Fitch or Baa3 or better from Moody's. No assurance can be provided that the Corporation will obtain such credit ratings. If the Corporation obtains such credit ratings, the 2015 Credit Facility

will bear interest at a rate equal to LIBOR plus 0.875% to 1.55% per annum based on the credit rating for the Corporation.

The Operating Partnership is initially required to pay a fee on the unused portion of the 2015 Credit Facility at a rate equal to either 0.15% or 0.25% per annum, based on percentage thresholds for the average daily amount by which the aggregate amount of the revolving credit commitment exceeds the aggregate principal amount of advances during a fiscal quarter. If the Corporation converts to credit rating based pricing, the Operating Partnership will instead be

required to pay a facility fee in an amount equal to the aggregate revolving credit commitments (whether or not utilized) multiplied by a rate equal to 0.125% to 0.30% per annum, depending on the credit rating for the Corporation. The Operating Partnership may voluntarily prepay the 2015 Credit Facility, in whole or in part, at any time, without premium or penalty, but subject to applicable LIBOR breakage fees, if any. Payment of the 2015 Credit Facility is unconditionally guaranteed by the Corporation and material subsidiaries that meet certain conditions (as defined in the Credit Agreement). As of December 31, 2015, there were no subsidiaries that met this requirement.

As of December 31, 2015, no borrowings were outstanding, \$8.3 million of letters of credit were issued and \$591.7 million of borrowing capacity was available under the 2015 Credit Facility. Amounts available for borrowing under the 2015 Credit Facility remain subject to compliance with certain customary restrictive covenants including:

- Maximum leverage ratio (defined as consolidated total indebtedness plus the Corporation's pro rata share of indebtedness of unconsolidated affiliates, net of certain cash and cash equivalents, to total asset value) of 0.60:1.00;
- Minimum fixed charge coverage ratio (defined as consolidated EBITDA plus the Corporation's pro rata share of EBITDA of unconsolidated affiliates to fixed charges) of 1.50:1.00;
- Maximum secured indebtedness leverage ratio (defined as consolidated secured indebtedness plus the Corporation's pro rata share of secured indebtedness of unconsolidated affiliates, net of certain cash and cash equivalents, to total asset value) of 0.50:1.00;
- Minimum unsecured interest coverage ratio (defined as consolidated net operating income from unencumbered properties to unsecured cash interest expense) of 1.75:1.00;
- Maximum unencumbered leverage ratio (defined as consolidated unsecured indebtedness plus the Corporation's pro rata share of unsecured indebtedness of unconsolidated affiliates, net of certain cash and cash equivalents, to total unencumbered asset value) of 0.60:1.00; and
- Minimum tangible net worth of at least \$3.01 billion plus 75% of the net proceeds of equity issuances by the Corporation or the Operating Partnership after December 31, 2014.

In addition to these covenants, the Credit Agreement also includes other customary affirmative and negative covenants, such as (i) limitation on liens and negative pledges; (ii) transactions with affiliates; (iii) limitation on mergers, consolidations and sales of all or substantially all assets; (iv) maintenance of status as a REIT and listing on any national securities exchange; and (v) material modifications to organizational documents.

As of December 31, 2015, the Corporation and the Operating Partnership were in compliance with these covenants.

2013 Credit Facility
On March 31, 2015, the 2013 Credit Facility was terminated and its outstanding borrowings of \$130.0 million were repaid with funds drawn on the 2015 Credit Facility. Properties securing this facility became unencumbered upon the termination.

Line of Credit

As of December 31, 2015, the Line of Credit was undrawn and \$40.0 million of borrowing capacity was available. The Line of Credit expires in March 2016.

Term Loan

On November 3, 2015, we entered into a Term Loan Agreement among the Operating Partnership as borrower, the Corporation as guarantor and the lenders that are parties thereto. The Term Loan Agreement provides for a \$325.0 million senior unsecured term facility that has an initial maturity date of November 2, 2018, which may be extended at our option pursuant to two one-year extension options, subject to the satisfaction of certain conditions and payment of an extension fee. In addition, an accordion feature allows the facility to be increased to up to \$600.0 million, subject to obtaining additional lender commitments. In December 2015, upon obtaining additional lender commitments, we increased the term facility from \$325.0 million to \$370.0 million. Borrowings may be repaid without premium or penalty, and may be reborrowed within 30 days up to the then available loan commitment. Borrowings bear interest at either prime or LIBOR plus a margin, at the Operating Partnership's option. During the quarter ended December 31,

2015, the Term Loan bore interest at LIBOR plus 1.45%. Proceeds from the borrowing were primarily used to pay off amounts then outstanding under the 2015 Credit Facility and partially defease a certain CMBS loan balance.

Borrowings under the Term Loan bear interest at either LIBOR plus 1.35% to 1.80% per annum or a specified base rate plus 0.35% to 0.80% per annum. The applicable margin is determined based upon the Corporation's leverage ratio. If the Corporation obtains at least two credit ratings on its senior unsecured long-term indebtedness of BBB- from S&P or Fitch, Inc. or Baa3 from Moody's, the Corporation may make an irrevocable election to have the margin based upon its credit ratings, in which case borrowings under the Term Loan will bear interest at either LIBOR plus 0.90% to 1.75% per annum or a specified base rate plus 0.0% to 0.75% per annum, in each case depending on the Corporation's credit ratings. No assurance can be provided that the Corporation will obtain such credit ratings.

The Operating Partnership may voluntarily prepay the Term Loan, in whole or in part, at any time, without premium or penalty, but subject to applicable LIBOR breakage fees. Payment of the Term Loan is unconditionally guaranteed by the Corporation and, under certain circumstances, by one or more material subsidiaries (as defined in the Term Loan Agreement) of the Corporation. The obligations of the Operating Partnership and any guarantor under the Term Loan are full recourse to the Corporation and each guarantor.

As of December 31, 2015, \$325.0 million of borrowings were outstanding and \$45.0 million of borrowing capacity was available under the Term Loan. Amounts available for borrowing under the Term Loan remain subject to compliance with certain customary restrictive covenants including:

- Maximum leverage ratio (defined as consolidated total indebtedness plus the Corporation's pro rata share of indebtedness of unconsolidated affiliates, net of certain cash and cash equivalents, to total asset value) of 0.60:1.00, which may be increased to 0.65:1.00 for four consecutive quarters after certain material acquisitions;
- Minimum fixed charge coverage ratio (defined as consolidated EBITDA plus the Corporation's pro rata share of EBITDA of unconsolidated affiliates to fixed charges) of 1.50:1.00;
- Maximum secured indebtedness leverage ratio (defined as consolidated secured indebtedness plus the Corporation's pro rata share of secured indebtedness of unconsolidated affiliates, net of certain cash and cash equivalents to total asset value) of 0.50:1.00;
- Minimum unsecured interest coverage ratio (defined as consolidated net operating income from unencumbered properties to unsecured interest expense) of 1.75:1.00;
- Maximum unencumbered leverage ratio (defined as consolidated unsecured indebtedness plus the Corporation's pro rata share of unsecured indebtedness of unconsolidated affiliates, net of certain cash and cash equivalents, to total unencumbered asset value) of 0.60:1.00, which may be increased to 0.65:1.00 for four consecutive quarters after certain material acquisitions; and
- Minimum tangible net worth of at least \$3.01 billion plus 75% of the net proceeds of equity issuances by the Corporation or the Operating Partnership after December 31, 2014.

In addition, the Term Loan Agreement includes other customary affirmative and negative covenants, including (i) limitation on liens and negative pledges; (ii) transactions with affiliates; (iii) limitation on mergers, consolidations and sales of all or substantially all assets; (iv) maintenance of status as a REIT and listing on a national securities exchange; and (v) material modifications to organizational documents. The ability to borrow under the Term Loan Agreement is subject to continued compliance with all of the covenants described above.

As of December 31, 2015, the Corporation and the Operating Partnership were in compliance with these financial covenants.

CMBS

We may use long-term, fixed-rate debt to finance our properties on a "match-funded" basis. In such events, we generally seek to use asset level financing that bears annual interest less than the annual rent on the related lease(s) and that matures prior to the expiration of such lease(s). In general, the obligor of our asset level debt is a special purpose entity that holds the real estate and other collateral securing the indebtedness. Each special purpose entity is a bankruptcy remote separate legal entity, and is the sole owner of its assets and solely responsible for its liabilities

other than typical non-recurring covenants.

As of December 31, 2015, we had 160 loans with approximately \$1.42 billion of outstanding principal balances under our fixed and variable-rate CMBS loans, with a weighted average contractual interest rate of 5.78% and a weighted average maturity of 2.7 years. Approximately one-third of this debt is partially amortizing and requires a balloon payment at maturity. These balances include four separate fixed-rate CMBS loans that are in default due to the underperformance of the ten properties that secure them. As of December 31, 2015, the aggregate principal balance under the defaulted CMBS loans was \$81.5 million, including \$8.2 million of default interest added to principal, and is discussed further

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below. Excluding these four loans, the outstanding principal obligations under our CMBS fixed and variable-rate loans as of December 31, 2015 was \$1.34 billion.

The table below shows the outstanding principal obligations of these CMBS fixed and variable-rate loans as of December 31, 2015 and the year in which the loans mature (dollars in thousands). The information displayed in the table excludes amounts and interest rates related to the defaulted loans and the ten properties securing them.

Year of Maturity	Number of Loans	Number of Properties	Stated Interest Rate Range ⁽¹⁾	Weighted Average Stated Rate	Scheduled Principal ⁽²⁾	Balloon	Total
2016	37	97	5.28%-6.59%	6.08 %	\$ 1,240	\$183,284	\$184,524
2017	89	224	5.51%-6.62%	5.80 %	4,712	706,455	711,167
2018	12	93	3.90%-5.14%	4.72 %	671	119,537	120,208
2019	12	16	3.90%-4.61%	4.04 %	—	49,500	49,500
2020	—	—	—	—	—	—	—
Thereafter	6	100	4.67%-6.00%	5.35 %	34,717	240,380	275,097
Total	156	530		5.58 %	41,340	1,299,156	1,340,496

⁽¹⁾ The interest rate for variable-rate loans reflects the current hedged fixed rate.

⁽²⁾ Excluding loans maturing in 2016, the scheduled principal will amortize subsequent to December 31, 2015 until the maturity date of the loans.

CMBS Liquidity Matters

During the second quarter of 2015, we posted two letters of credit aggregating approximately \$18.0 million to replace reserves previously held in a lender-controlled/managed account for a certain CMBS loan. The reserve balance included an \$8.0 million Additional Collateral Deposit requirement following an amended loan agreement in 2012. The remaining balance consisted primarily of Excess Cash reserves held as additional deposited collateral when certain financial performance covenants of the tenant were not achieved beginning in September 2013. During 2015, certain loan covenants permitting the borrower to terminate the cash sweep trigger event period were achieved and the long-term debt of the Corporation was rated at or above "BB" by S&P. As a result, the servicer allows future Excess Cash to be disbursed to us and the letter of credit pertaining to the Excess Cash reserves was canceled. Furthermore, following the termination of the cash sweep triggering event, the Corporation no longer must guarantee Excess Cash of approximately \$15.0 million as previously required.

As of December 31, 2015, we are in default on four separate CMBS loans due to the underperformance of the properties securing these loans. The wholly-owned special purpose entities subject to these mortgage loans are separate legal entities and the sole owner of their assets and responsible for their liabilities. The aggregate outstanding principal balance of these loans, including capitalized interest, totaled \$81.5 million. We believe the value of these properties is less than the related debt. As a result, we have notified the lenders of each special purpose entity that we anticipate either surrendering these properties to the lenders or selling them in certain instances in exchange for relieving the indebtedness, including any accrued interest, encumbering them. In February 2016, two properties within the education industry with a net book value of \$19.9 million were sold. Under the direction of the lender, net sales proceeds of \$14.9 million and \$0.7 million of restricted cash was applied to reduce \$13.6 million of principal and all of the accrued interest outstanding as of December 31, 2015.

The following table provides key elements of the defaulted mortgage loans (dollars in thousands):

Industry	Properties	Net Book Value	Monthly Base Rent	Pre-Default Outstanding Principal	Capitalized Interest (1)	Total Debt Outstanding	Restricted Cash (2)	Stated Rate	Default Rate	Accrued Interest (1)
Drug Stores / Pharmacies	1	\$ 1,003	\$ —	\$ 1,197	\$ 173	\$ 1,370	\$ 73	5.67%	9.67%	\$ 12
Home Furnishings	1	3,250	36	12,357	2,245	14,602	—	6.88%	10.88%	44
Manufacturing	5	21,813	50	34,434	5,786	40,220	10,073	5.85%	9.85%	297
Education	3	21,074	—	25,284	—	25,284	2,205	5.26%	10.26%	2,024
	10	\$47,140	\$ 86	\$ 73,272	\$ 8,204	\$ 81,476	\$ 12,351	5.82% ⁽³⁾	10.16% ⁽³⁾	\$ 2,377

(1) Interest capitalized to principal that remains unpaid.

(2) Represents restricted cash controlled by the lender that may be applied to reduce the outstanding principal balance.

(3) Weighted average interest rate.

Debt Maturities

Future principal payments due on our various types of debt outstanding as of December 31, 2015 (in thousands):

	Total	2016	2017	2018	2019	2020	Thereafter
Term Loan	\$325,000	\$—	\$—	\$325,000	\$—	\$—	\$—
Master Trust Notes	1,692,094	19,388	21,893	163,262	40,420	448,202	998,929
CMBS - fixed-rate (1)	1,360,215	272,536	711,904	61,632	53,405	4,100	256,638
CMBS - variable-rate	61,758	—	—	61,758	—	—	—
Convertible Notes	747,500	—	—	—	402,500	—	345,000
	\$4,186,567	\$291,924	\$733,797	\$611,652	\$496,325	\$452,302	\$1,600,567

(1) The CMBS - fixed-rate payment balance in 2016 includes \$81.5 million, including \$8.2 million of capitalized interest, for the acceleration of principal payable following an event of default under 4 separate CMBS loans with stated maturities in 2015 and 2017.

Contractual Obligations

The following table provides information with respect to our commitments as well as potential acquisitions under contract as of December 31, 2015, the table does not reflect available debt extensions (in thousands):

Contractual Obligations	Total	Payment due by period			
		Less than 1 Year (2016)	1-3 years (2017-2018)	3-5 years (2019-2020)	More than 5 years (after 2020)
Debt - Principal	\$4,186,567	\$291,924	\$1,345,449	\$948,627	\$1,600,567
Debt - Interest (1)	856,563	186,301	289,988	199,065	181,209
Acquisitions Under Contract (2)	34,485	34,485	—	—	—
Capital Improvements	3,922	3,922	—	—	—
Operating Lease Obligations	23,799	1,813	3,845	3,965	14,176
Total	\$5,105,336	\$518,445	\$1,639,282	\$1,151,657	\$1,795,952

(1) Excludes interest on defaulted mortgage loans.

(2) Contracts contain standard cancellation clauses contingent on results of due diligence.

(3) Debt - Interest has been calculated based on outstanding balances as of December 31, 2015 through their respective maturity dates and includes the impact of interest rates swaps executed to fix floating rate indebtedness and excludes unamortized non-cash deferred financing costs of \$41.6 million, unamortized debt discount of \$52.2 million and any interest due on defaulted mortgage loans, including \$2.4 million accrued as of December 31, 2015.

Distribution Policy

Distributions from our current or accumulated earnings and profits are generally classified as ordinary income, whereas distributions in excess of our current and accumulated earnings and profits, to the extent of a stockholder's

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income tax basis in our common stock, are generally classified as a return of capital. Distributions in excess of a stockholder's federal income tax basis in our common stock are generally characterized as capital gain.

We are required to distribute 90% of our taxable income (subject to certain adjustments and excluding net capital gain) on an annual basis to maintain qualification as a REIT for federal income tax purposes and are required to pay federal income tax at regular corporate rates to the extent we distribute less than 100% of our taxable income (including capital gains).

We intend to make distributions that will enable us to meet the distribution requirements applicable to REITs and to eliminate or minimize our obligation to pay corporate-level federal income and excise taxes.

Any distributions will be at the sole discretion of our board of directors, and their form, timing and amount, if any, will depend upon a number of factors, including our actual and projected results of operations, FFO, liquidity, cash flows and financial condition, the revenue we actually receive from our properties, our operating expenses, our debt service requirements, our capital expenditures, prohibitions and other limitations under our financing arrangements, our REIT taxable income, the annual REIT distribution requirements, applicable law and such other factors as our board of directors deems relevant.

Cash Flows

Comparison of Years Ended December 31, 2015 and 2014

The following table presents a summary of our cash flows for the years ended December 31, 2015 and 2014 (in thousands):

	Years Ended		
	December 31,		Change
	2015	2014	
Net cash provided by operating activities	\$371,986	\$218,571	\$153,415
Net cash used in investing activities	(385,696)	(878,030)	492,334
Net cash (used in) provided by financing activities	(140,681)	769,052	(909,733)
Net (decrease) increase in cash and cash equivalents	\$(154,391)	\$109,593	\$(263,984)

As of December 31, 2015, we had \$21.8 million of cash and cash equivalents as compared to \$176.2 million as of December 31, 2014.

Operating Activities

Our cash flows from operating activities are primarily dependent upon the occupancy level of our portfolio, the rental rates specified in our leases, the collectability of rent and the level of our operating expenses and other general and administrative costs.

The increase in net cash provided by operating activities was primarily attributable to an increase in cash revenue of \$56.5 million, a decrease in debt extinguishment costs of \$51.5 million, net changes in operating assets and liabilities of \$35.8 million and prior year restructuring charges related to our Exchange Offer of \$13.0 million.

The increase in revenue was primarily attributable to the acquisition of 232 properties, representing a gross investment in real estate during the year ended December 31, 2015 totaling \$889.2 million partially offset by the disposition of 110 properties during the same period with a real estate investment value of \$541.0 million.

Investing Activities

Cash used in investing activities is generally used to fund property acquisitions, for investments in loans receivable and, to a limited extent, for capital expenditures. Cash provided by investing activities generally relates to the disposition of real estate and other assets.

Net cash used in investing activities during 2015 included \$876.0 million to fund the acquisition of 232 properties (114 of which were acquired through a \$276.1 million non-cash 1031 Exchange) and capitalized real estate

expenditures of \$10.3 million partially offset by cash proceeds of \$496.6 million from the disposition of 110 properties (44 of which were disposed of through a \$315.9 million non-cash 1031 Exchange). Net cash used in investing activities also included

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investment in loans receivable of \$4.0 million partially offset by the release of sales proceeds from restricted cash accounts of \$41.0 million and collections of principal on loans receivable and real estate assets under direct financing leases totaling \$6.8 million.

During the same period in 2014, net cash used in investing activities included \$958.0 million to fund the acquisition of 361 properties (16 of which were acquired through a \$26.7 million non-cash 1031 Exchange) and capitalized real estate expenditures of \$5.1 million partially offset by cash proceeds of \$110.2 million from the disposition of 38 properties (2 of which were disposed of through a \$5.9 million non-cash 1031 Exchange). Net cash used in investing activities also included transfers of sales proceeds to restricted cash accounts of \$52.0 million partially offset by collections of principal on loans receivable and real estate assets under direct financing leases totaling \$6.1 million.

Financing Activities

Generally, our net cash (used in) provided by financing activities is impacted by our net borrowings and common stock offerings, including sales of our common stock under our ATM Program, common stock offerings, borrowings under our Revolving Credit Facilities and Term Loan, and issuances of net-lease mortgage notes under our Spirit Master Funding Program.

Net cash used in financing activities during 2015 was primarily attributable to repayment of our indebtedness of \$512.5 million, the payment of dividends to equity owners of \$292.3 million, both of which were paid primarily through sources from our operating cash flows, and net repayments under our Revolving Credit Facilities of \$15.2 million. These amounts were partially offset by the issuance and sale of 23.0 million shares of our common stock in an underwritten public offering and the sale of 6.6 million shares of our common stock under our ATM Program for aggregate net proceeds of \$347.2 million and borrowings under our Term Loan of \$325.0 million.

Net cash provided by financing activities during 2014 was attributable to our concurrent Convertible Notes and common stock offerings, sales of our common stock under our ATM Program and the net-lease mortgage notes issuance under our Spirit Master Funding Program in November 2014. Collectively these transactions raised approximately \$1.7 billion in gross proceeds, net of common stock offering costs. The capital raised was used mostly to extinguish \$583.8 million of our indebtedness, repay the amounts drawn against the 2013 Credit Facility and to fund certain acquisitions. Our net borrowings and proceeds from the issuance of common stock during the period were partially offset by \$255.8 million for the payment of dividends to equity owners, which was paid primarily through sources from our operating cash flows.

Comparison of Years Ended December 31, 2014 and 2013

The following table presents a summary of our cash flows for the years ended December 31, 2014 and 2013 (in thousands):

	Years Ended		
	December 31,		
	2014	2013	Change
Net cash provided by operating activities	\$218,571	\$138,104	\$80,467
Net cash used in investing activities	(878,030)	(159,593)	(718,437)
Net cash provided by financing activities	769,052	14,509	754,543
Net increase (decrease) in cash and cash equivalents	\$109,593	\$(6,980)	\$116,573

As of December 31, 2014, we had \$176.2 million of cash and cash equivalents as compared to \$66.6 million as of December 31, 2013.

Operating Activities

The increase in net cash provided by operating activities was primarily attributable to an increase in cash revenue of \$181.1 million and \$56.6 million of Merger costs paid in 2013 partially offset by increases in cash paid for interest of \$54.1 million and cash paid for the extinguishment of certain debt of \$59.2 million, \$12.3 million of finance restructuring costs related to our Exchange Offer and \$10.9 million in higher property costs. The balance of the cash

flow change is attributable to changes in operating assets and liabilities.

The increase to both revenue and cash paid for interest during the year ended December 31, 2014 is partly attributable to our Merger in the third quarter of 2013. As a result of the Merger, we added 747 properties and 69 secured mortgage

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loans to our portfolio and assumed \$1.5 billion of mortgages and notes payable. Exclusive of the Merger, during the year ended December 31, 2014, we invested \$971.7 million in real estate, which further contributed to our increased operating revenue and issued \$747.5 million of Convertible Notes during the second quarter of 2014 and \$330.0 million of 2013 Notes in the fourth quarter of 2013, which increased the amount of cash paid for interest during the current period.

Investing Activities

The increase in net cash used in investing activities during 2014 included \$936.4 million to fund the acquisition of 361 properties and transfers of sales proceeds to restricted cash accounts of \$52.0 million, partially offset by cash proceeds of \$104.3 million from the disposition of 38 properties and collections of principal on loans receivable and real estate assets under direct financing leases totaling \$6.1 million.

During the same period in 2013, net cash used in investing activities included \$401.4 million to fund the acquisition of 194 properties, partially offset by cash proceeds of \$205.8 million from the disposition of 21 properties, which includes \$115.3 million from the sale of two multi-tenant properties acquired in the Merger, collections of principal on loans receivable totaling \$15.3 million and transfers of sales proceeds from restricted cash accounts of \$13.4 million. We also acquired \$7.3 million of cash in connection with the Merger.

Financing Activities

Net cash provided by financing activities during the year ended December 31, 2014 was attributable to our concurrent Convertible Notes and common stock offerings, sales of our common stock under our ATM Program and the net-lease mortgage notes issuance under our Spirit Master Funding Program in November 2014. Collectively, these transactions raised approximately \$1.7 billion in gross proceeds, net of common stock offering costs. The capital raised was used mostly to extinguish \$583.8 million of our indebtedness, repay the amounts drawn against the 2013 Credit Facility and to fund certain acquisitions. Our net borrowings and proceeds from the issuance of common stock during the period were offset mostly by \$255.8 million for the payment of dividends to equity owners, which was paid primarily through sources from our operating cash flows.

During the same period in 2013, financing activities can be attributed primarily to our Merger, which included net new borrowing proceeds of \$203.7 million reduced by debt issuance costs, lender consent fees and escrow deposit requirements totaling \$50.7 million and \$136.1 million of dividends paid to our stockholders. The net new borrowing proceeds were used primarily to fund new acquisitions, pay Merger-related costs, and other general corporate expenses.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

We are exposed to financial market risks, especially interest rate risk. Interest rates and other factors, such as occupancy, rental rates and the financial condition of our tenants, influence our performance more so than does inflation. Changes in interest rates do not necessarily correlate with inflation rates or changes in inflation rates. As described above, we generally offer leases that provide for payments of base rent with scheduled increases, based on a fixed amount or the lesser of a multiple of the increase in the CPI over a specified period term or fixed percentage and, to a lesser extent, contingent rent based on a percentage of the tenant's gross sales to help mitigate the effect of inflation. Because the properties in our portfolio are generally leased to tenants under triple-net leases, where the tenant is responsible for property operating costs and expenses, our exposure to rising property operating costs due to inflation is mitigated.

Interest rates are highly sensitive to many factors, including governmental monetary policies, domestic and global economic and political conditions, and other factors which are beyond our control. Our operating results will depend heavily on the difference between the revenue from our assets and the interest expense incurred on our borrowings. We may incur additional variable rate debt in the future, including amounts that we may borrow under our Revolving Credit Facilities and Term Loan. In addition, decreases in interest rates may lead to additional competition for the acquisition of real estate due to a reduction in desirable alternative income-producing investments. Increased competition for the acquisition of real estate may lead to a decrease in the yields on real estate we have targeted for acquisition. In such circumstances, if we are not able to offset the decrease in yields by obtaining lower interest costs on our borrowings, our results of operations will be adversely affected. Significant increases in interest rates may also

have an adverse impact on our earnings if we are unable to acquire real estate with rental rates high enough to offset the increase in interest rates on our borrowings.

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In the event interest rates rise significantly or there is an economic downturn, defaults may increase and result in credit losses, which may adversely affect our liquidity and operating results. In a decreasing interest rate environment, borrowers are generally more likely to prepay their loans in order to obtain financing at lower interest rates. However, the vast majority of our mortgage notes payable have prepayment clauses that make refinancing during a decreasing interest rate environment uneconomical. Investments in our mortgage loans receivable, however, have significant prepayment protection in the form of yield maintenance provisions, which provide us with substantial yield protection in a decreasing interest rate environment with respect to this portion of our investment portfolio.

The objective of our interest rate risk management policy is to match fund fixed-rate assets with fixed-rate liabilities. As of December 31, 2015, our assets were primarily long-term, fixed-rate leases (though most have scheduled rental increases during the terms of the leases). As of December 31, 2015, approximately \$3.80 billion of our indebtedness consisted of long-term, fixed-rate obligations, consisting primarily of our Master Trust Notes, fixed-rate CMBS loans and Convertible Notes. As of December 31, 2015, the weighted average stated interest rate of fixed-rate obligations, excluding amortization of deferred financing costs and debt discounts/premiums, was approximately 4.99%. As of December 31, 2015, approximately \$386.8 million of our indebtedness consisted of variable-rate obligations, consisting of our Term Loan and our hedged variable-rate CMBS loans. As of December 31, 2015, the weighted average stated interest rate of our variable-rate obligations, excluding amortization of deferred financing costs and debt discounts/premiums, was approximately 2.01%. If one-month LIBOR as of December 31, 2015 increased by 100 basis points, or 1.0%, the resulting increase in annual interest expense with respect to the \$325.0 million outstanding under the Term Loan would impact our future earnings and cash flows by \$3.3 million.

We intend to continue our practice of employing interest rate derivative contracts, such as interest rate swaps and futures, to reduce our exposure, on specific transactions or on a portfolio basis, to changes in cash flows as a result of interest rate changes. We do not intend to enter into derivative contracts for speculative or trading purposes. We generally intend to utilize derivative instruments to hedge interest rate risk on our liabilities and not use derivatives for other purposes, such as hedging asset-related risks. Hedging transactions, however, may generate income which is not qualified income for purposes of maintaining our REIT status. We intend to structure any hedging transactions in a manner that does not jeopardize our status as a REIT.

Even with hedging strategies in place, there can be no assurance that our results of operations will remain unaffected as a result of changes in interest rates. In addition, hedging transactions using derivative instruments involve additional risks such as counterparty credit risk and basis risk. Basis risk in a hedging contract occurs when the index upon which the contract is based is more or less variable than the index upon which the hedged asset or liability is based, thereby making the hedge less effective. We address basis risk by matching, to a reasonable extent, the contract index to the index upon which the hedged asset or liability is based. Our interest rate risk management policy addresses counterparty credit risk (the risk of nonperformance by counterparties) by requiring that we deal only with major financial institutions that we deem credit worthy.

The estimated fair values of our Revolving Credit Facilities, Term Loan, fixed-rate and variable-rate mortgages and notes payable and Convertible Notes have been derived based on market quotes for comparable instruments or discounted cash flow analysis using estimates of the amount and timing of future cash flows, market rates and credit spreads.

The following table discloses the fair value information for these financial instruments as of December 31, 2015 (in thousands):

	Carrying Value	Estimated Fair Value
Term Loan, net ⁽¹⁾	\$ 322,902	\$ 338,366
Mortgages and notes payable, net ⁽¹⁾	3,079,787	3,220,239
Convertible Notes, net ⁽¹⁾	690,098	713,095

⁽¹⁾ The carrying value of the debt instruments are net of unamortized deferred financing costs and certain debt discounts/premiums.

Item 8. Financial Statements and Supplementary Data

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders of
Spirit Realty Capital, Inc.

We have audited Spirit Realty Capital, Inc.'s internal control over financial reporting as of December 31, 2015, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). Spirit Realty Capital, Inc.'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 included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). 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, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

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.

In our report dated February 26, 2016, we expressed an unqualified opinion that Spirit Realty Capital, Inc. maintained, in all material respects, effective internal control over financial reporting as of December 31, 2015, based on the COSO criteria. Management has subsequently determined that a deficiency in controls existed over the review of the accounting for real estate dispositions; specifically, the allocation of a portion of the Company's goodwill to the carrying amount of assets sold or held for sale when determining the gain or loss on sale to be recognized for sold assets or the amount, if any, of impairment losses to be recognized for assets held for sale. Management has further concluded that such deficiency represented a material weakness as of December 31, 2015. As a result, management has revised its assessment, as presented in the accompanying Management's Report on Internal Control Over Financial Reporting, to conclude that Spirit Realty Capital, Inc.'s internal control over financial reporting was not effective as of December 31, 2015. Accordingly, our present opinion on the effectiveness of Spirit Realty Capital, Inc.'s internal control over financial reporting as of December 31, 2015, as expressed herein, is different from that expressed in our previous report.

A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial

statements will not be prevented or detected on a timely basis. The following material weakness has been identified and included in management's assessment. Management has identified a material weakness in controls related to the Company's allocation of goodwill related to the disposal of assets and allocation of goodwill to assets held for sale in determining

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impairment charges. We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Spirit Realty Capital, Inc. as of December 31, 2015 and 2014, and the related consolidated statements of operations, comprehensive income (loss), stockholders' equity, and cash flows for each of the three years in the period ended December 31, 2015. This material weakness was considered in determining the nature, timing and extent of audit tests applied in our audit of the 2015 consolidated financial statements, and this report does not affect our report dated February 26, 2016, except for the effects of the restatement described in Note 2, as to which the date is October 31, 2016, which expressed an unqualified opinion on those financial statements.

In our opinion, because of the effect of the material weakness described above on the achievement of the objectives of the control criteria, Spirit Realty Capital, Inc. has not maintained effective internal control over financial reporting as of December 31, 2015, based on the COSO criteria.

/s/ Ernst & Young LLP

Phoenix, Arizona

February 26, 2016 except for the effect of the material weakness described in the sixth paragraph above,
as to which the date is October 31, 2016

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Stockholders of
Spirit Realty Capital, Inc.

We have audited the accompanying consolidated balance sheets of Spirit Realty Capital, Inc. as of December 31, 2015 and 2014, and the related consolidated statements of operations, comprehensive income (loss), stockholders' equity, and cash flows for each of the three years in the period ended December 31, 2015. Our audits also included the financial statement schedules listed in the Index at Item 15(a). These financial statements and schedules are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and schedules based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Spirit Realty Capital, Inc. at December 31, 2015 and 2014, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2015, in conformity with U.S. generally accepted accounting principles. Also, in our opinion, the related financial statement schedules, when considered in relation to the basic consolidated financial statements taken as a whole, present fairly, in all material respects, the information set forth therein.

As discussed in Note 3 to the consolidated financial statements, in the first quarter of 2015 the Company changed its presentation of debt issuance costs as a result of the adoption of the amendments to the FASB Accounting Standards Codification resulting from Accounting Standards Update No. 2015-03, Simplifying the Presentation of Debt Issuance Costs. Also, as discussed in Note 13 to the consolidated financial statements, in the first quarter of 2014 the Company changed its reporting of discontinued operations as a result of the adoption of the amendments to the FASB Accounting Standards Codification resulting from Accounting Standards Update No. 2014-08, Presentation of Financial Statements (Topic 205) and Property, Plant, and Equipment (Topic 360), Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity.

As discussed in Note 2, the consolidated financial statements as of and for the year ended December 31, 2015, have been restated to allocate goodwill to the carrying amount of assets sold or assets held for sale which met the definition of a business under U.S. generally accepted accounting principles, in order to determine gain or loss on disposition of assets or impairment losses recognized on assets held for sale.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Spirit Realty Capital, Inc.'s internal control over financial reporting as of December 31, 2015, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated February 26, 2016, except for the effects of the material weakness described in the sixth paragraph of that report, as to which the date is October 31, 2016, expressed an adverse opinion thereon.

/s/ Ernst & Young LLP

Phoenix, Arizona

February 26, 2016 except for the effects of the restatement described in Note 2,
as to which the date is October 31, 2016

SPIRIT REALTY CAPITAL, INC.

Consolidated Balance Sheets (As Restated, see Note 2)

(In Thousands, Except Share and Per Share Data)

	December 31, 2015 (Restated)	December 31, 2014 (Restated)
Assets		
Investments:		
Real estate investments:		
Land and improvements	\$ 2,710,888	\$ 2,614,630
Buildings and improvements	4,816,481	4,579,166
Total real estate investments	7,527,369	7,193,796
Less: accumulated depreciation	(860,954)	(752,210)
	6,666,415	6,441,586
Loans receivable, net	104,003	109,425
Intangible lease assets, net	526,718	590,073
Real estate assets under direct financing leases, net	44,324	56,564
Real estate assets held for sale, net	84,259	119,046
Net investments	7,425,719	7,316,694
Cash and cash equivalents	21,790	176,181
Deferred costs and other assets, net	179,180	185,507
Goodwill	264,350	285,848
Total assets	\$ 7,891,039	\$ 7,964,230
Liabilities and stockholders' equity		
Liabilities:		
Revolving Credit Facilities	\$ —	\$ 15,114
Term Loan, net	322,902	—
Mortgages and notes payable, net	3,079,787	3,629,998
Convertible Notes, net	690,098	678,190
Total debt, net	4,092,787	4,323,302
Intangible lease liabilities, net	193,903	205,968
Accounts payable, accrued expenses and other liabilities	142,475	123,298
Total liabilities	4,429,165	4,652,568
Commitments and contingencies (see Note 10)		
Stockholders' equity:		
Common stock, \$0.01 par value, 750,000,000 shares authorized: 441,819,964 shares and 411,350,440 shares issued and outstanding at December 31, 2015 and December 31, 2014, respectively	4,418	4,113
Capital in excess of par value	4,721,323	4,361,320
Accumulated deficit	(1,262,839)	(1,052,688)
Accumulated other comprehensive loss	(1,028)	(1,083)
Total stockholders' equity	3,461,874	3,311,662
Total liabilities and stockholders' equity	\$ 7,891,039	\$ 7,964,230
See accompanying notes.		

SPIRIT REALTY CAPITAL, INC.

Consolidated Statements of Operations (As Restated, see Note 2)

(In Thousands, Except Share and Per Share Data)

	Years Ended December 31,		
	2015	2014	2013
	(Restated)	(Restated)	(Restated)
Revenues:			
Rentals	\$634,151	\$574,456	\$404,402
Interest income on loans receivable	6,948	7,239	5,928
Earned income from direct financing leases	3,024	3,343	1,572
Tenant reimbursement income	15,952	13,085	5,637
Other income and interest from real estate transactions	7,260	4,748	1,928
Total revenues	667,335	602,871	419,467
Expenses:			
General and administrative	47,730	42,637	35,146
Restructuring charges	7,056	—	—
Finance restructuring costs	—	13,022	717
Merger costs	—	—	56,644
Property costs	27,715	23,383	11,760
Real estate acquisition costs	2,739	3,631	1,718
Interest	222,901	220,070	179,267
Depreciation and amortization	260,633	247,966	164,054
Impairments (recoveries)	70,695	37,598	(185)
Total expenses	639,469	588,307	449,121
Income (loss) from continuing operations before other expense and income tax expense	27,866	14,564	(29,654)
Other expense:			
Loss on debt extinguishment	(3,162)	(64,750)	(2,405)
Total other expense	(3,162)	(64,750)	(2,405)
Income (loss) from continuing operations before income tax expense	24,704	(50,186)	(32,059)
Income tax expense	(601)	(673)	(1,113)
Income (loss) from continuing operations	24,103	(50,859)	(33,172)
Discontinued operations:			
Income (loss) from discontinued operations	98	3,368	(4,530)
Gain on disposition of assets	590	325	36,086
Income from discontinued operations	688	3,693	31,556
Income (loss) before gain on disposition of assets	24,791	(47,166)	(1,616)
Gain on disposition of assets	68,421	10,221	—
Net income (loss) attributable to common stockholders	\$93,212	\$(36,945)	\$(1,616)
Net income (loss) per share of common stock—basic:			
Continuing operations	\$0.21	\$(0.11)	\$(0.14)
Discontinued operations	—	0.01	0.13
Net income (loss) per share attributable to common stockholders—basic	\$0.21	\$(0.10)	\$(0.01)
Net income (loss) per share of common stock—diluted:			
Continuing operations	\$0.21	\$(0.11)	\$(0.14)
Discontinued operations	—	0.01	0.13
Net income (loss) per share attributable to common stockholders—diluted	\$0.21	\$(0.10)	\$(0.01)

Weighted average shares of common stock outstanding:

Basic	432,222,953	386,809,746	255,020,565
Diluted	432,545,623	386,809,746	255,020,565

See accompanying notes.

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SPIRIT REALTY CAPITAL, INC.

Consolidated Statements of Comprehensive Income (Loss) (As Restated, see Note 2)

(In Thousands)

	Years Ended December 31,		
	2015	2014	2013
	(Restated)	(Restated)	(Restated)
Net income (loss) attributable to common stockholders	\$93,212	\$(36,945)	\$(1,616)
Other comprehensive income (loss):			
Change in net unrealized losses on cash flow hedges	(1,190)	(1,760)	(314)
Net cash flow hedge losses reclassified to operations	1,245	1,315	447
Total comprehensive income (loss)	\$93,267	\$(37,390)	\$(1,483)

See accompanying notes.

SPIRIT REALTY CAPITAL, INC.

Consolidated Statements of Stockholders' Equity (As Restated, see Note 2)

(In Thousands, Except Share Data)

	Common Stock				Accumulated Deficit	AOCL	Total Stockholders' Equity
	Shares	Par Value	Capital in Excess of Par Value				
Balances, December 31, 2012	161,625,144	\$1,616	\$1,827,632	\$(575,034)	\$(771)	\$1,253,443	
Common shares issued in connection with merger	208,570,007	2,086	2,023,426	—	—	2,025,512	
Net loss (Restated)	—	—	—	(1,616)	—	(1,616)	
Other comprehensive income	—	—	—	—	133	133	
Dividends declared on common stock	—	—	—	(169,395)	—	(169,395)	
Repurchase of shares of common stock	(206,762)	(2)	—	(1,940)	—	(1,942)	
Stock-based compensation, net	375,414	4	8,765	(163)	—	8,606	
Balances, December 31, 2013 (Restated)	370,363,803	3,704	3,859,823	(748,148)	(638)	3,114,741	
Net loss (Restated)	—	—	—	(36,945)	—	(36,945)	
Other comprehensive loss	—	—	—	—	(445)	(445)	
Dividends declared on common stock	—	—	—	(264,113)	—	(264,113)	
Repurchase of shares of common stock	(266,837)	(3)	—	(2,917)	—	(2,920)	
Issuance of shares of common stock, net	40,808,577	408	434,576	—	—	434,984	
Embedded conversion premium of Convertible Notes, net	—	—	55,131	—	—	55,131	
Exercise of stock options	20,000	—	183	—	—	183	
Stock-based compensation, net	424,897	4	11,607	(565)	—	11,046	
Balances, December 31, 2014 (Restated)	411,350,440	4,113	4,361,320	(1,052,688)	(1,083)	3,311,662	
Net income (Restated)	—	—	—	93,212	—	93,212	
Other comprehensive income	—	—	—	—	55	55	
Dividends declared on common stock	—	—	—	(298,531)	—	(298,531)	
Repurchase of shares of common stock	(426,158)	(4)	—	(4,268)	—	(4,272)	
Issuance of shares of common stock, net	29,610,100	296	346,915	—	—	347,211	
Exercise of stock options	5,000	—	46	—	—	46	
Stock-based compensation, net	1,280,582	13	13,042	(564)	—	12,491	
Balances, December 31, 2015 (Restated)	441,819,964	\$4,418	\$4,721,323	\$(1,262,839)	\$(1,028)	\$3,461,874	

See accompanying notes.

SPIRIT REALTY CAPITAL, INC.

Consolidated Statements of Cash Flows (As Restated/Revised, see Note 2)

(In Thousands)

	Years Ended December 31,		
	2015	2014	2013
	(Restated)	(Restated)	(Restated)
Operating activities			
Net income (loss) attributable to common stockholders	\$93,212	\$(36,945)	\$(1,616)
Adjustments to reconcile net income (loss) attributable to common stockholders to net cash provided by operating activities:			
Depreciation and amortization	260,633	247,966	167,599
Impairments	70,729	38,015	9,402
Amortization of deferred financing costs	7,937	5,899	13,188
Derivative net settlements, amortization and terminations	(132)	(114)	(665)
Amortization of debt discounts (premium)	2,322	(849)	4,653
Stock-based compensation expense	13,321	11,346	8,769
Loss on debt extinguishment, net	3,162	64,750	1,377
Debt extinguishment costs	(8,112)	(59,576)	—
Gains on dispositions of real estate and other assets, net	(69,011)	(10,546)	(36,334)
Non-cash revenue	(20,930)	(16,732)	(18,755)
Other	151	(1,355)	(53)
Changes in operating assets and liabilities:			
Deferred costs and other assets, net	(604)	(25,466)	(7,255)
Accounts payable, accrued expenses and other liabilities	13,382	2,178	(2,206)
Accrued restructuring charges	5,926	—	—
Net cash provided by operating activities	371,986	218,571	138,104
Investing activities			
Acquisitions of real estate	(875,983)	(958,038)	(408,436)
Capitalized real estate expenditures	(10,269)	(5,087)	(13,169)
Investments in loans receivable	(4,020)	—	—
Collections of principal on loans receivable and real estate assets under direct financing leases	6,822	6,085	15,260
Proceeds from dispositions of real estate and other assets	496,646	110,185	246,783
Cash acquired in connection with merger	—	—	7,347
Transfers of net sales proceeds (to) from restricted accounts pursuant to 1031 Exchanges	(39,869)	20,784	(20,784)
Transfers of net sales proceeds from (to) Master Trust Release	40,977	(51,959)	13,406
Net cash used in investing activities	(385,696)	(878,030)	(159,593)

SPIRIT REALTY CAPITAL, INC.

Consolidated Statements of Cash Flows (As Restated/Revised, see Note 2)

(In Thousands)

	Years Ended December 31,		
	2015	2014	2013
	(Restated)	(Restated)	(Restated)
Financing activities			
Borrowings under Revolving Credit Facilities	798,000	875,722	386,705
Repayments under Revolving Credit Facilities	(813,181)	(895,661)	(351,585)
Repayment of line of credit previously belonging to Cole II	—	—	(324,111)
Borrowings under mortgages and notes payable	—	518,846	620,290
Repayments under mortgages and notes payable	(512,486)	(610,973)	(127,572)
Borrowings under Convertible Notes	—	747,500	—
Borrowings under Term Loan	325,000	—	—
Deferred financing costs	(6,150)	(30,772)	(34,399)
Proceeds from issuance of common stock, net of offering costs	347,211	434,984	(518)
Offering costs paid on equity component of Convertible Notes	—	(1,609)	—
Purchase of shares of common stock	(4,272)	(2,920)	(1,942)
Consent fees paid to lenders	—	—	(5,449)
Proceeds from exercise of stock options	46	183	—
Dividends paid/distributions to equity owners	(292,262)	(255,771)	(136,091)
Transfers to (from) reserve/escrow deposits with lenders	17,413	(10,477)	(10,819)
Net cash (used in) provided by financing activities	(140,681)	769,052	14,509
Net (decrease) increase in cash and cash equivalents	(154,391)	109,593	(6,980)
Cash and cash equivalents, beginning of period	176,181	66,588	73,568
Cash and cash equivalents, end of period	\$21,790	\$176,181	\$66,588
See accompanying notes.			

SPIRIT REALTY CAPITAL, INC.

Notes to Consolidated Financial Statements

December 31, 2015

Note 1. Organization

Company Organization and Operations

The Company operates as a self-administered and self-managed REIT that seeks to generate and deliver sustainable and attractive returns for stockholders by investing primarily in and managing a portfolio of single-tenant, operationally essential real estate throughout the U.S. that is generally leased on a long-term, triple-net basis to tenants operating within predominantly retail, but also office and industrial property types. Single tenant, operationally essential real estate generally refers to free-standing, commercial real estate facilities where tenants conduct activities that are essential to the generation of their sales and profits.

The Company began operations through a predecessor legal entity in 2003. The Company became a public company in December 2004 and was subsequently taken private in August 2007 by a consortium of private investors. On September 25, 2012, the Company completed an IPO of 33.35 million shares of common stock (including shares issued on October 1, 2012 pursuant to the underwriters' option to purchase additional shares).

On July 17, 2013, the Company completed the acquisition of Cole II through a transaction in which the Company's prior legal entity merged into the Cole II legal entity, and the Company's board of directors (including two additional members designated by Cole II) and executive team managed the surviving entity, which was renamed Spirit Realty Capital, Inc. As a result, Cole II was the "legal acquirer" in the Merger for certain legal and regulatory matters and the Corporation was deemed the "accounting acquirer" in the Merger for accounting and financial reporting purposes including the accompanying consolidated financial statements.

The Company's operations are generally carried out through the Operating Partnership. OP Holdings, one of the Corporation's wholly-owned subsidiaries, is the sole general partner and owns 1.0% of the Operating Partnership. The Corporation and a wholly-owned subsidiary are the only limited partners and together own the remaining 99.0% of the Operating Partnership.

Note 2. Restatement

The restatement of the Company's audited consolidated financial statements results from the Company's subsequent accounting for goodwill resulting from the Cole II Merger. Previously, the Company did not allocate goodwill to the disposal of real estate assets or held for sale real estate assets that met the definition of a business under GAAP, as required by ASC 350 "Intangibles - Goodwill and Other" in order to determine gain on disposition of assets or impairments, if any, respectively.

For the disposal of real estate assets that constituted a business, goodwill and gain on disposition of assets both should have been reduced by the proportionate amount of goodwill allocated to each disposed real estate asset. The amount of goodwill allocated is derived as the proportionate fair value of the real estate considered to be a business under GAAP at the time of sale to the fair value of the Company's reporting unit. As a result, the restated consolidated balance sheet includes a reduction to goodwill of \$27.1 million at December 31, 2015 and the restated consolidated statement of operations includes a reduction to gain on disposition of assets of \$20.6 million for the year ended December 31, 2015. The restated consolidated balance sheet includes a reduction to goodwill of \$5.6 million at December 31, 2014 and the restated consolidated statement of operations includes a reduction to gain on disposition of assets of \$3.2 million and \$0.8 million for the years ended December 31, 2014 and 2013, respectively.

Further, in evaluating the impairment on held for sale real estate assets considered to be a business under GAAP, the proportionate amount of goodwill attributable to the real estate asset held for sale should be considered in determining the amount of impairment, if any. The amount of goodwill attributed is derived as the proportionate fair value of the real estate asset considered to be a business under GAAP held for sale at measurement date to the fair value of the Company's reporting unit. As a result, the restated consolidated balance sheet includes a reduction to real estate assets

held for sale, net of \$0.9 million at December 31, 2015 and the restated consolidated statement of operations includes an increase to impairments of \$1.0 million for the year ended December 31, 2015. The restated consolidated balance sheet includes a reduction to real estate assets held for sale, net of \$0.9 million at December 31, 2014 and

SPIRIT REALTY CAPITAL, INC.

Notes to Consolidated Financial Statements - (continued)

December 31, 2015

the restated consolidated statement of operations includes an increase to impairments of \$1.6 million for the year ended December 31, 2014 and an increase to loss from discontinued operations of \$2.5 million for the year ended December 31, 2013.

As part of its restatement, the Company also identified one other immaterial error affecting the consolidated financial statements as of and for the year ended December 31, 2014. The Company recorded an increase to goodwill of \$1.6 million in the restated consolidated balance sheet as of December 31, 2014 and recorded a decrease of \$1.6 million to general and administrative expense in the restated consolidated statement of operations for the year ended December 31, 2014 to correct the presentation of account receivable balances acquired in the Cole II Merger as an increase to goodwill from the merger instead of a bad debt expense included in general and administrative expense based on facts that existed at the acquisition date.

The consolidated financial statements included in this Form 10-K/A have been restated as of December 31, 2015, 2014 and 2013 and for the years then ended to reflect the adjustments described above. The following statements present the effect of the restatement on (i) the Company's consolidated balance sheets at December 31, 2015 and December 31, 2014, (ii) the Company's consolidated statements of operations for the years ended December 31, 2015, 2014 and 2013 and (iii) the Company's consolidated statements of cash flows for the years ended December 31, 2015, 2014 and 2013. The Company did not present a summary of the effect of the restatement on the consolidated statement of stockholders' equity for any of the above referenced periods because the impact to stockholders' equity is reflected below in the restated consolidated balance sheets. The Company did not present a summary of the effect of the restatement on the consolidated statements of comprehensive income (loss) for any of the above referenced periods because the impact to net income (loss) is reflected below in the restated consolidated statements of operations and the restatement adjustments did not affect any other component of comprehensive income (loss).

SPIRIT REALTY CAPITAL, INC.

Notes to Consolidated Financial Statements - (continued)

December 31, 2015

The following table presents the consolidated balance sheet as previously reported, restatement adjustments and the consolidated balance sheet as restated at December 31, 2015 (in thousands, except per share data):

	As Previously Reported	Restatement Adjustments	As Restated
Assets			
Investments:			
Real estate investments:			
Land and improvements	\$2,710,888	\$ —	\$2,710,888
Buildings and improvements	4,816,481	—	4,816,481
Total real estate investments	7,527,369	—	7,527,369
Less: accumulated depreciation	(860,954)	—	(860,954)
	6,666,415	—	6,666,415
Loans receivable, net	104,003	—	104,003
Intangible lease assets, net	526,718	—	526,718
Real estate assets under direct financing leases, net	44,324	—	44,324
Real estate assets held for sale, net	85,145	(886)	84,259
Net investments	7,426,605	(886)	7,425,719
Cash and cash equivalents	21,790	—	21,790
Deferred costs and other assets, net	179,180	—	179,180
Goodwill	291,421	(27,071)	264,350
Total assets	\$7,918,996	\$ (27,957)	\$7,891,039
Liabilities and stockholders' equity			
Liabilities:			
Revolving Credit Facilities	\$—	\$ —	\$—
Term Loan, net	322,902	—	322,902
Mortgages and notes payable, net	3,079,787	—	3,079,787
Convertible Notes, net	690,098	—	690,098
Total debt, net	4,092,787	—	4,092,787
Intangible lease liabilities, net	193,903	—	193,903
Accounts payable, accrued expenses and other liabilities	142,475	—	142,475
Total liabilities	4,429,165	—	4,429,165
Commitments and contingencies (see Note 10)			
Stockholders' equity:			
Common stock, \$0.01 par value	4,418	—	4,418
Capital in excess of par value	4,721,323	—	4,721,323
Accumulated deficit	(1,234,882)	(27,957)	(1,262,839)
Accumulated other comprehensive loss	(1,028)	—	(1,028)
Total stockholders' equity	3,489,831	(27,957)	3,461,874
Total liabilities and stockholders' equity	\$7,918,996	\$ (27,957)	\$7,891,039

SPIRIT REALTY CAPITAL, INC.

Notes to Consolidated Financial Statements - (continued)

December 31, 2015

The following table presents the consolidated balance sheet as previously reported, restatement adjustments and the consolidated balance sheet as restated at December 31, 2014 (in thousands except per share data):

	As Previously Reported	Restatement Adjustments	As Restated
Assets			
Investments:			
Real estate investments:			
Land and improvements	\$2,614,630	\$ —	\$2,614,630
Buildings and improvements	4,579,166	—	4,579,166
Total real estate investments	7,193,796	—	7,193,796
Less: accumulated depreciation	(752,210)	—	(752,210)
	6,441,586	—	6,441,586
Loans receivable, net	109,425	—	109,425
Intangible lease assets, net	590,073	—	590,073
Real estate assets under direct financing leases, net	56,564	—	56,564
Real estate assets held for sale, net	119,912	(866)	119,046
Net investments	7,317,560	(866)	7,316,694
Cash and cash equivalents	176,181	—	176,181
Deferred costs and other assets, net	185,507	—	185,507
Goodwill	291,421	(5,573)	285,848
Total assets	\$7,970,669	\$ (6,439)	\$7,964,230
Liabilities and stockholders' equity			
Liabilities:			
Revolving Credit Facilities	\$15,114	\$ —	\$15,114
Term Loan, net	—	—	—
Mortgages and notes payable, net	3,629,998	—	3,629,998
Convertible Notes, net	678,190	—	678,190
Total debt, net	4,323,302	—	4,323,302
Intangible lease liabilities, net	205,968	—	205,968
Accounts payable, accrued expenses and other liabilities	123,298	—	123,298
Total liabilities	4,652,568	—	4,652,568
Commitments and contingencies (see Note 10)			
Stockholders' equity:			
Common stock, \$0.01 par value	4,113	—	4,113
Capital in excess of par value	4,361,320	—	4,361,320
Accumulated deficit	(1,046,249)	(6,439)	(1,052,688)
Accumulated other comprehensive loss	(1,083)	—	(1,083)
Total stockholders' equity	3,318,101	(6,439)	3,311,662
Total liabilities and stockholders' equity	\$7,970,669	\$ (6,439)	\$7,964,230

SPIRIT REALTY CAPITAL, INC.

Notes to Consolidated Financial Statements - (continued)

December 31, 2015

The following table presents the consolidated statement of operations as previously reported, restatement adjustments and the consolidated statement of operations as restated for the year ended December 31, 2015 (in thousands, except share and per share data):

	As Previously Reported	Restatement Adjustments	As Restated
Revenues:			
Rentals	\$ 634,151	\$ —	\$ 634,151
Interest income on loans receivable	6,948	—	6,948
Earned income from direct financing leases	3,024	—	3,024
Tenant reimbursement income	15,952	—	15,952
Other income and interest from real estate transactions	7,260	—	7,260
Total revenues	667,335	—	667,335
Expenses:			
General and administrative	47,730	—	47,730
Restructuring charges	7,056	—	7,056
Property costs	27,715	—	27,715
Real estate acquisition costs	2,739	—	2,739
Interest	222,901	—	222,901
Depreciation and amortization	260,633	—	260,633
Impairments	69,734	961	70,695
Total expenses	638,508	961	639,469
Income from continuing operations before other expense and income tax expense	28,827	(961)	27,866
Other expense:			
Loss on debt extinguishment	(3,162)	—	(3,162)
Total other expense	(3,162)	—	(3,162)
Income from continuing operations before income tax expense	25,665	(961)	24,704
Income tax expense	(601)	—	(601)
Income from continuing operations	25,064	(961)	24,103
Discontinued operations:			
Income from discontinued operations	98	—	98
Gain on disposition of assets	590	—	590
Income from discontinued operations	688	—	688
Income before gain on disposition of assets	25,752	(961)	24,791
Gain on disposition of assets	88,978	(20,557)	68,421
Net income attributable to common stockholders	\$ 114,730	\$ (21,518)	\$ 93,212
Net income per share of common stock—basic:			
Continuing operations	\$ 0.26	\$ (0.05)	\$ 0.21
Discontinued operations	—	—	—
Net income per share attributable to common stockholders—basic	\$ 0.26	\$ (0.05)	\$ 0.21
Net income per share of common stock—diluted:			
Continuing operations	\$ 0.26	\$ (0.05)	\$ 0.21
Discontinued operations	—	—	—
Net income per share attributable to common stockholders—diluted	\$ 0.26	\$ (0.05)	\$ 0.21
Weighted average shares of common stock outstanding:			

Basic	432,222,953 —	432,222,953
Diluted	432,545,625 —	432,545,625

SPIRIT REALTY CAPITAL, INC.

Notes to Consolidated Financial Statements - (continued)

December 31, 2015

The following table presents the consolidated statement of operations as previously reported, restatement adjustments and the consolidated statement of operations as restated for the year ended December 31, 2014 (in thousands, except share and per share data):

	As Previously Reported	Restatement Adjustments	As Restated
Revenues:			
Rentals	\$ 574,456	\$ —	\$ 574,456
Interest income on loans receivable	7,239	—	7,239
Earned income from direct financing leases	3,343	—	3,343
Tenant reimbursement income	13,085	—	13,085
Other income and interest from real estate transactions	4,748	—	4,748
Total revenues	602,871	—	602,871
Expenses:			
General and administrative	44,252	(1,615)	42,637
Finance restructuring costs	13,022	—	13,022
Property costs	23,383	—	23,383
Real estate acquisition costs	3,631	—	3,631
Interest	220,070	—	220,070
Depreciation and amortization	247,966	—	247,966
Impairments	36,019	1,579	37,598
Total expenses	588,343	(36)	588,307
Income from continuing operations before other expense and income tax expense	14,528	36	14,564
Other expense:			
Loss on debt extinguishment	(64,750)	—	(64,750)
Total other expense	(64,750)	—	(64,750)
Loss from continuing operations before income tax expense	(50,222)	36	(50,186)
Income tax expense	(673)	—	(673)
Loss from continuing operations	(50,895)	36	(50,859)
Discontinued operations:			
Income from discontinued operations	3,368	—	3,368
Gain on disposition of assets	488	(163)	325
Income from discontinued operations	3,856	(163)	3,693
Loss before gain on disposition of assets	(47,039)	(127)	(47,166)
Gain on disposition of assets	13,240	(3,019)	10,221
Net loss attributable to common stockholders	\$ (33,799)	\$ (3,146)	\$ (36,945)
Net (loss) income per share of common stock—basic:			
Continuing operations	\$ (0.10)	\$ (0.01)	\$ (0.11)
Discontinued operations	0.01	—	0.01
Net loss per share attributable to common stockholders—basic	\$ (0.09)	\$ (0.01)	\$ (0.10)
Net (loss) income per share of common stock—diluted:			
Continuing operations	\$ (0.10)	\$ (0.01)	\$ (0.11)
Discontinued operations	0.01	—	0.01
Net loss per share attributable to common stockholders—diluted	\$ (0.09)	\$ (0.01)	\$ (0.10)
Weighted average shares of common stock outstanding:			

Basic	386,809,746	386,809,746
Diluted	386,809,746	386,809,746

SPIRIT REALTY CAPITAL, INC.

Notes to Consolidated Financial Statements - (continued)

December 31, 2015

The following table presents the consolidated statement of operations as previously reported, restatement adjustments and the consolidated statement of operations as restated for the year ended December 31, 2013 (in thousands, except share and per share data):

	As Previously Reported	Restatement Adjustments	As Restated
Revenues:			
Rentals	\$ 404,402	\$ —	\$ 404,402
Interest income on loans receivable	5,928	—	5,928
Earned income from direct financing leases	1,572	—	1,572
Tenant reimbursement income	5,637	—	5,637
Other income and interest from real estate transactions	1,928	—	1,928
Total revenues	419,467	—	419,467
Expenses:			
General and administrative	35,146	—	35,146
Finance restructuring costs	717	—	717
Merger costs	56,644	—	56,644
Property costs	11,760	—	11,760
Real estate acquisition costs	1,718	—	1,718
Interest	179,267	—	179,267
Depreciation and amortization	164,054	—	164,054
Recoveries	(185)	) —	(185)
Total expenses	449,121	—	449,121
Loss from continuing operations before other expense and income tax expense	(29,654)	) —	(29,654)
Other expense:			
Loss on debt extinguishment	(2,405)	) —	(2,405)
Total other expense	(2,405)	) —	(2,405)
Loss from continuing operations before income tax expense	(32,059)	) —	(32,059)
Income tax expense	(1,113)	) —	(1,113)
Loss from continuing operations	(33,172)	) —	(33,172)
Discontinued operations:			
Loss from discontinued operations	(2,077)	) (2,453)	(4,530)
Gain on disposition of assets	36,926	(840)	36,086
Income from discontinued operations	34,849	(3,293)	31,556
Income (loss) before gain on disposition of assets	1,677	(3,293)	(1,616)
Gain on disposition of assets	—	—	—
Net income (loss) attributable to common stockholders	\$ 1,677	\$ (3,293)	\$ (1,616)
Net (loss) income per share of common stock—basic:			
Continuing operations	\$ (0.14)	) \$ —	\$ (0.14)
Discontinued operations	0.14	(0.01)	0.13
Net income (loss) per share attributable to common stockholders—basic	\$ 0.00	\$ (0.01)	\$ (0.01)
Net (loss) income per share of common stock—diluted:			
Continuing operations	\$ (0.14)	) \$ —	\$ (0.14)
Discontinued operations	0.14	(0.01)	0.13
Net income (loss) per share attributable to common stockholders—diluted	\$ 0.00	\$ (0.01)	\$ (0.01)
Weighted average shares of common stock outstanding:			

Basic	255,020,565	255,020,565
Diluted	255,020,565	255,020,565

SPIRIT REALTY CAPITAL, INC.

Notes to Consolidated Financial Statements - (continued)

December 31, 2015

The following table presents the consolidated statement of cash flows as previously reported, restatement adjustments and the consolidated statement of cash flows as restated for the year ended December 31, 2015 (in thousands):

	As Previously Reported	Restatement Adjustments	As Restated
Operating activities			
Net income attributable to common stockholders	\$ 114,730	\$ (21,518)	\$ 93,212
Adjustments to reconcile net income attributable to common stockholders to net cash provided by operating activities:			
Depreciation and amortization	260,633	—	260,633
Impairments	69,768	961	70,729
Amortization of deferred financing costs	7,937	—	7,937
Derivative net settlements, amortization and terminations	(132)	—	(132)
Amortization of debt discounts	2,322	—	2,322
Stock-based compensation expense	13,321	—	13,321
Loss on debt extinguishment, net	3,162	—	3,162
Debt extinguishment costs	(8,112)	—	(8,112)
Gains on dispositions of real estate and other assets, net	(89,568)	20,557	(69,011)
Non-cash revenue	(20,930)	—	(20,930)
Other	151	—	151
Changes in operating assets and liabilities:			
Deferred costs and other assets, net	(604)	—	(604)
Accounts payable, accrued expenses and other liabilities	13,382	—	13,382
Accrued restructuring charges	5,926	—	5,926
Net cash provided by operating activities	371,986	—	371,986
Investing activities			
Acquisitions of real estate	(875,983)	—	(875,983)
Capitalized real estate expenditures	(10,269)	—	(10,269)
Investments in loans receivable	(4,020)	—	(4,020)
Collections of principal on loans receivable and real estate assets under direct financing leases	6,822	—	6,822
Proceeds from dispositions of real estate and other assets	496,646	—	496,646
Transfers of net sales proceeds to restricted accounts pursuant to 1031 Exchanges	(39,869)	—	(39,869)
Transfers of net sales proceeds from Master Trust Release	40,977	—	40,977
Net cash used in investing activities	(385,696)	—	(385,696)
Financing activities			
Borrowings under Revolving Credit Facilities	798,000	—	798,000
Repayments under Revolving Credit Facilities	(813,181)	—	(813,181)
Repayments under mortgages and notes payable	(512,486)	—	(512,486)
Borrowings under Term Loan	325,000	—	325,000
Deferred financing costs	(6,150)	—	(6,150)
Proceeds from issuance of common stock, net of offering costs	347,211	—	347,211
Purchase of shares of common stock	(4,272)	—	(4,272)
Proceeds from exercise of stock options	46	—	46
Dividends paid/distributions to equity owners	(292,262)	—	(292,262)
Transfers to reserve/escrow deposits with lenders	17,413	—	17,413

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Net cash used in financing activities	(140,681)	—	(140,681)
Net decrease in cash and cash equivalents	(154,391)	—	(154,391)
Cash and cash equivalents, beginning of period	176,181	—	176,181
Cash and cash equivalents, end of period	\$ 21,790	\$ —	\$ 21,790

SPIRIT REALTY CAPITAL, INC.

Notes to Consolidated Financial Statements - (continued)

December 31, 2015

The following table presents the consolidated statement of cash flows as previously reported, restatement adjustments and the consolidated statement of cash flows as restated for the year ended December 31, 2014 (in thousands):

	As Previously Reported	Restatement Adjustments	As Restated
Operating activities			
Net loss attributable to common stockholders	\$ (33,799)	\$ (3,146)	\$ (36,945)
Adjustments to reconcile net loss attributable to common stockholders to net cash provided by operating activities:			
Depreciation and amortization	247,966	—	247,966
Impairments	36,436	1,579	38,015
Amortization of deferred financing costs	5,899	—	5,899
Derivative net settlements, amortization and terminations	(114)	—	(114)
Amortization of debt premium	(849)	—	(849)
Stock-based compensation expense	11,346	—	11,346
Loss on debt extinguishment, net	64,750	—	64,750
Debt extinguishment costs	(59,576)	—	(59,576)
Gains on dispositions of real estate and other assets, net	(13,728)	3,182	(10,546)
Non-cash revenue	(16,732)	—	(16,732)
Other	260	(1,615)	(1,355)
Changes in operating assets and liabilities:			
Deferred costs and other assets, net	(25,466)	—	(25,466)
Accounts payable, accrued expenses and other liabilities	2,178	—	2,178
Net cash provided by operating activities	218,571	—	218,571
Investing activities			
Acquisitions of real estate	(958,038)	—	(958,038)
Capitalized real estate expenditures	(5,087)	—	(5,087)
Collections of principal on loans receivable and real estate assets under direct financing leases	6,085	—	6,085
Proceeds from dispositions of real estate and other assets	110,185	—	110,185
Transfers of net sales proceeds from restricted accounts pursuant to 1031 Exchanges	20,784	—	20,784
Transfers of net sales proceeds to Master Trust Release	(51,959)	—	(51,959)
Net cash used in investing activities	(878,030)	—	(878,030)
Financing activities			
Borrowings under Revolving Credit Facilities	875,722	—	875,722
Repayments under Revolving Credit Facilities	(895,661)	—	(895,661)
Borrowings under mortgages and notes payable	518,846	—	518,846
Repayments under mortgages and notes payable	(610,973)	—	(610,973)
Borrowings under Convertible Notes	747,500	—	747,500
Deferred financing costs	(30,772)	—	(30,772)
Proceeds from issuance of common stock, net of offering costs	434,984	—	434,984
Offering costs paid on equity component of Convertible Notes	(1,609)	—	(1,609)
Purchase of shares of common stock	(2,920)	—	(2,920)
Proceeds from exercise of stock options	183	—	183
Dividends paid/distributions to equity owners	(255,771)	—	(255,771)

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Transfers from reserve/escrow deposits with lenders	(10,477)	—	(10,477)
Net cash provided by financing activities	769,052	—	769,052
Net increase in cash and cash equivalents	109,593	—	109,593
Cash and cash equivalents, beginning of period	66,588	—	66,588
Cash and cash equivalents, end of period	\$ 176,181	\$ —	\$ 176,181

SPIRIT REALTY CAPITAL, INC.

Notes to Consolidated Financial Statements - (continued)

December 31, 2015

The following table presents the consolidated statement of cash flows as previously reported, restatement adjustments and the consolidated statement of cash flows as restated for the year ended December 31, 2013 (in thousands):

	As Previously Reported	Restatement Adjustments	As Restated
Operating activities			
Net income (loss) attributable to common stockholders	\$ 1,677	\$ (3,293)	\$(1,616)
Adjustments to reconcile net income (loss) attributable to common stockholders to net cash provided by operating activities:			
Depreciation and amortization	167,599	—	167,599
Impairments	6,949	2,453	9,402
Amortization of deferred financing costs	13,188	—	13,188
Derivative net settlements, amortization and terminations	(665)	—	(665)
Amortization of debt discounts	4,653	—	4,653
Stock-based compensation expense	8,769	—	8,769
Loss on debt extinguishment, net	1,377	—	1,377
Gains on dispositions of real estate and other assets, net	(37,174)	840	(36,334)
Non-cash revenue	(18,755)	—	(18,755)
Other	(53)	—	(53)
Changes in operating assets and liabilities:			
Deferred costs and other assets, net	(7,255)	—	(7,255)
Accounts payable, accrued expenses and other liabilities	(2,206)	—	(2,206)
Net cash provided by operating activities	138,104	—	138,104
Investing activities			
Acquisitions of real estate	(408,436)	—	(408,436)
Capitalized real estate expenditures	(13,169)	—	(13,169)
Collections of principal on loans receivable and real estate assets under direct financing leases	15,260	—	15,260
Proceeds from dispositions of real estate and other assets	246,783	—	246,783
Cash acquired in connection with merger	7,347	—	7,347
Transfers of net sales proceeds to restricted accounts pursuant to 1031 Exchanges	(20,784)	—	(20,784)
Transfers of net sales proceeds from Master Trust Release	13,406	—	13,406
Net cash used in investing activities	(159,593)	—	(159,593)
Financing activities			
Borrowings under Revolving Credit Facilities	386,705	—	386,705
Repayments under Revolving Credit Facilities	(351,585)	—	(351,585)
Repayment of line of credit previously belonging to Cole II	(324,111)	—	(324,111)
Borrowings under mortgages and notes payable	620,290	—	620,290
Repayments under mortgages and notes payable	(127,572)	—	(127,572)
Deferred financing costs	(34,399)	—	(34,399)
Proceeds from issuance of common stock, net of offering costs	(518)	—	(518)
Purchase of shares of common stock	(1,942)	—	(1,942)
Consent fees paid to lenders	(5,449)	—	(5,449)
Dividends paid/distributions to equity owners	(136,091)	—	(136,091)
Transfers from reserve/escrow deposits with lenders	(10,819)	—	(10,819)
Net cash provided by financing activities	14,509	—	14,509

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Net decrease in cash and cash equivalents	(6,980)	—	(6,980)
Cash and cash equivalents, beginning of period	73,568	—	73,568
Cash and cash equivalents, end of period	\$ 66,588	\$ —	\$66,588

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SPIRIT REALTY CAPITAL, INC.

Notes to Consolidated Financial Statements - (continued)

December 31, 2015

Note 3. Summary of Significant Accounting Policies

Basis of Accounting and Principles of Consolidation

The accompanying consolidated financial statements of the Company have been prepared on the accrual basis of accounting, in accordance with GAAP. The consolidated financial statements include the accounts of the Corporation and its wholly-owned subsidiaries. All significant intercompany balances and transactions have been eliminated in consolidation. Properties that were reported as held for sale as of December 31, 2013, will continue to be presented in discontinued operations until they are disposed of.

The Company has formed numerous special purpose entities to acquire and hold real estate encumbered by indebtedness (see Note 6). As a result, the majority of the Company's consolidated assets are held in these wholly-owned special purpose entities. Each special purpose entity is a separate legal entity and is the sole owner of its assets and responsible for its liabilities. The assets of these special purpose entities are not available to pay, or otherwise satisfy obligations to, the creditors of any affiliate or owner of another entity unless the special purpose entities have expressly agreed and are permitted under their governing documents. As of December 31, 2015 and 2014, net assets totaling \$4.57 billion and \$5.68 billion, respectively, were held, and net liabilities totaling \$3.19 billion and \$3.77 billion, respectively, were owed by these special purpose entities and are included in the accompanying consolidated balance sheets.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although management believes its estimates are reasonable, actual results could differ from those estimates.

Segment Reporting

The Company views its operations as one segment, which consists of net leasing operations. The Company has no other reportable segments.

Real Estate Investments

Carrying Value of Real Estate Investments

The Company's real estate properties are recorded at cost and depreciated using the straight-line method over the estimated remaining useful lives of the properties, which generally range from 20 to 50 years for buildings and improvements and are 15 years for land improvements. Portfolio assets classified as "held for sale" are not depreciated. Properties classified as "held for sale" are recorded at the lower of their carrying value or their fair value, less anticipated selling costs.

Purchase Accounting and Acquisition of Real Estate

When acquiring a property for investment purposes, the Company allocates the purchase price (including acquisition and closing costs) to land, building, improvements, and equipment based on their relative fair values. For properties acquired with in-place leases, the Company allocates the purchase price of real estate to the tangible and intangible assets and liabilities acquired based on their estimated fair values, and acquisition costs are expensed as incurred. In making estimates of fair values for this purpose, the Company uses a number of sources, including independent appraisals and information obtained about each property as a result of its pre-acquisition due diligence and its marketing and leasing activities.

Lease Intangibles

Lease intangibles, if any, acquired in conjunction with the purchase of real estate represent the value of in-place leases and above- or below-market leases. For real estate acquired subject to existing lease agreements, in-place lease intangibles are valued based on the Company's estimates of costs related to tenant acquisition and the carrying costs that would be incurred during the time it would take to locate a tenant if the property were vacant, considering current

SPIRIT REALTY CAPITAL, INC.

Notes to Consolidated Financial Statements - (continued)

December 31, 2015

market conditions and costs to execute similar leases at the time of the acquisition. Above- and below-market lease intangibles are recorded based on the present value of the difference between the contractual amounts to be paid pursuant to the leases at the time of acquisition of the real estate and the Company's estimate of current market lease rates for the property, measured over a period equal to the remaining initial term of the lease.

In-place lease intangibles are amortized on a straight-line basis over the remaining initial term of the related lease and included in depreciation and amortization expense. Above-market lease intangibles are amortized over the remaining initial terms of the respective leases as a decrease in rental revenue. Below market lease intangibles are generally amortized as an increase to rental revenue over the remaining initial term of the respective leases, but may be amortized over the renewal periods if the Company believes it is likely the tenant will exercise the renewal option. Should a lease terminate early, the unamortized portion of any related lease intangible is immediately recognized in impairment loss in the Company's consolidated statements of operations.

Investment in Direct Financing Leases

For real estate property leases classified as direct financing leases, the building portion of the lease is accounted for as a direct financing lease, while the land portion is accounted for as operating leases when certain criteria are met. For direct financing leases, the Company records an asset which represents the net investment that is determined by using the aggregate of the total amount of future minimum lease payments, the estimated residual value of the leased property and deferred incremental direct costs less unearned income. Income is recognized over the life of the lease to approximate a level rate of return on the net investment. Residual values, which are reviewed quarterly, represent the estimated amount the Company expects to receive at lease termination from the disposition of the leased property. Actual residual values realized could differ from these estimates. The Company evaluates the collectability of future minimum lease payments on each direct financing lease primarily through the evaluation of payment history and the underlying creditworthiness of the tenant. There were no amounts past due as of December 31, 2015. The Company's direct financing leases are evaluated individually for the purpose of determining if an allowance is needed. Any write-down of an estimated residual value is recognized as an impairment loss in the current period and earned income adjusted prospectively. The Company's direct financing leases were acquired in connection with the Merger. There were \$4.8 million in impairment losses related to two direct financing leases during the year ended December 31, 2015.

Goodwill

Goodwill arises from business combinations and represents the excess of the cost of an acquired entity over the net fair value amounts that were assigned to the identifiable assets acquired and the liabilities assumed. Goodwill is tested for impairment at the reporting unit level on an annual basis and between annual tests if an event occurs or circumstances change that would more likely than not reduce the fair value of the reporting unit below its carrying value. The Company did not record any impairment on its existing goodwill for the years ended December 31, 2015, 2014 and 2013.

When the Company classifies a real estate asset that constitutes a business under GAAP as held for sale, the proportionate amount of goodwill attributable to the real estate asset should be considered in determining the amount of impairment, if any. The portion of goodwill attributed is derived from the proportionate fair value of the real estate asset considered to be a business to the fair value of the Company's reporting unit. Goodwill of \$2.0 million and \$3.1 million relates to real estate assets held for sale as of December 31, 2015 and 2014, respectively.

When the Company disposes of a real estate asset that constitutes a business under GAAP, a portion of goodwill is allocated to the carrying value of the real estate asset considered to be a business to determine the gain/loss on the disposal. The portion of goodwill allocated is derived from the proportionate fair value of the business to the fair value of the Company's reporting unit. Goodwill derecognized during the years ended December 31, 2015, 2014 and 2013 from real estate assets not previously classified as held for sale was \$12.7 million, \$2.3 million and \$0.4 million, respectively.

SPIRIT REALTY CAPITAL, INC.

Notes to Consolidated Financial Statements - (continued)

December 31, 2015

The following table presents a reconciliation of the Company's goodwill from January 1, 2013 to December 31, 2015 (in thousands):

	Consolidated
Balance as of January 1, 2013	\$ —
Cole II Merger	291,421
Goodwill allocated to disposition of real estate assets	(3,293)
Balance as of December 31, 2013 (Restated)	288,128
Goodwill allocated to disposition of real estate assets	(2,280)
Balance as of December 31, 2014 (Restated)	285,848
Goodwill allocated to disposition of real estate assets	(21,498)
Balance as of December 31, 2015 (Restated)	\$ 264,350

Impairment

The Company reviews its real estate investments and related lease intangibles periodically for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The Company considers factors such as expected future undiscounted cash flows, estimated residual value, market trends (such as the effects of leasing demand and competition) and other factors in making this assessment. An asset is considered impaired if its carrying value exceeds its estimated undiscounted cash flows and the impairment is calculated as the amount by which the carrying value of the asset exceeds its estimated fair value. Estimating future cash flows and fair values are highly subjective and such estimates could differ materially from actual results. Key assumptions used in estimating future cash flows and fair values include, but are not limited to, revenue growth rates, interest rates, discount rates, capitalization rates, lease renewal probabilities, tenant vacancy rates and other factors.

Revenue Recognition

The Company primarily leases real estate to its tenants under long-term, triple-net leases that are classified as operating leases. Lease origination fees are deferred and amortized over the related lease term as an adjustment to rental revenue. Under a triple-net lease, the tenant is typically responsible for all improvements and is contractually obligated to pay all property operating expenses, such as real estate taxes, insurance premiums and repair and maintenance costs. Under certain leases, tenant reimbursement revenue, which is comprised of additional amounts recoverable from tenants for common area maintenance expenses and certain other recoverable expenses, is recognized as revenue in the period in which the related expenses are incurred. Tenant reimbursements are recorded on a gross basis, as the Company is generally the primary obligor with respect to purchasing goods and services from third-party suppliers. Tenant receivables are carried net of the allowances for uncollectible amounts.

The Company's leases generally provide for rent escalations throughout the lease terms. For leases that provide for specific contractual escalations, rental revenue is recognized on a straight-line basis so as to produce a constant periodic rent over the term of the lease. Accordingly, accrued rental revenue, calculated as the aggregate difference between the rental revenue recognized on a straight-line basis and scheduled rents, represents unbilled rent receivables that the Company will receive only if the tenants make all rent payments required through the expiration of the initial term of the leases. The accrued rental revenue representing this straight-line adjustment is subject to an evaluation for collectability, and the Company records a provision for losses against rental revenues if collectability of these future rents is not reasonably assured. Leases that have contingent rent escalators indexed to future increases in the CPI may adjust over a one-year period or over multiple-year periods. Generally, these escalators increase rent at the lesser of (a) 1 to 1.25 times the increase in the CPI over a specified period or (b) a fixed percentage. Because of the volatility and uncertainty with respect to future changes in the CPI, the Company's inability to determine the extent to which any specific future change in the CPI is probable at each rent adjustment date during the entire term of these leases and the Company's view that the multiplier does not represent a significant leverage factor, rental revenue from leases with this type of escalator are recognized only after the changes in the rental rates have occurred.

SPIRIT REALTY CAPITAL, INC.

Notes to Consolidated Financial Statements - (continued)

December 31, 2015

Some of the Company's leases also provide for contingent rent based on a percentage of the tenant's gross sales. For contingent rentals that are based on a percentage of the tenant's gross sales, the Company recognizes contingent rental revenue when the change in the factor on which the contingent lease payment is based actually occurs.

The Company suspends revenue recognition if the collectability of amounts due pursuant to a lease is not reasonably assured or if the tenant's monthly lease payments become more than 60 days past due, whichever is earlier.

Lease termination fees are included in "other income and interest from real estate transactions" on the Company's consolidated statements of operations and are recognized when there is a signed termination agreement and all of the conditions of the agreement have been met. The Company recorded lease termination fees of \$5.8 million, \$3.4 million and \$0.9 million during the years ended December 31, 2015, 2014 and 2013, respectively.

Allowance for Doubtful Accounts

The Company reviews its rent and other tenant receivables for collectability on a regular basis, taking into consideration changes in factors such as the tenant's payment history, the financial condition of the tenant, business conditions in the industry in which the tenant operates, and economic conditions in the area in which the tenant operates. In the event that the collectability of a receivable with respect to any tenant is in doubt, a provision for uncollectible amounts will be established or a direct write-off of the specific receivable will be made. The Company provided for reserves for uncollectible amounts totaling \$11.5 million and \$8.4 million at December 31, 2015 and 2014, respectively, against accounts receivable balances of \$26.3 million and \$20.5 million, respectively. Receivables are recorded within deferred cost and other assets, net in the accompanying consolidated balance sheets.

For deferred rental revenues related to the straight-line method of reporting rental revenue, the collectibility review includes management's estimates of amounts that will not be realized and an assessment of the risks inherent in the portfolio, giving consideration to historical experience and industry default rates for long-term receivables. The Company established a reserve for losses of \$12.2 million and \$10.9 million at December 31, 2015 and 2014, respectively, against deferred rental revenue receivables of \$68.0 million and \$48.3 million, respectively. Deferred rental revenue receivables are recorded within deferred costs and other assets, net in the accompanying consolidated balance sheets.

Loans Receivable

Loans receivable consists of mortgage loans, net of premium, and notes receivables.

Impairment and Allowance for Loan Losses

The Company periodically evaluates the collectability of its loans receivable, including accrued interest, by analyzing the underlying property-level economics and trends, collateral value and quality, and other relevant factors in determining the adequacy of its allowance for loan losses. A loan is determined to be impaired when, in management's judgment based on current information and events, it is probable that the Company will be unable to collect all amounts due according to the contractual terms of the loan agreement. Specific allowances for loan losses are provided for impaired loans on an individual loan basis in the amount by which the carrying value exceeds the estimated fair value of the underlying collateral less disposition costs. Delinquent loans receivable are written off against the allowance when all possible means of collection have been exhausted. As of December 31, 2015, there was an allowance for loan losses on an unsecured note receivable of \$0.3 million compared to no allowance for loan losses as of December 31, 2014.

A loan is placed on nonaccrual status when the loan has become 60 days past due, or earlier if management determines that full recovery of the contractually specified payments of principal and interest is doubtful. While on nonaccrual status, interest income is recognized only when received. As of December 31, 2015, one note receivable with a balance of \$0.3 million was on non-accrual status and no mortgage loans were on non-accrual status compared to no mortgage loans or note receivables on nonaccrual status as of December 31, 2014.

SPIRIT REALTY CAPITAL, INC.

Notes to Consolidated Financial Statements - (continued)

December 31, 2015

Cash and Cash Equivalents

Cash and cash equivalents include cash and highly liquid investment securities with maturities at acquisition of three months or less. The Company invests cash primarily in money market funds of major financial institutions with fund investments consisting of highly-rated money market instruments and other short-term instruments.

Restricted Cash and Escrow Deposits

Restricted cash and deposits in escrow, classified within deferred costs and other assets, net in the accompanying consolidated balance sheets consisted of the following (in thousands):

	December 31, December 31,	
	2015	2014
Collateral deposits ⁽¹⁾	\$ 14,475	\$ 29,483
Tenant improvements, repairs, and leasing commissions ⁽²⁾	8,362	13,427
Master Trust Release ⁽³⁾	12,091	53,069
1031 Exchange proceeds, net	39,869	—
Loan impounds ⁽⁴⁾	1,025	794
Other ⁽⁵⁾	1,823	3,571
	\$ 77,645	\$ 100,344

⁽¹⁾ Funds held in reserve by lenders which can be applied at their discretion to the repayment of debt (any funds remaining on deposit after the debt is paid in full are released to the borrower).

⁽²⁾ Deposits held as additional collateral support by lenders to fund improvements, repairs and leasing commissions incurred to secure a new tenant.

⁽³⁾ Proceeds from the sale of assets pledged as collateral under the Spirit Master Funding Program, which are held on deposit until a qualifying substitution is made or the funds are applied as prepayment of principal.

⁽⁴⁾ Funds held in lender controlled accounts generally used to meet future debt service or certain property operating expenses.

⁽⁵⁾ Funds held in lender controlled accounts released after scheduled debt service requirements are met.

Accounting for Derivative Financial Instruments and Hedging Activities

The Company utilizes derivative instruments such as interest rate swaps and caps for purposes of hedging exposures to fluctuations in interest rates associated with certain of its financing transactions. At the inception of a hedge transaction, the Company enters into a contractual arrangement with the hedge counterparty and formally documents the relationship between the derivative instrument and the financing transaction being hedged, as well as its risk management objective and strategy for undertaking the hedge transaction. At inception and at least quarterly thereafter, a formal assessment is performed to determine whether the derivative instrument has been highly effective in offsetting changes in cash flows of the related financing transaction and whether it is expected to be highly effective in the future.

The fair value of the derivative instrument is recorded on the balance sheet as either an asset or liability. For derivatives designated as cash flow hedges, the effective portions of the corresponding change in fair value of the derivatives are recorded in AOCL within stockholders' equity. Changes in fair value reported in other comprehensive income (loss) are reclassified to operations in the period in which operations are affected by the underlying hedged transaction. Any ineffective portions of the change in fair value are recognized immediately in general and administrative expense. The amounts paid or received on the hedge are recognized as adjustments to interest expense (see Note 7).

Income Taxes

The Company has elected to be taxed as a REIT under the Code. As a REIT, the Company generally will not be subject to federal income tax provided it continues to satisfy certain tests concerning the Company's sources of income, the nature of its assets, the amounts distributed to its stockholders, and the ownership of Company stock. Management believes the Company has qualified and will continue to qualify as a REIT and therefore, no provision has been made for federal income taxes in the accompanying consolidated financial statements. Even if the Company qualifies for

SPIRIT REALTY CAPITAL, INC.

Notes to Consolidated Financial Statements - (continued)

December 31, 2015

taxation as a REIT, it may be subject to state and local income and franchise taxes, and to federal income tax and excise tax on its undistributed income.

Franchise taxes are included in general and administrative expenses on the accompanying consolidated statements of operations. Taxable income from non-REIT activities managed through any of the Company's taxable REIT subsidiaries is subject to federal, state, and local taxes, which are not material.

Earnings Per Share

The Company's unvested restricted common stock, which contains nonforfeitable rights to receive dividends, are considered participating securities requiring the two-class method of computing earnings per share. Under the two class method, earnings attributable to unvested restricted shares are deducted from income (loss) from continuing operations in the computation of net income (loss) attributable to common stockholders. Under the two-class method, earnings per common share are computed by dividing the sum of distributed earnings to common stockholders and undistributed earnings allocated to common stockholders by the weighted average number of common shares outstanding for the period. In applying the two-class method, undistributed earnings are allocated to both common shares and participating securities based on their respective weighted average shares outstanding during the period. Under the terms of the Incentive Award Plan and the related restricted stock awards (see Note 15), losses are not allocated to participating securities including undistributed losses as a result of dividends declared exceeding net income. The Company uses income or loss from continuing operations as the basis for determining whether potential common shares are dilutive or antidilutive and undistributed net income or loss as the basis for determining whether undistributed earnings are allocable to participating securities.

Fair Value Measurements

The fair value measurement framework specifies a hierarchy of valuation inputs which was established to increase consistency, clarity and comparability in fair value measurements and related disclosures. The fair value hierarchy is based upon three levels of inputs that may be used to measure fair value, two of which are considered observable and one that is considered unobservable. The following describes the three levels:

Level 1 – Valuation is based upon quoted prices in active markets for identical assets or liabilities.

Level 2 – Valuation is based upon inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 – Inputs that are unobservable and significant to the overall fair value measurement of the assets or liabilities.

These types of inputs include the Company's own assumptions.

Unaudited Interim Information

The restated consolidated quarterly financial data in Note 18 is unaudited. In the opinion of management, this financial information reflects all adjustments necessary for a fair presentation of the respective interim periods. All such adjustments are of a normal recurring nature.

Presentation of Treasury Stock

During the years ended December 31, 2014 and 2013, the Company repurchased a total of 266,837 and 206,762 shares of its common stock for a cost of \$2.9 million and \$1.9 million, respectively. The Company has historically presented share repurchases as treasury stock (thereby reducing stockholders' equity) in the consolidated balance sheets and consolidated statements of stockholders' equity. However, the Company is incorporated in Maryland and under Maryland law, there is no concept of treasury stock. Therefore, shares repurchased should be considered retired

and constitute authorized but unissued shares rather than treasury stock as previously presented. As a result, during the year ended December 31, 2015, the Company has corrected the classification error and amounts previously reported as treasury stock of \$4.9 million and \$1.9 million at December 31, 2014 and 2013, respectively, are presented as a reduction to common stock and accumulated deficit in the consolidated balance sheets and consolidated

SPIRIT REALTY CAPITAL, INC.

Notes to Consolidated Financial Statements - (continued)

December 31, 2015

statements of stockholders' equity. In addition, the number of shares previously disclosed as issued have been reduced by the number of shares repurchased of 473,599 and 206,762 at December 31, 2014 and 2013, respectively. This change does not affect previously disclosed shares outstanding, total stockholders' equity or earnings per share computations.

Reclassifications

Certain reclassifications have been made to prior period balances to conform to the current period presentation.

New Accounting Pronouncements

From time to time, new accounting pronouncements are issued by the FASB or the SEC that are adopted by the Company as of the specified effective date. Unless otherwise discussed, these new accounting pronouncements entail technical corrections to existing guidance or affect guidance related to specialized industries or entities and therefore will have minimal, if any, impact on the Company's financial position or results of operations upon adoption.

In May 2014, the FASB issued ASU 2014-09, Revenue from Contracts with Customers: Topic 606. This new guidance establishes a principles-based approach for accounting for revenue from contracts with customers. Lease contracts covered by Topic 840, Leases, are excluded from the scope of this new guidance. This new standard is effective for annual reporting periods beginning after December 15, 2016 and early adoption is not permitted. The Company is currently evaluating the impact of this new standard on its consolidated financial statements.

In April 2015, the FASB issued ASU 2015-03, Simplifying the Presentation of Debt Issuance Costs, which requires that deferred financing 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 or premiums. The amendments in this ASU are effective for fiscal years beginning after December 15, 2015, and interim periods within those fiscal years. The Company early adopted the provisions of ASU 2015-03 beginning with the period ended March 31, 2015, and has applied the provisions retrospectively. For capitalized deferred financing costs that have been incurred relating to the 2013 Credit Facility and 2015 Credit Facility, the Company continues to present these costs in deferred costs and other assets, net on the accompanying consolidated balance sheets as amounts can be drawn and repaid periodically, which is in accordance with ASU 2015-15. As of December 31, 2014, unamortized deferred financing costs of approximately \$46.3 million were previously presented in deferred costs and other assets, net on the consolidated balance sheet and are now included as a reduction of debt.

In August 2015, the FASB issued ASU 2015-14, Revenue from Contracts with Customers (Topic 606): Deferral of the Effective Date, which defers the effective date of ASU 2014-09, Revenue from Contracts with Customers, for all entities by one year. With the deferral, ASU 2014-09 is effective for annual reporting periods beginning after December 15, 2017 with early application permitted for annual reporting periods beginning after December 15, 2016. The Company is currently evaluating the impact of this standard on its consolidated financial statements.

Also in August 2015, the FASB issued ASU 2015-15, Presentation and Subsequent Measurement of Debt Issuance Costs Associated with Line-of-Credit Arrangements, which clarifies the treatment of debt issuance costs from line-of-credit arrangements after adoption of ASU 2015-03. ASU 2015-15 clarifies that the SEC staff would not object to an entity deferring and presenting debt issuance costs as an asset and subsequently amortizing the deferred debt issuance costs ratably over the term of the line-of-credit arrangement, regardless of whether there are any outstanding borrowings on the line-of-credit arrangement. The Company has applied the provisions of ASU 2015-15 to the capitalized deferred financing costs related to its 2013 Credit Facility and 2015 Credit Facility.

In November 2015, the FASB issued ASU 2015-17, Balance Sheet Classification of Deferred Taxes, which applies to the classification of deferred tax assets and liabilities. ASU 2015-17 simplifies the presentation of deferred taxes by

requiring entities to classify deferred tax assets and liabilities as noncurrent within a classified balance sheet. Under the previous practice, entities were required to separate deferred income tax assets and liabilities into current and noncurrent amounts in a classified balance sheet. The amendments in this ASU are effective for annual reporting periods beginning after December 15, 2016 and interim periods within those fiscal years. Early application is permitted, and the amendments in this ASU can be applied either prospectively or retrospectively. The Company's deferred tax

SPIRIT REALTY CAPITAL, INC.

Notes to Consolidated Financial Statements - (continued)

December 31, 2015

liability is recorded within accounts payable, accrued expenses and other liabilities in the accompanying consolidated balance sheets, and as such, the early adoption of ASU 2015-17 did not have an impact on the presentation of the Company's deferred tax liability.

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842), which supersedes the existing guidance for lease accounting, Leases (Topic 840). ASU 2016-02 requires lessees to recognize leases on their balance sheets, and leaves lessor accounting largely unchanged. The amendments in this ASU are effective for fiscal years beginning after December 15, 2018 and interim periods within those fiscal years. Early application is permitted for all entities. ASU 2016-02 requires a modified retrospective approach for all leases existing at, or entered into after, the date of initial application, with an option to elect to use certain transition relief. The Company is currently evaluating the impact of this new standard on its consolidated financial statements.

Note 4. Merger with Cole II

On July 17, 2013, the Company and Cole II merged, with Cole II continuing as the surviving legal entity and adopting the name Spirit Realty Capital, Inc. The Cole operating partnership also merged with and into the Operating Partnership, with the Operating Partnership continuing as the surviving partnership. After consideration of all applicable factors pursuant to the business combination accounting rules, the Merger resulted in a reverse merger in which (a) Cole II was deemed the "legal acquirer" because Cole II issued its common stock to the Spirit Realty Capital stockholders and (b) the Company was the "accounting acquirer." The Company's prevailing influence over the post-Merger Spirit Realty Capital, including a majority of its Board of Directors remaining and its surviving senior management, was a key factor in the Company obtaining control and being deemed the accounting acquirer. With the Merger, the Company added 747 properties and 69 secured mortgage loans to its portfolio.

Pro Forma Information

The following unaudited pro forma information presents the Company's operating results as though the Merger had been consummated on January 1, 2013. The pro forma information does not necessarily reflect the actual results of operations had the Merger been consummated at the beginning of the period indicated nor is it necessarily indicative of future results. Additionally, the unaudited pro forma information does not include the impact of all the potential synergies that may be achieved from the Merger or any strategies that management may consider in order to continue to efficiently manage the on-going operations of the Company. The actual results for the year ended December 31, 2013 include total revenues and net income attributable to common stockholders from the acquired properties of \$116.4 million and \$20.2 million, respectively, from the close of the Merger (July 17, 2013) through December 31, 2013. The following table reflects the pro forma information (in thousands):

	Year Ended December 31, 2013
Total revenues	\$ 556,647
Income from continuing operations	64,018

The Company's pro forma information for the year ended December 31, 2013 includes \$69.7 million of Merger adjustments to operations directly attributable to the Merger consisting primarily of legal, accounting and financial advisory services, debt financing related costs, and other third-party expenses.

Note 5. Investments

Real Estate Investments

As of December 31, 2015, the Company's gross investment in real estate properties and loans totaled approximately \$8.30 billion, representing investments in 2,629 properties, including 144 properties securing mortgage loans. The gross investment is comprised of land, buildings, lease intangible assets and lease intangible liabilities, as adjusted for any impairment, and the carrying amount of loans receivable, real estate assets held under direct financing leases and real estate assets held for sale. The portfolio is geographically dispersed throughout 49 states with only one state, Texas, with a real estate investment of 12.0% accounting for more than 10.0% of the total dollar amount of the Company's real estate investment portfolio.

The properties that the Company owns are leased to tenants under long-term operating leases that typically include one or more renewal options. The leases are generally triple-net, which provides that the tenant is responsible for the payment of all property operating expenses, including property taxes, maintenance and repairs, and insurance costs. Therefore, the Company is generally not responsible for repairs or other capital expenditures related to its properties, unless the property is not subject to a triple-net lease agreement or becomes vacant. Generally, the Company's single-tenant leases contain contractual provisions increasing the rental revenue over the term of the lease at specified dates by: (1) a fixed amount or (2) increases in CPI over a specified period (typically subject to ceilings) or (b) a fixed percentage.

During the years ended December 31, 2015 and 2014, the Company had the following real estate and loan activity, net of accumulated depreciation and amortization, as restated:

	Number of Properties			Dollar Amount of Investments		
	Owned (4)	Financed	Total	Owned	Financed	Total
				(In Thousands)		
Gross balance, December 31, 2013	2,041	145	2,186	\$7,118,011	\$117,721	\$7,235,732
Acquisitions/improvements ^{(1) (3)}	361	—	361	973,653	—	973,653
Dispositions of real estate ^{(2) (3)}	(38)	—	(38)	(117,042)	—	(117,042)
Principal payments and payoffs	—	—	—	—	(5,771)	(5,771)
Impairments	—	—	—	(37,487)	—	(37,487)
Write-off of gross lease intangibles	—	—	—	(2,748)	—	(2,748)
Loan premium amortization and other	—	—	—	(315)	(2,525)	(2,840)
Gross balance, December 31, 2014	2,364	145	2,509	7,934,072	109,425	8,043,497
Acquisitions/improvements ^{(1) (3)}	232	—	232	886,252	4,020	890,272
Dispositions of real estate ^{(2) (3)}	(110)	—	(110)	(543,935)	—	(543,935)
Principal payments and payoffs	—	(1)	(1)	—	(6,650)	(6,650)
Impairments	—	—	—	(70,231)	(324)	(70,555)
Write-off of gross lease intangibles	—	—	—	(7,302)	—	(7,302)
Loan premium amortization and other	(1)	—	(1)	(171)	(2,468)	(2,639)
Gross balance, December 31, 2015	2,485	144	2,629	\$8,198,685	\$104,003	\$8,302,688
Accumulated depreciation and amortization				(1,072,118)	—	(1,072,118)
Other non-real estate assets held for sale				1,246	—	1,246
Net balance, December 31, 2015				\$7,127,813	\$104,003	\$7,231,816

(1) Includes investments of \$9.2 million and \$3.1 million, respectively, in revenue producing capitalized expenditures, as well as \$1.0 million and \$2.0 million, respectively, of non-revenue producing capitalized maintenance expenditures for the years ended December 31, 2015 and 2014. Capitalized maintenance expenditures are not included in the Company's investment in real estate disclosed elsewhere.

(2) The total accumulated depreciation and amortization associated with dispositions of real estate was \$109.1 million and \$17.3 million, respectively, for the years ended December 31, 2015 and 2014.

SPIRIT REALTY CAPITAL, INC.

Notes to Consolidated Financial Statements - (continued)

December 31, 2015

During the years ended December 31, 2015 and 2014, pursuant to 1031 Exchanges, the Company sold 44 and 2⁽³⁾ properties, respectively, for \$315.9 million and \$5.9 million, respectively, of which \$276.1 million and \$26.7 million, respectively, of this amount was used to partially fund 114 and 16 property acquisitions, respectively.

⁽⁴⁾ At December 31, 2015 and 2014, 36 and 37, respectively, of the Company's properties were vacant and in the Company's possession; of these vacant properties, twelve and eight, respectively, were held for sale.

Scheduled minimum future contractual rent to be received under the remaining non-cancelable term of the operating leases (including realized rent increases occurring after January 1, 2016) are as follows (in thousands):

	December 31, 2015
2016	\$ 607,749
2017	592,927
2018	579,113
2019	561,435
2020	539,294
Thereafter	4,043,687
Total future minimum rentals	\$ 6,924,205

Because lease renewal periods are exercisable at the option of the lessee, the preceding table presents future minimum lease payments due during the initial lease term only. In addition, the future minimum rentals do not include any contingent rentals based on a percentage of the lessees' gross sales or lease escalations based on future changes in the CPI or other stipulated reference rate.

Certain of the Company's leases contain purchase options. Most of these options are at or above fair market value at the time the option is exercisable, and none of these purchase options represent bargain purchase options.

Loans Receivable

The following table details loans receivable, net of premium and allowance for loan losses (in thousands):

	December 31, 2015	December 31, 2014
Mortgage loans - principal	\$ 90,096	\$ 96,594
Mortgage loans - premium	9,986	12,452
Mortgages loans, net	100,082	109,046
Other note receivables - principal	4,245	379
Allowance for loan losses	(324)) —
Other note receivables, net	3,921	379
Total loans receivable, net	\$ 104,003	\$ 109,425

As of December 31, 2015 and 2014, the Company held a total of 78 and 79, respectively, first-priority mortgage loans (representing loans to seven and eight borrowers, respectively). These mortgage loans are secured by single-tenant commercial properties and generally have fixed interest rates over the term of the loans. There are two other notes receivable, one \$3.9 million note is secured by tenant assets and stock and the other is unsecured.

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Notes to Consolidated Financial Statements - (continued)

December 31, 2015

Lease Intangibles, Net

The following table details lease intangible assets and liabilities, net of accumulated amortization (in thousands):

	December 31, December 31,	
	2015	2014
In-place leases	\$ 649,182	\$ 676,665
Above-market leases	98,056	100,568
Less: accumulated amortization	(220,520)	(187,160)
Intangible lease assets, net	\$ 526,718	\$ 590,073

Below-market leases	\$ 238,039	\$ 237,593
Less: accumulated amortization	(44,136)	(31,625)
Intangible lease liabilities, net	\$ 193,903	\$ 205,968

The amounts amortized as a net increase to rental revenue for capitalized above- and below-market leases was \$5.8 million, \$6.1 million and \$2.4 million for the years ended December 31, 2015, 2014 and 2013, respectively. The value of in-place leases amortized and included in depreciation and amortization expense was \$49.9 million, \$53.2 million and \$33.6 million for the years ended December 31, 2015, 2014 and 2013, respectively.

Based on the balance of intangible assets and liabilities at December 31, 2015, the net aggregate amortization expense for the next five years and thereafter is expected to be as follows (in thousands):

2016	\$38,941
2017	38,189
2018	34,856
2019	32,496
2020	30,147
Thereafter	158,186
Total	\$332,815

Real Estate Assets Under Direct Financing Leases

The components of real estate investments held under direct financing leases were as follows (in thousands):

	December 31, December 31,	
	2015	2014
Minimum lease payments receivable	\$ 12,702	\$ 15,897
Estimated residual value of leased assets	43,789	55,858
Unearned income	(12,167)	(15,191)
Real estate assets under direct financing leases, net	\$ 44,324	\$ 56,564

SPIRIT REALTY CAPITAL, INC.

Notes to Consolidated Financial Statements - (continued)

December 31, 2015

Real Estate Assets Held for Sale

The following table shows the activity in real estate assets held for sale for the years ended December 31, 2015 and 2014, as restated:

	Number of Properties			Carrying Value		
	Continuing Operations	Discontinued Operations	Total	Continuing Operations	Discontinued Operations	Total
				(In Thousands)		
Balance, December 31, 2013	—	11	11	\$—	\$ 19,611	\$ 19,611
Transfers from real estate investments	36	—	36	154,338	(276)	154,062
Sales	(17)	(6)	(23)	(44,286)	(10,341)	(54,627)
Balance, December 31, 2014	19	5	24	110,052	8,994	119,046
Transfers from real estate investments	60	—	60	192,345	(34)	192,311
Sales	(46)	(2)	(48)	(222,623)	(4,475)	(227,098)
Balance, December 31, 2015	33	3	36	\$ 79,774	\$ 4,485	\$ 84,259

Properties included in discontinued operations as of December 31, 2015 are collateral assets under the 2014 Master Trust securitization. The following table is a reconciliation of the major classes of assets and liabilities from discontinued operations included in real estate assets held for sale on the accompanying consolidated balance sheets (in thousands):

	December 31, 2015	December 31, 2014
Assets		
Land and improvements	\$ 2,922	\$ 5,351
Buildings and improvements	2,916	5,798
Total real estate investments	5,838	11,149
Less: accumulated depreciation	(1,202)	(2,167)
Intangible lease assets, net	297	460
Total assets	\$ 4,933	\$ 9,442
Liabilities		
Intangible lease liabilities, net	\$ 448	\$ 448
Total liabilities	\$ 448	\$ 448
Net assets	\$ 4,485	\$ 8,994

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Notes to Consolidated Financial Statements - (continued)

December 31, 2015

Impairments

The following table summarizes total impairment losses recognized in continuing and discontinued operations on the accompanying consolidated statements of operations, as restated (in thousands):

	Years Ended December 31,		
	2015	2014	2013
Real estate and intangible asset impairment	\$68,565	\$42,307	\$9,282
Write-off of lease intangibles due to lease terminations, net	1,666	(4,820)	487
Loans receivable impairment/(recovery)	324	—	(367)
Total impairments from real estate investment net assets	70,555	37,487	9,402
Other impairment	174	528	—
Total impairment loss in continuing and discontinued operations	\$70,729	\$38,015	\$9,402

Note 6. Debt

The Company's debt is summarized below:

	2015		2015		2015	
	Weighted	2015	Weighted	2015	December 31,	December 31,
	Average	Weighted	Average	Weighted	2015	2014
	Effective	Stated	Effective	Maturity		
	Interest	Rates (2)	Interest	(3)		
	Rates (1)		Rates (1)			
					(In Thousands)	
Revolving Credit Facilities	—	—	—	3.2	\$—	\$15,181
Term Loan	1.94 %	1.69 %	1.69 %	2.8	325,000	—
Master Trust Notes	5.59 %	5.03 %	5.03 %	7.2	1,692,094	1,710,380
CMBS - fixed-rate	5.36 %	5.88 %	5.88 %	2.7	1,360,215	1,836,181
CMBS - variable-rate (4)	3.17 %	3.65 %	3.65 %	3.0	61,758	110,685
Convertible Notes	5.32 %	3.28 %	3.28 %	4.3	747,500	747,500
Unsecured fixed rate promissory note	—	—	—	—	—	1,293
Total debt	5.24 %	4.72 %	4.72 %	4.8	4,186,567	4,421,220
Debt discount, net					(52,203)	(51,586)
Deferred financing costs, net (5)					(41,577)	(46,332)
Total debt, net					\$4,092,787	\$4,323,302

(1) The effective interest rates include amortization of debt discount/premium, amortization of deferred financing costs and non-utilization fees, where applicable, calculated for the three months ended December 31, 2015.

(2) Represents the weighted average stated interest rate based on the outstanding principal balance as of December 31, 2015.

(3) Represents the weighted average maturity based on the outstanding principal balance as of December 31, 2015.

(4) Variable-rate notes are predominantly hedged with interest rate swaps (see Note 7).

(5) The Company early adopted ASU 2015-03 requiring deferred financing costs to be presented as a direct deduction from the carrying amount of the related indebtedness. The Company records deferred financing costs for its 2013 Credit Facility and 2015 Credit Facility in deferred costs and other assets, net on its consolidated balance sheets, which is in accordance with ASU 2015-15.

Revolving Credit Facilities

2015 Credit Facility

On March 31, 2015, the Operating Partnership entered into the Credit Agreement that established a new \$600.0 million unsecured credit facility and terminated its secured \$400.0 million 2013 Credit Facility. The 2015 Credit Facility matures on March 31, 2019 (extendable at the Operating Partnership's option to March 31, 2020, subject to satisfaction of certain requirements) and includes an accordion feature to increase the committed facility size to up to \$1.0 billion, subject to satisfying certain requirements and obtaining additional lender commitments. The 2015 Credit Facility includes a \$50.0 million sublimit for swingline loans and up to \$60.0 million available for issuances of letters of credit. Swingline loans and letters of credit reduce availability under the 2015 Credit Facility on a dollar-for-dollar basis. On

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Notes to Consolidated Financial Statements - (continued)

December 31, 2015

November 3, 2015, the Company entered into a first amendment to the Credit Agreement. The amendment conforms certain of the terms and covenants to those in the Term Loan Agreement, including limiting the requirement of subsidiary guaranties to material subsidiaries (as defined) meeting certain conditions. At December 31, 2015, there were no subsidiaries meeting this requirement.

During the quarter ended December 31, 2015, the 2015 Credit Facility bore interest at LIBOR plus 1.55% based on the Company's leverage and incurred non-utilization fees of 0.25% per annum. Per the amendment, the Operating Partnership's election to change the grid pricing from leverage based to credit rating based pricing will initially require at least two credit ratings of BBB- or better from S&P or Fitch or Baa3 or better from Moody's. Upon such an event, the 2015 Credit Facility will bear interest at a rate equal to LIBOR plus 0.875% to 1.55% per annum and requires a facility fee in an amount equal to the aggregate revolving credit commitments (whether or not utilized) multiplied by a rate equal to 0.125% to 0.30% per annum, depending on the credit rating for the Corporation.

The Operating Partnership may voluntarily prepay the 2015 Credit Facility, in whole or in part, at any time, without premium or penalty, but subject to applicable LIBOR breakage fees, if any. Payment of the 2015 Credit Facility is unconditionally guaranteed by the Corporation and material subsidiaries that meet certain conditions (as defined in the Credit Agreement). The 2015 Credit Facility is full recourse to the Operating Partnership and the aforementioned guarantors.

As a result of entering into the 2015 Credit Facility, the Company incurred origination costs of \$3.9 million. These deferred financing costs are being amortized to interest expense over the remaining initial term of the 2015 Credit Facility. As of December 31, 2015, the unamortized deferred financing costs relating to the 2015 Credit Facility were \$3.2 million and recorded in deferred costs and other assets, net on the accompanying consolidated balance sheets. As of December 31, 2015, no borrowings were outstanding, \$8.3 million of letters of credit were issued and \$591.7 million of borrowing capacity was available under the 2015 Credit Facility. The Operating Partnership's ability to borrow under the 2015 Credit Facility is subject to ongoing compliance with a number of customary financial covenants and other customary affirmative and negative covenants. As of December 31, 2015, the Corporation and the Operating Partnership were in compliance with these financial covenants.

2013 Credit Facility

On March 31, 2015, the secured 2013 Credit Facility was terminated and its outstanding borrowings were repaid with proceeds from the 2015 Credit Facility. Properties securing this facility became unencumbered upon its termination. The 2013 Credit Facility's borrowing margin was LIBOR plus 2.50% based on the Company's leverage, with an unused fee of 0.35%. Upon terminating the 2013 Credit Facility, the Company recognized debt extinguishment costs of \$2.0 million, resulting from the write-off of unamortized deferred financing costs.

Line of Credit

A special purpose entity indirectly owned by the Corporation has access to a \$40.0 million secured revolving line of credit. Request for advances under the Line of Credit expire on March 27, 2016, and each advance under the Line of Credit has a 24-month term. As of December 31, 2015, the Line of Credit was undrawn and had \$40.0 million of borrowing capacity available. The ability to borrow under the Line of Credit is subject to the Operating Partnership and special purpose entity's ongoing compliance with a number of customary financial covenants. As of December 31, 2015, the Operating Partnership and, if applicable, the special purpose entity were in compliance with these financial covenants.

Term Loan

On November 3, 2015, the Company entered into a Term Loan Agreement among the Operating Partnership, as borrower, the Company as guarantor and the lenders that are parties thereto. The Term Loan Agreement provides for a \$325.0 million senior unsecured term facility that has an initial maturity date of November 2, 2018, which may be extended at the Company's option pursuant to two one-year extension options, subject to the satisfaction of certain conditions and payment of an extension fee. In addition, an accordion feature allows the facility to be increased to up to \$600.0 million, subject to obtaining additional lender commitments. During the fourth quarter of 2015, upon obtaining

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Notes to Consolidated Financial Statements - (continued)

December 31, 2015

additional lender commitments, the Company increased the term facility from \$325.0 million to \$370.0 million. Borrowings may be repaid without premium or penalty, and may be reborrowed within 30 days up to the then available loan commitment. Borrowings bear interest at either prime or LIBOR plus a margin, at the Operating Partnership's option. During the quarter ended December 31, 2015, the Term Loan bore interest at LIBOR plus 1.45%.

Initially, borrowings under the Term Loan bear interest at either LIBOR plus 1.35% to 1.80% per annum or a specified base rate plus 0.35% to 0.80% per annum. Initially, the applicable margin is determined based upon the Corporation's leverage ratio. If the Corporation obtains at least two credit ratings on its senior unsecured long-term indebtedness of BBB- from S&P or Fitch, Inc. or Baa3 from Moody's, the Corporation may make an irrevocable election to have the margin based upon its credit ratings, in which case borrowings under the Term Loan will bear interest at either LIBOR plus 0.90% to 1.75% per annum or a specified base rate plus 0.0% to 0.75% per annum, in each case depending on the Corporation's credit ratings.

The Operating Partnership may voluntarily prepay the Term Loan, in whole or in part, at any time, without premium or penalty, but subject to applicable LIBOR breakage fees. Payment of the Term Loan is unconditionally guaranteed by the Corporation and, under certain circumstances, by one or more material subsidiaries (as defined in the Term Loan Agreement) of the Corporation. The obligations of the Corporation and any guarantor under the Term Loan are full recourse to the Corporation and each guarantor.

As a result of entering into the Term Loan, the Company incurred origination costs of \$2.2 million. These deferred financing costs are being amortized to interest expense over the remaining initial term of the Term Loan. As of December 31, 2015, the unamortized deferred financing costs relating to the Term Loan were \$2.1 million and recorded net against the principal balance of the Term Loan on the accompanying consolidated balance sheets. As of December 31, 2015, \$325.0 million of borrowings were outstanding and \$45.0 million of borrowing capacity was available under the Term Loan. The Operating Partnership's ability to borrow under the Term Loan is subject to ongoing compliance with a number of customary financial covenants and other customary affirmative and negative covenants. The Corporation has unconditionally guaranteed all obligations of the Operating Partnership under the Term Loan Agreement. As of December 31, 2015, the Corporation and the Operating Partnership were in compliance with these financial covenants.

Master Trust Notes

The Company has access to an asset-backed securitization platform, the Spirit Master Funding Program, to raise capital through the issuance of non-recourse net-lease mortgage notes collateralized by commercial real estate, net-leases and mortgage loans. The Spirit Master Funding Program consists of two separate securitization trusts, Master Trust 2013 and Master Trust 2014, each of which have one or multiple bankruptcy-remote, special purpose entities as issuers or co-issuers of the notes. Each issuer is an indirect wholly-owned special purpose entity of the Corporation.

Master Trust 2013

In December 2013, an indirect wholly-owned subsidiary of the Company issued \$330.0 million aggregate principal amount of investment grade rated net-lease mortgage notes comprised of \$125.0 million of 3.89% interest only notes expected to be repaid in December 2018 and \$205.0 million of 5.27% amortizing notes expected to be repaid in December 2023.

Master Trust 2014

In May 2014, the Company completed its offer to exchange the outstanding principal balance of three series of existing net-lease mortgage notes for three series of newly issued 2014 Notes. The terms of the new notes remain generally similar to the old notes including the interest rate and anticipated final repayment dates; however, the new notes generally amortize more slowly than the old notes and have a legal final payment date that is 17 years later than the old notes (although the anticipated repayment date remains the same). The Exchange Offer was accounted for as a debt modification and the related costs of \$13.0 million and \$0.7 million for the years ended December 31, 2014 and

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December 31, 2015

2013, respectively, are classified as finance restructuring costs in the accompanying consolidated statements of operations.

In November 2014, the existing issuers under Master Trust 2014 and two additional indirect wholly-owned subsidiaries of the Company, collectively as co-issuers, completed the issuance of \$510.0 million aggregate principal amount of net-lease mortgage notes comprised of \$150.0 million of 3.50% interest only notes expected to be repaid in January 2020 and \$360.0 million of 4.63% amortizing notes (interest only through November 2017) expected to be repaid in January 2030.

The Master Trust Notes are summarized below:

	Stated Rates (1)	Maturity (in Years)	December 31, 2015 (in Thousands)	December 31, 2014 (in Thousands)
Series 2014-1 Class A1	5.1 %	4.5	\$65,027	\$75,489
Series 2014-1 Class A2	5.4 %	4.6	253,300	253,300
Series 2014-2	5.8 %	5.2	229,674	232,867
Series 2014-3	5.7 %	6.2	312,276	312,705
Series 2014-4 Class A1	3.5 %	4.1	150,000	150,000
Series 2014-4 Class A2	4.6 %	14.1	360,000	360,000
Total Master Trust 2014 notes	5.1 %	7.5	1,370,277	1,384,361
Series 2013-1 Class A	3.9 %	3.0	125,000	125,000
Series 2013-2 Class A	5.3 %	8.0	196,817	201,019
Total Master Trust 2013 notes	4.7 %	6.0	321,817	326,019
Total Master Trust Notes			1,692,094	1,710,380
Debt discount, net			(22,909)	(26,903)
Deferred financing costs, net			(19,345)	(22,113)
Total Master Trust Notes, net			\$1,649,840	\$1,661,364

(1) Represents the individual series stated interest rate as of December 31, 2015 and the weighted average stated rate of the total Master Trust Notes, based on the collective series outstanding principal balances as of December 31, 2015.

As of December 31, 2015, the Master Trust 2014 notes were secured by 942 owned and financed properties issued by 5 indirect wholly-owned subsidiaries of the Corporation. The notes issued under Master Trust 2014 are cross-collateralized by the assets of all issuers within this trust. As of December 31, 2015, the Master Trust 2013 notes were secured by 312 owned and financed properties issued by a single indirect wholly-owned subsidiary of the Corporation.

CMBS

As of December 31, 2015, indirectly wholly-owned special purpose entity subsidiaries of the Corporation were borrowers under 148 fixed and 8 variable-rate non-recourse loans, excluding the defaulted loans, which have been securitized into CMBS and are secured by the borrowers' respective leased properties and related assets. The stated interest rates as of December 31, 2015 for these fixed-rate notes ranged from 3.90% to 6.62% with a weighted average stated rate of 5.88%, and the weighted average stated interest rate for the variable-rate notes was 3.65%. As of December 31, 2015, these fixed and variable-rate loans were secured by 447 and 83 properties, respectively. The Company entered into interest rate swaps that effectively fixed the interest rates at approximately 5.14% on the variable-rate loans (see Note 7). As of December 31, 2015 and December 31, 2014, the unamortized deferred financing costs associated with the CMBS loans were \$5.5 million and \$6.4 million, respectively, and recorded net

against the principal balance of the mortgages and notes payable on the accompanying consolidated balance sheets. The deferred financing costs are being amortized to interest expense over the term of the respective loans.

SPIRIT REALTY CAPITAL, INC.

Notes to Consolidated Financial Statements - (continued)

December 31, 2015

As of December 31, 2015, certain borrowers were in default under the loan agreements relating to four separate CMBS fixed-rate loans where 10 properties securing the respective loans were no longer generating sufficient revenue to pay the scheduled debt service. The default interest rate on these loans was between 9.67% and 10.88%. Each defaulted borrower is a bankruptcy remote special purpose entity and the sole owner of the collateral securing the loan obligations. As of December 31, 2015, the aggregate principal balance under the defaulted CMBS loans was \$81.5 million, which includes \$8.2 million of interest added to principal. In addition, approximately \$12.4 million of lender controlled restricted cash is being held in connection with these loans that may be applied to reduce amounts owed. During the year ended December 31, 2015, defaulted loan balances aggregating \$25.4 million, which included \$0.4 million of capitalized interest, were retired upon the disposition of 5 properties and the application of \$3.6 million of lender reserves securing these defaulted loans. One of the properties disposed was surrendered to the lender pursuant to a consensual foreclosure and release of the debt. The remaining four properties were sold by the Company to third parties pursuant to an amendment to the loan agreement, which provided for a specified reduction in principal balance associated with the sale of those individual properties.

Convertible Notes

In May 20, 2014, the Company issued \$402.5 million aggregate principal amount of 2.875% convertible notes due in 2019 and \$345.0 million aggregate principal amount of 3.75% convertible notes due in 2021. Interest on the Convertible Notes is payable semiannually in arrears on May 15 and November 15 of each year. The 2019 Notes will mature on May 15, 2019 and the 2021 Notes will mature on May 15, 2021.

The Convertible Notes are convertible only during certain periods and, subject to certain circumstances, into cash, shares of the Company's common stock, or a combination thereof. The initial conversion rate applicable to each series is 76.3636 per \$1,000 principal note (equivalent to an initial conversion price of \$13.10 per share of common stock, representing a 22.5% premium above the public offering price of the common stock offered concurrently at the time the Convertible Notes were issued). Earlier conversion may be triggered if shares of the Corporation's common stock trades higher than the established thresholds, if the Convertible Notes trade below established thresholds, or certain corporate events occur.

In connection with the issuance of the Convertible Notes, the Company recorded a discount of \$56.7 million, which represents the estimated value of the embedded conversion feature for each of the Convertible Notes. The discount is being amortized to interest expense using the effective interest method over the term of each of the 2019 Notes and 2021 Notes. As of December 31, 2015 and December 31, 2014, the unamortized discount was \$42.7 million and \$51.5 million, respectively. The discount is shown net against the aggregate outstanding principal balance of the Convertible Notes on the accompanying consolidated balance sheets. The equity component of the conversion feature is recorded in capital in excess of par value in the accompanying consolidated balance sheets, net of financing transaction costs.

In connection with the offering, the Company also incurred \$19.6 million in deferred financing costs. This amount has been allocated on a pro-rata basis to each of the Convertible Notes and is being amortized to interest expense over the term of each note. As of December 31, 2015 and December 31, 2014, the unamortized deferred financing costs relating to the Convertible Notes was \$14.7 million and \$17.8 million, respectively, and recorded net against the Convertible Notes principal balance on the accompanying consolidated balance sheets.

SPIRIT REALTY CAPITAL, INC.

Notes to Consolidated Financial Statements - (continued)

December 31, 2015

Debt Extinguishment

During the year ended December 31, 2015, the Company extinguished a total of \$536.6 million aggregate principal amount of indebtedness with a weighted average contractual interest rate of 5.73% and terminated the 2013 Credit Facility. As a result of these transactions, the Company recognized a net loss on debt extinguishment of approximately \$3.2 million. The net loss included approximately \$8.1 million in defeasance costs and fees paid for the retirement of debt partially offset by an agreed upon reduction in principal to a portion of a defaulted CMBS note that exceeded the proceeds from the sale of four properties that secured the loan.

Net proceeds raised from the concurrent registered offerings of Convertible Notes and common stock (see Note 9) in May 2014 were partially used to retire the senior mortgage notes payable encumbering the Shopko properties with an aggregate principal balance of \$488.7 million, redeem \$18.0 million of net-lease mortgage notes that were not tendered in connection with the Exchange Offer and repay all amounts then drawn against the 2013 Credit Facility. During the year ended December 31, 2014, the Company extinguished a total of \$583.8 million aggregate principal amount of senior mortgage indebtedness with a weighted average contractual interest rate of 6.41%. As a result of these transactions, the Company recognized a loss on debt extinguishment during the year ended December 31, 2014 of approximately \$64.8 million primarily from costs incurred related to the defeasance of the Shopko indebtedness.

Debt Maturities

As of December 31, 2015, scheduled debt maturities of the Company's Revolving Credit Facilities, Term Loan, mortgages and notes payable and Convertible Notes, including balloon payments, are as follows (in thousands):

	Scheduled Principal	Balloon Payment	Total
2016 ⁽¹⁾	\$27,164	\$264,760	\$291,924
2017	27,343	706,454	733,797
2018	42,115	569,537	611,652
2019	44,325	452,000	496,325
2020	39,096	413,206	452,302
Thereafter	249,792	1,350,775	1,600,567
Total	\$429,835	\$3,756,732	\$4,186,567

⁽¹⁾ The balloon payment balance in 2016 includes \$81.5 million, including \$8.2 million of capitalized interest, for the acceleration of principal payable following an event of default under 4 separate non-recourse CMBS loans with stated maturities in 2015 and 2017 of \$25.3 million and \$56.2 million, respectively.

SPIRIT REALTY CAPITAL, INC.

Notes to Consolidated Financial Statements - (continued)

December 31, 2015

Interest Expense

The following table is a summary of the components of interest expense related to the Company's borrowings (in thousands):

	Years Ended December 31,		
	2015	2014	2013
Interest expense – Revolving Credit Facilities ⁽¹⁾	\$2,698	\$3,597	\$3,037
Interest expense - Term Loan	888	—	—
Interest expense – mortgages and notes payable	184,439	196,246	157,903
Interest expense – Convertible Notes	24,509	15,046	—
Interest expense – other	—	6	475
Non-cash interest expense:			
Amortization of deferred financing costs ⁽²⁾	7,937	5,899	13,188
Amortization of net losses related to interest rate swaps	108	125	11
Amortization of debt (premium)/discount, net	2,322	(849)	4,653
Total interest expense	\$222,901	\$220,070	\$179,267

⁽¹⁾ Includes non-utilization fees of approximately \$1.6 million, \$1.2 million and \$0.7 million for the years ended December 31, 2015, 2014 and 2013, respectively.

⁽²⁾ The year ended December 31, 2013 includes \$9.5 million arising from financing commitments related to the Merger.

Note 7. Derivative and Hedging Activities

The Company uses interest rate derivative contracts to manage its exposure to changes in interest rates on its variable rate debt. These derivatives are considered cash flow hedges and are recorded on a gross basis at fair value.

Assessments of hedge effectiveness are performed quarterly using regression analysis and the measurement of hedge ineffectiveness is based on the hypothetical derivative method. The Company is exposed to credit risk in the event of non-performance by its derivative counterparties. The Company evaluates counterparty credit risk through monitoring the creditworthiness of counterparties, which includes review of debt ratings and financial performance. To mitigate its credit risk, the Company enters into agreements with counterparties it considers credit-worthy, such as large financial institutions with favorable credit ratings. As of December 31, 2015 and 2014, there were no termination events or events of default related to the interest rate swaps.

The following table summarizes the notional amount and fair value of the Company's derivative instruments (dollars in thousands):

Derivatives Designated as Hedging Instruments	Balance Sheet Location	Notional Amount	Fixed Interest Rate	Effective Date	Maturity Date	Fair Value of Liability	
						December 31, 2015	December 31, 2014
Interest Rate Swaps ⁽¹⁾	Accounts payable, accrued expenses and other liabilities	\$10,741	4.62 %	06/28/12	07/06/17	\$ —	\$ (46)
Interest Rate Swaps ⁽¹⁾	Accounts payable, accrued expenses and other liabilities	\$6,505	5.75 %	07/17/13	03/01/16	—	(180)
Interest Rate Swaps ⁽¹⁾	Accounts payable, accrued expenses and other liabilities	\$32,400	3.15 %	07/17/13	09/05/15	—	(93)
Interest Rate Swaps ⁽²⁾	Accounts payable, accrued expenses and other	\$61,758	5.14 %	01/02/14	12/13/18	(934)	(803)

liabilities

\$ (934) \$ (1,122)

(1) During 2015, the Company terminated certain interest rate swap agreements upon the repayment of three CMBS variable rate loans. The Company paid \$0.2 million to terminate these swaps and recognized a loss of \$0.1 million, which is included in general and administrative expenses.

(2) Represents a tranche of eight individual interest rate swap agreements with notional amounts ranging from \$7.6 million to \$7.9 million. The swap agreements contain the same payment terms, stated interest rate, effective date, and maturity date.

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SPIRIT REALTY CAPITAL, INC.

Notes to Consolidated Financial Statements - (continued)

December 31, 2015

The following tables provide information about the amounts recorded in AOCL, as well as the (loss) or gain recorded in operations, when reclassified out of AOCL or recognized in earnings immediately, for the years ended December 31, 2015, 2014, and 2013, respectively (in thousands):

	Amount of Loss Recognized in AOCL on Derivative (Effective Portion)		
	Years Ended December 31,		
	2015	2014	2013
Derivatives in Cash Flow Hedging Relationships			
Interest rate swaps	\$ (1,190)	\$ (1,760)	\$ (314)

	Amount of Loss Reclassified from AOCL into Operations (Effective Portion)		
	Years Ended December 31,		
	2015	2014	2013
Location of Loss Reclassified from AOCL into Operations			
Interest expense	\$ (1,169)	\$ (1,315)	\$ (425)
General and administrative expense	—	—	(22)

	Amount of (Loss) or Gain Recognized in Operations on Derivative (Ineffective Portion)		
	Years Ended December 31,		
	2015	2014	2013
Location of (Loss) or Gain Recognized in Operations on Derivatives			
General and administrative expense ⁽¹⁾	\$ (78)	\$ —	\$ 10

⁽¹⁾ The year ended December 31, 2015 includes a loss of \$76 thousand that was reclassified from accumulated other comprehensive loss in the balance sheet resulting from hedged transactions that were no longer probable of occurring as the swaps were terminated prior to their respective maturity dates.

In December 2013, the Company terminated certain interest rate swap agreements upon the repayment of four variable rate debt obligations. The Company paid \$0.4 million to terminate these swaps and recognized a gain of \$0.1 million, which is included in general and administrative expenses. Approximately \$0.7 million of the remaining balance in AOCL is estimated to be reclassified as an increase to interest expense during the next twelve months. The Company does not enter into derivative contracts for speculative or trading purposes.

Note 8. Income Taxes

The Company's total income tax expense was as follows (in thousands):

	Years Ended		
	December 31,		
	2015	2014	2013
REIT state income tax	\$601	\$673	\$723
REIT state built-in gain tax expense	—	—	390
Total income tax expense	\$601	\$673	\$1,113

The Company's deferred income tax expense and its ending balance in deferred tax assets and liabilities, which are recorded within accounts payable, accrued expenses and other liabilities in the accompanying consolidated balance sheets, were immaterial at December 31, 2015, 2014 and 2013.

To the extent that the Company acquires property that has been owned by a C corporation in a transaction in which the tax basis of the property carries over, and the Company recognizes a gain on the disposition of such property during the subsequent recognition period, it will be required to pay tax at the highest regular corporate tax rate to the

SPIRIT REALTY CAPITAL, INC.

Notes to Consolidated Financial Statements - (continued)

December 31, 2015

extent of such built-in gain. During 2013, the Company sold a property that was subject to state built-in gain tax of \$0.4 million.

The Company has net operating loss carryforwards for income tax purposes totaling \$66.1 million, \$63.9 million and \$63.9 million at December 31, 2015, 2014 and 2013, respectively. These losses, which begin to expire in 2016 through 2034, are available to reduce future taxable income or distribution requirements, subject to certain ownership change limitations.

The Company files federal, state and local income tax returns. All federal tax returns for years prior to 2012 are no longer subject to examination. Additionally, state tax returns for years prior to 2011 are generally no longer subject to examination. The Company's policy is to recognize interest related to any underpayment of income taxes as interest expense and to recognize any penalties as operating expenses. There was no accrual for interest or penalties at December 31, 2015, 2014 and 2013. The Company believes that it has appropriate support for the income tax positions taken and to be taken on its tax returns and that its accruals for tax liabilities are adequate for all open years based on an assessment of many factors, including past experience and interpretations of tax law applied to the facts of each matter.

For the years ended December 31, 2015, 2014 and 2013, common stock dividends were characterized for tax as follows (per share):

	Post-Merger ⁽¹⁾		Pre-Merger ⁽²⁾	
	Year Ended December 31, 2015	Year Ended December 31, 2014	Year Ended December 31, 2013	For the Period January 1, 2013 - July 17, 2013
Ordinary income	\$0.42	\$ —	\$ 0.29	\$ 0.12
Return of capital	0.26	0.58	—	0.66
Capital gain	—	—	0.32	—
Total	\$0.68	\$ 0.58	\$ 0.61	\$ 0.78

⁽¹⁾ Cole II was the surviving legal entity in the Merger, and for federal income tax purposes, the dividends reflected as post-Merger include dividends paid by Cole II prior to the Merger and those paid by the combined company subsequent to the Merger. The capital gain includes \$0.25 per share of Code Section 1250 capital gain.

⁽²⁾ Pre-Merger dividends per share reflect amounts declared by the Company prior to the Merger and are not adjusted for the Merger Exchange Ratio.

The PATH Act was enacted in December 2015, and included numerous law changes applicable to REITs. The provisions have various effective dates beginning as early as 2016. The Company expects that the changes will not materially impact its operations, but will continue to monitor as regulatory guidance is issued.

Note 9. Stockholders' Equity

Issuance of Common Stock

In May 2014, the Company approved an amendment to its charter to increase the number of shares of stock that it has the authority to issue from 490.0 million to 770.0 million. As of December 31, 2015, the Company has authority to issue 770.0 million shares of stock, consisting of 750.0 million shares of common stock, \$0.01 par value per share, and 20.0 million shares of preferred stock, \$0.01 par value per share. As of December 31, 2015 and 2014, there were

no outstanding shares of preferred stock.

Concurrent with the registered offering of Convertible Notes in May 2014, the Company completed a registered offering of 26.45 million shares of the Company's common stock, par value \$0.01 per share, pursuant to an underwriting agreement dated May 14, 2014 (including shares issued pursuant to the underwriters' option to purchase additional shares).

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SPIRIT REALTY CAPITAL, INC.

Notes to Consolidated Financial Statements - (continued)

December 31, 2015

In April 2015, the Company completed an underwritten public offering of 23.0 million shares of its common stock, at \$11.85 per share, including 3.0 million shares sold pursuant to the underwriter's option to purchase additional shares. Gross proceeds raised were approximately \$272.6 million; net proceeds were approximately \$268.7 million after deducting underwriter discounts and offering costs paid by the Company. The net proceeds from the offering were used to repay the outstanding balances under the 2015 Credit Facility and Line of Credit. The remaining net proceeds were used to fund acquisitions and for general corporate purposes (including additional repayments of borrowings outstanding from time to time under the Revolving Credit Facilities).

ATM Program

In April 2014, the Corporation commenced a continuous equity offering under which the Corporation may sell up to an aggregate of \$350.0 million of shares of its common stock from time to time through broker-dealers in the ATM Program. The Corporation may sell the shares in amounts and at times to be determined by the Corporation, but has no obligation to sell any of the shares in the ATM Program.

Since inception of the ATM Program through December 31, 2015, the Corporation sold an aggregate total of 21.0 million shares of its common stock, at a weighted average share price of \$11.75, for aggregate gross proceeds of \$246.4 million and aggregate net proceeds of \$242.3 million after payment of commissions and other issuance costs of \$4.1 million.

During the year ended December 31, 2015, the Corporation sold 6.6 million shares of its common stock, at a weighted average share price of \$12.07, for aggregate gross proceeds of \$79.8 million and aggregate net proceeds of \$78.5 million after payment of commissions and other issuance costs of \$1.3 million. The net proceeds were used to fund acquisitions, repay borrowings under the Revolving Credit Facilities and for general corporate purposes. As of December 31, 2015, \$103.6 million in gross proceeds capacity remained available under the ATM Program.

Dividends Declared

In fiscal years 2015 and 2014, the Company's board of directors declared the following dividends:

Declaration Date	Dividend Per Share	Record Date	Total Amount ⁽¹⁾ (in Thousands)	Payment Date
2015				
March 16, 2015	\$0.17000	March 31, 2015	\$ 71,123	April 15, 2015
June 15, 2015	0.17000	June 30, 2015	75,054	July 15, 2015
September 15, 2015	0.17000	September 30, 2015	75,039	October 15, 2015
December 15, 2015	0.17500	December 31, 2015	77,315	January 15, 2016
Total	\$0.68500		\$ 298,531	
2014				
March 18, 2014	\$0.16625	March 31, 2014	\$ 61,628	April 15, 2014
June 16, 2014	0.16625	June 30, 2014	66,299	July 15, 2014
September 16, 2014	0.16625	September 30, 2014	66,259	October 15, 2014
December 15, 2014	0.17000	December 31, 2014	69,927	January 15, 2015
Total	\$0.66875		\$ 264,113	

⁽¹⁾ Net of estimated forfeitures of approximately \$12,000 and \$16,000 during the years ended December 31, 2015 and December 31, 2014, respectively, for dividends declared on employee restricted stock awards that are reported in general and administrative on the accompanying consolidated statements of operations.

The dividends declared in December were paid in January and were included in accounts payable, accrued expenses and other liabilities in the consolidated balance sheets.

SPIRIT REALTY CAPITAL, INC.

Notes to Consolidated Financial Statements - (continued)

December 31, 2015

Note 10. Commitments and Contingencies

The Company is periodically subject to claims or litigation in the ordinary course of business, including claims generated from business conducted by tenants on real estate owned by the Company. In these instances, the Company is typically indemnified by the tenant against any losses that might be suffered, and the Company and/or the tenant are insured against such claims.

On September 8, 2015, Haggen Holdings, LLC and a number of its affiliates, including Haggen Operations Holdings, LLC, (collectively, the "Debtors") filed petitions for bankruptcy protection under Chapter 11 of the U.S. Bankruptcy Code in the U.S. Bankruptcy Court for the District of Delaware. At the time of the filing, Haggen Operations Holdings, LLC leased 20 properties on a triple net basis from a subsidiary of the Company under a master lease with initial monthly rents of \$1.4 million and an initial lease expiration date of February 28, 2035. Haggen Holdings, LLC is the guarantor of the tenant's obligations under that master lease. A subsidiary of the Company and the debtors entered into a settlement agreement whereby the subsidiary consented to the partial assumption and partial rejection of the master lease permitting (a) the assumption of nine stores subject to the lease and their assignment to three unaffiliated grocery operators with winning bids in an auction of the respective leaseholds, (b) the rejection of the leasehold with respect to six of the stores and their return to the Company's possession, and (c) the assumption and continued operation by the tenant of five of the stores. Under the settlement agreement, the subsidiary of the Company received an unsecured stipulated damages claim for \$21.0 million against each of Haggen Operations Holdings, LLC and Haggen Holding, LLC, as well as certain agreed upon fees, expenses and cure payments in the bankruptcy. The court approved the settlement agreement in an order entered November 25, 2015. The bankruptcy proceeding remains ongoing, and there is no guaranty that the claims will be paid or otherwise satisfied in full.

At December 31, 2015, there were no outstanding claims against the Company that are expected to have a material adverse effect on the Company's financial position, results of operations or cash flows.

At December 31, 2015, the Company had commitments totaling \$38.4 million, of which \$34.5 million relates to future acquisitions with the remainder to fund improvements on properties the Company currently owns. Commitments related to acquisitions contain standard cancellation clauses contingent on the results of due diligence. Of the \$38.4 million of total commitments, \$38.3 million is expected to be funded during fiscal year 2016. In addition, the Company is contingently liable for \$5.7 million of debt owed by one of its tenants and is indemnified by that tenant for any payments the Company may be required to make on such debt.

The Company estimates future costs for known environmental remediation requirements when it is probable that the Company has incurred a liability and the related costs can be reasonably estimated. The Company considers various factors when estimating its environmental liabilities, and adjustments are made when additional information becomes available that affects the estimated costs to study or remediate any environmental issues. When only a wide range of estimated amounts can be reasonably established and no other amount within the range is better than another, the low end of the range is recorded in the consolidated financial statements.

The Company leases its current corporate office space and certain operating equipment under non-cancelable agreements from unrelated third parties. Total rental expense included in general and administrative expense amounted to \$0.7 million, \$0.7 million and \$0.5 million for the years ended December 31, 2015, 2014 and 2013, respectively. The Company is also a lessee under eight long-term, non-cancelable ground leases under which it is obligated to pay monthly rent. Total rental expense included in property costs amounted to \$1.2 million for each of the years ended December 31, 2015, 2014 and 2013, respectively. Ground leases are subleased to unrelated third parties, and the corresponding rental revenue is recorded in rentals on the accompanying consolidated statements of operations.

SPIRIT REALTY CAPITAL, INC.

Notes to Consolidated Financial Statements - (continued)

December 31, 2015

The Company's minimum aggregate rental commitments under all non-cancelable operating leases as of December 31, 2015 are as follows (in thousands):

	Ground Leases	Office and Equipment Leases	Total
2016	\$1,215	\$ 598	\$1,813
2017	1,281	605	1,886
2018	1,343	616	1,959
2019	1,353	622	1,975
2020	1,356	634	1,990
Thereafter	12,316	1,860	14,176
Total	\$18,864	\$ 4,935	\$23,799

Note 11. Fair Value Measurements

Recurring Fair Value Measurements

The Company's liabilities that are required to be measured at fair value in the accompanying consolidated financial statements are summarized below. The following table sets forth the Company's financial liabilities that were accounted for at fair value on a recurring basis (in thousands):

	Fair Value Hierarchy Level		
	Fair Value	Level 2	Level 3
December 31, 2015			
Derivatives:			
Interest rate swaps financial liabilities	\$ (934)	\$ —	\$ (934)
December 31, 2014			
Derivatives:			
Interest rate swaps financial liabilities	\$ (1,122)	\$ —	\$ (1,122)

The interest rate swaps are measured using a market approach, using prices obtained from a nationally recognized pricing service and pricing models with market observable inputs such as interest rates and volatilities. These measurements are classified as Level 2 of the fair value hierarchy.

SPIRIT REALTY CAPITAL, INC.

Notes to Consolidated Financial Statements - (continued)

December 31, 2015

Nonrecurring Fair Value Measurements

Fair value measurement of an asset on a nonrecurring basis occurs when events or changes in circumstances related to an asset indicate that the carrying amount of the asset is no longer recoverable. The following table sets forth the Company's assets that were accounted for at fair value on a nonrecurring basis as of December 31, 2015 and 2014 (in thousands):

Description	Fair Value	Dispositions	Fair Value Hierarchy Level			Impairment Charges (Restated)
			Level 1	Level 2	Level 3	
December 31, 2015						
Long-lived assets held and used	\$ 60,298	\$ (3,207)	\$ —	—	\$ 63,505	\$ (51,002)
Lease intangible assets	3,843	—	—	—	3,843	(3,825)
Other assets	—	—	—	—	—	(324)
Long-lived assets held for sale	15,957	(33,563)	—	—	49,520	(15,578)
						\$ (70,729)
December 31, 2014						
Long-lived assets held and used	\$ 37,278	\$ —	\$ —	—	\$ 37,278	\$ (20,679)
Lease intangible assets	10,013	—	—	—	10,013	4,317
Long-lived assets held for sale	65,958	(26,721)	—	—	92,679	(21,653)
						\$ (38,015)

The fair values of impaired real estate and intangible assets were determined by using the following information, depending on availability, in order of preference: signed purchase and sale agreements or letters of intent; recently quoted bid or ask prices, or market prices for comparable properties; estimates of cash flow, which consider, among other things, contractual and forecasted rental revenues, leasing assumptions, and expenses based upon market conditions; and expectations for the use of the real estate. Based on these inputs, the Company determined that its valuation of the impaired real estate and intangible assets falls within Level 3 of the fair value hierarchy.

Estimated Fair Value of Financial Instruments

Financial assets and liabilities for which the carrying values approximate their fair values include cash and cash equivalents, restricted cash and escrow deposits, and accounts receivable and payable. Generally, these assets and liabilities are short-term in duration and are recorded at cost, which approximates fair value, on the accompanying consolidated balance sheets.

In addition to the disclosures for assets and liabilities required to be measured at fair value at the balance sheet date, companies are required to disclose the estimated fair values of all financial instruments, even if they are not carried at their fair values. The fair values of financial instruments are estimates based upon market conditions and perceived risks at December 31, 2015 and 2014. These estimates require management's judgment and may not be indicative of the future fair values of the assets and liabilities.

SPIRIT REALTY CAPITAL, INC.

Notes to Consolidated Financial Statements - (continued)

December 31, 2015

The estimated fair values of the loans receivable, Revolving Credit Facilities, Term Loan, Convertible Notes and the fixed-rate mortgages and notes payable have been derived based on market quotes for comparable instruments or discounted cash flow analyses using estimates of the amount and timing of future cash flows, market rates and credit spreads. The loans receivable, Revolving Credit Facilities, Term Loan, Convertible Notes and the mortgages and notes payable were measured using a market approach from nationally recognized financial institutions with market observable inputs such as interest rates and credit analytics. These measurements are classified as Level 2 of the fair value hierarchy. The following table discloses fair value information for these financial instruments (in thousands):

	December 31, 2015		December 31, 2014	
	Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value
Loans receivable, net	\$104,003	\$110,019	\$109,425	\$115,747
Revolving Credit Facilities, net ⁽¹⁾	—	—	15,114	15,254
Term Loan, net ⁽²⁾	322,902	338,366	—	—
Convertible Notes, net ⁽²⁾	690,098	713,095	678,190	729,231
Mortgages and notes payable, net ⁽²⁾	3,079,787	3,220,239	3,629,998	3,899,950

⁽¹⁾ As of December 31, 2014, only amounts under the Line of Credit were outstanding and net of unamortized deferred financing costs.

⁽²⁾ The carrying value of the debt instruments are net of unamortized deferred financing costs and certain debt discounts/premiums.

Note 12. Significant Credit and Revenue Concentration

As of December 31, 2015 and 2014, the Company's real estate investments are operated by 438 and 454 tenants, respectively, that operate within retail, office and industrial property types across various industries throughout the U.S. Shopko operates in the general merchandise industry and is the Company's largest tenant as a percentage of Normalized Revenue. Total rental revenues from properties leased to Shopko for the three months ended December 31, 2015 and 2014, contributed 9.1% and 14.0% of the Company's Normalized Revenue from continuing operations, respectively. No other tenant contributed 4% or more of the Company's Normalized Revenue during any of the periods presented. As of December 31, 2015 and 2014, the Company's net investment in Shopko properties represents approximately 6.9% and 10.7%, respectively, of the Company's total assets and the Company's real estate investment in Shopko represents approximately 9.0% and 13.1%, respectively, of the Company's total real estate investment portfolio.

SPIRIT REALTY CAPITAL, INC.

Notes to Consolidated Financial Statements - (continued)

December 31, 2015

Note 13. Discontinued Operations

Effective January 1, 2014, the Company adopted ASU No. 2014-08, Presentation of Financial Statements (Topic 205) and Property, Plant, and Equipment (Topic 360): Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity, under which only disposals representing a strategic shift in operations of the Company and that have (or will have) a major effect on the Company's operations and financial results are to be presented as discontinued operations. Properties that were reported as held for sale as of December 31, 2013, will be presented in discontinued operations until the properties are disposed of. As a result, net gains or losses from the disposition of these properties, as well as the current and prior period operations, will continue to be reclassified to discontinued operations. The following sets forth the results of discontinued operations, as restated (dollars in thousands):

	Years Ended December 31,		
	2015	2014	2013
Revenues:			
Rent	\$447	\$1,206	\$8,304
Non-cash rent	—	(80)	21
Other	17	2,972	433
Total revenues	464	4,098	8,758
Expenses:			
General and administrative	4	15	9
Property costs	328	298	1,009
Interest	—	—	241
Depreciation and amortization	—	—	3,545
Impairments	34	417	9,587
Total expenses	366	730	14,391
Gain (loss) from discontinued operations before other income	98	3,368	(5,633)
Other income:			
Gain on debt extinguishment	—	—	1,028
Other	—	—	75
Total other income	—	—	1,103
Income (loss) from discontinued operations	98	3,368	(4,530)
Gain on disposition of assets	590	325	36,086
Total discontinued operations	\$688	\$3,693	\$31,556
Number of properties disposed of during period	2	6	22

Note 14. Supplemental Cash Flow Information

The following table presents the supplemental cash flow disclosures (in thousands):

	Years Ended December 31,		
	2015	2014	2013
Supplemental Disclosures of Non-Cash Investing and Financing Activities:			
Reduction of debt through sale of certain real estate properties	\$30,555	\$5,001	\$149,156
Net real estate and other collateral assets surrendered to lender	7,384	—	6,921
Reduction of debt in exchange for collateral assets	7,904	—	7,949
Debt assumed through real estate property acquisition	—	10,528	—
Accrued interest capitalized to principal ⁽¹⁾	6,035	2,598	—
Accrued performance share dividend rights	564	565	163

Financing of a tenant lease settlement	—	—	650
Net assets acquired in Merger in exchange for common stock	—	—	1,734,315
Common stock registered in exchange for net assets acquired	—	—	2,025,737
Supplemental Cash Flow Disclosures:			
Interest paid	\$206,115	\$209,032	\$154,919
Taxes paid, net of refunds	1,919	2,416	1,549

⁽¹⁾ Accrued and overdue interest on certain CMBS notes that have been intentionally placed in default.

Note 15. Incentive Award Plan and Employee Benefit Plan

Incentive Award Plan

Under the Incentive Award Plan, the Company may grant equity incentive awards to eligible employees, directors and other service providers. Awards under the Incentive Award Plan may be in the form of stock options, restricted stock, dividend equivalents, restricted stock units, stock appreciation rights, performance awards, stock payment awards, performance share awards, LTIP units and other incentive awards. If an award under the Incentive Award Plan is forfeited, expires or is settled for cash, any shares subject to such award may, to the extent of such forfeiture, expiration or cash settlement, be used again for new grants under the Incentive Award Plan. As of December 31, 2015, 1.2 million shares remained available for award under the Incentive Award Plan.

During the years ended December 31, 2015 and 2014, portions of awards of restricted common stock granted to certain of the Company's officers and other employees vested. The vesting of these shares, granted pursuant to the Incentive Award Plan, resulted in federal and state income tax liabilities for the recipients. As permitted by the terms of the Incentive Award Plan and the award grants, certain executive officers and employees elected to surrender 0.4 million and 0.3 million shares of common stock, respectively, valued at \$4.3 million and \$2.9 million, respectively, solely to pay the associated minimum statutory tax withholdings during the years ended December 31, 2015 and 2014. Shares repurchased are considered retired under Maryland law and the cost of the stock repurchased is recorded as a reduction to common stock and accumulated deficit on the consolidated balance sheets.

Restricted Shares of Common Stock

During the year ended December 31, 2015, the Company granted 0.5 million restricted shares under the Incentive Award Plan to certain executive officers, employees and members of the Board of Directors. The fair value of the restricted stock grants was determined based on the Company's closing stock price on the date of grant. The Company recorded \$5.7 million in deferred compensation associated with these grants, which will be recognized in expense over the requisite service period.

SPIRIT REALTY CAPITAL, INC.

Notes to Consolidated Financial Statements - (continued)

December 31, 2015

The following table summarizes restricted share activity under the Incentive Award Plan:

	2015		2014	
	Number of Shares	Weighted Average Price ⁽¹⁾ (per share)	Number of Shares	Weighted Average Price ⁽¹⁾ (per share)
Outstanding non-vested shares, beginning of year	1,299,807	\$ 9.12	1,777,652	\$ 8.41
Shares granted	495,688	11.87	372,974	10.85
Shares vested	(1,005,088)	8.77	(846,102)	8.37
Shares forfeited	(19,404)	11.53	(4,717)	10.60
Outstanding non-vested shares, end of year	771,003	\$ 11.29	1,299,807	\$ 9.12

⁽¹⁾ Grant date fair value.

Historical staff turnover rates are used by the Company to estimate the forfeiture rate for its non-vested shares. Accordingly, changes in actual forfeiture rates will affect stock-based compensation expense during the applicable period.

Performance Share Awards

Since August 2013, performance share awards have been granted to executive officers upon approval from the Board of Directors or committee thereof. These awards are granted at a target number of units and represent shares that are potentially issuable in the future. The performance share awards vest based on the Company's stock price and dividend performance, TSR, at the end of, generally, three-year periods relative to a group of industry peers. Potential shares of the Corporation's common stock that each participant is eligible to receive is based on the initial target number of shares granted multiplied by a percentage range between 0% and 250%. Grant date fair value of the performance share awards was calculated using the Monte Carlo simulation model, which incorporated stock price correlation, projected dividend yields and other variables over the time horizons matching the performance periods. Stock-based compensation expense associated with unvested performance share awards is recognized on a straight-line basis over the minimum required service period.

In addition, final shares issued under each performance share award entitle its holder to a cash payment equal to the aggregate declared dividends with record dates during the performance period, beginning on the grant date and ending the day before the awards are released. The projected shares to be awarded are not considered issued under the Incentive Award Plan until the performance period has ended and the actual number of shares to be released is determined. The performance shares and dividend rights are subject to forfeiture in the event of a non-qualifying termination of a participant prior to the performance period end date.

SPIRIT REALTY CAPITAL, INC.

Notes to Consolidated Financial Statements - (continued)

December 31, 2015

The following table summarizes performance share award activity under the Incentive Award Plan:

	2015		2014	
	Number of Target Shares	Weighted Average Fair Value (per share)	Number of Target Shares	Weighted Average Fair Value (per share)
Outstanding non-vested awards, beginning of year	610,797	\$ 13.49	367,914	\$ 13.45
Grants at target ⁽¹⁾	279,199	14.78	242,883	13.56
Earned above performance target ⁽²⁾	387,027	13.45	—	—
Vested ⁽³⁾	(804,298)	13.46	—	—
Outstanding non-vested awards, end of year	472,725	\$ 14.28	610,797	\$ 13.49

⁽¹⁾ The performance period for the 2015 performance awards began January 1, 2015 and continues through December 31, 2017, and the performance period for the 2014 performance awards began January 1, 2014 and continues through December 31, 2016.

⁽²⁾ Represents shares that were earned in excess of target for the grants whose performance period ended on December 31, 2015.

⁽³⁾ The number of shares that vested in 2015 includes 134,932 shares released at target in connection with a qualifying termination of a participant. Dividend rights of \$1.1 million associated with all shares released were paid in cash during 2015.

Approximately \$0.2 million and \$0.7 million in dividend rights have been accrued as of December 31, 2015 and 2014, respectively. For outstanding non-vested awards at December 31, 2015, no shares would have been released based on the Corporation's TSR relative to the specified peer groups through that date.

Stock-based Compensation Expense

For the years ended December 31, 2015, 2014 and 2013, the Company recognized \$13.3 million, \$11.3 million and \$8.8 million, respectively, in stock-based compensation expense, which is included in general and administrative expenses in the accompanying consolidated statements of operations.

As of December 31, 2015, the remaining unamortized stock-based compensation expense totaled \$8.7 million, including \$5.1 million related to restricted stock awards and \$3.6 million related to performance share awards, which is recognized as the greater of the amount amortized on a straight-line basis over the service period of each applicable award or the amount vested over the vesting periods.

401(k) Plan

The Company has a 401(k) Plan, which is available to full-time employees who have completed at least three months of service with the Company. Currently, the Company provides a matching contribution in cash, up to a maximum of 4% of compensation, which vests immediately.

Note 16. Income (Loss) Per Share

The table below is a reconciliation of the numerator and denominator used in the computation of basic and diluted net income (loss) per share computed using the two-class method, as restated (dollars in thousands):

	Years Ended December 31,		
	2015	2014	2013
Basic and diluted income (loss):			
Income (loss) from continuing operations	\$24,103	\$ (50,859)	\$ (33,172)
Gain on disposition of assets	68,421	10,221	—
Less: income attributable to unvested restricted stock	(696)	(1,099)	(1,291)

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Income (loss) used in basic and diluted loss per share from continuing operations	91,828	(41,737)	(34,463)
Income from discontinued operations	688	3,693	31,556
Net income (loss) attributable to common stockholders used in basic and diluted income (loss) per share	\$92,516	\$ (38,044)	\$ (2,907)

Basic weighted average shares of common stock outstanding:

Weighted average shares of common stock outstanding	433,361,728	388,604,270	257,153,935
Less: unvested weighted average shares of restricted stock	(1,138,773)	(1,794,524)	(2,133,370)
Weighted average number of shares outstanding used in basic income (loss) per share	432,222,955	386,809,746	255,020,565
Net income (loss) per share attributable to common stockholders-basic	\$0.21	\$ (0.10)	\$ (0.01)

Diluted weighted average shares of common stock ⁽¹⁾

Stock options	3,384	—	—
Unvested performance shares	319,288	—	—
Weighted average number of shares of common stock used in diluted income (loss) per share	432,545,628	386,809,746	255,020,565
Net income (loss) per share attributable to common stockholders-diluted	\$0.21	\$ (0.10)	\$ (0.01)

Potentially dilutive shares of common stock ⁽²⁾

Unvested shares of restricted stock	339,541	731,444	704,306
Unvested performance shares	—	770,688	189,530
Stock options	—	5,146	662
Total	339,541	1,507,278	894,498

⁽¹⁾ Assumes the most dilutive issuance of potentially issuable shares between the two-class and treasury stock method unless the result would be antidilutive.

⁽²⁾ Due to a loss from continuing operations for 2014 and 2013, no potentially dilutive securities were included in computing loss per share of common stock during those periods as their effect would be anti-dilutive.

The Corporation intends to satisfy its exchange obligation for the principal amount of the Convertible Notes to the note holders entirely in cash, therefore, the "if-converted" method does not apply and the treasury stock method is being used. As the Corporation's stock price is below the conversion price, there are no potentially dilutive shares associated with the Convertible Notes.

Note 17. Costs Associated With Restructuring Activities

On November 16, 2015, the Company's Board of Directors approved the strategic decision to relocate its headquarters from Scottsdale, Arizona to Dallas, Texas. The Company anticipates that it will begin occupying temporary office space

SPIRIT REALTY CAPITAL, INC.

Notes to Consolidated Financial Statements - (continued)

December 31, 2015

in the new headquarters in the spring of 2016 and that the move will be finalized by the end of 2016. As a result of moving its corporate headquarters, the Company will incur various restructuring charges, including employee separation and relocation costs. The restructuring charges incurred for the year ended December 31, 2015 totaled \$7.1 million and are included within restructuring charges on the accompanying consolidated statements of operations. The Company currently anticipates to incur total costs of approximately \$20.0 million relating to this relocation. This amount includes an estimated \$4.8 million in capitalized costs related to tenant improvements and fixtures for the new corporate headquarters. In February 2016, the Company signed a lease for the new corporate headquarters in Dallas.

Employee separation costs include severance payments, retention bonuses and pro-rated annual bonuses. Estimated separation costs were generally based on the anticipated separation date of June 30, 2016 and were recognized in December 2015, the date the employee elected to separate. Estimated separation costs are subject to change as individual separation dates may vary. Employee relocation costs include a transition bonus and reimbursement for certain moving costs, which will be recognized as the service is provided and the related liability is incurred.

The fair value of the liability for the Scottsdale office lease termination will be recognized on the earlier of the sublease date (if entered into) or the cease-use date. Other costs incurred as a direct result of the restructuring plan, such as placement fees and consulting fees, are expensed as incurred.

The following table presents a reconciliation of the liability attributable to restructuring costs incurred as of December 31, 2015, which are recorded within accounts payable, accrued expenses and other liabilities in the accompanying consolidated balance sheets (in thousands):

	Employee Separation/Relocation Costs	Other Restructuring Costs	Total
Beginning balance, as of December 31, 2014	\$ —	\$ —	\$—
Accruals	6,045	1,011	7,056
Payments	(291	) (839	) (1,130)
Ending balance, as of December 31, 2015	\$ 5,754	\$ 172	\$5,926

SPIRIT REALTY CAPITAL, INC.

Notes to Consolidated Financial Statements - (continued)

December 31, 2015

Note 18. Consolidated Quarterly Financial Data

The following table sets forth certain unaudited consolidated financial information for each of the four quarters included in the years ended December 31, 2015 and 2014 (in thousands, except share and per share data):

	First Quarter (Unaudited)	Second Quarter (Restated)	Third Quarter	Fourth Quarter	Year
2015					
Total revenues	\$162,287	\$167,934	\$168,425	\$168,689	\$667,335
Depreciation and amortization	66,296	64,671	64,493	65,173	260,633
Interest	57,914	56,167	54,673	54,147	222,901
Other expenses	23,662	52,771	40,548	39,555	156,536
(Loss) gain on debt extinguishment	(1,230)	3,377	342	(5,651)	(3,162)
Income (loss) from continuing operations	13,185	(2,298)	9,053	4,163	24,103
Income (loss) from discontinued operations	227	494	(41)	8	688
Net income (loss) attributable to common stockholders	22,563	49,345	15,003	6,301	93,212
Net income (loss) per share attributable to common stockholders:					
Basic	\$0.05	\$0.11	\$0.03	\$0.02	\$0.21
Diluted	\$0.05	\$0.11	\$0.03	\$0.02	\$0.21
Dividends declared per common share	\$0.17000	\$0.17000	\$0.17000	\$0.17500	\$0.68500
	First Quarter (Unaudited)	Second Quarter (Restated)	Third Quarter	Fourth Quarter	Year
2014					
Total revenues	\$143,972	\$151,789	\$152,295	\$154,815	\$602,871
Depreciation and amortization	60,549	61,968	62,069	63,380	247,966
Interest	54,399	55,992	53,535	56,144	220,070
Other expenses	19,758	58,548	30,047	12,591	120,944
(Loss) gain on debt extinguishment	—	(64,708)	212	(254)	(64,750)
Income (loss) from continuing operations	9,266	(89,427)	6,856	22,446	(50,859)
Income (loss) from discontinued operations	3,047	371	528	(253)	3,693
Net income (loss) attributable to common stockholders	13,848	(90,346)	8,225	31,328	(36,945)
Net income (loss) per share attributable to common stockholders:					
Basic	\$0.04	\$(0.24)	\$0.02	\$0.08	\$(0.10)
Diluted	\$0.04	N/A	\$0.02	\$0.08	N/A
Dividends declared per common share	\$0.16625	\$0.16625	\$0.16625	\$0.17000	\$0.66875

Note 19. Subsequent Events

On February 18, 2016, the Company's Board of Directors authorized a stock repurchase program to acquire up to \$200.0 million of the Company's common stock in the open market or through private transactions from time to time over the next 18 months.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Prior to the Original Filing, an evaluation was performed under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness as of December 31, 2015 of the design and operation of our disclosure controls and procedures as defined in Rule 13a-15(e) and 15d-15(e) under the Exchange Act. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the design and operation of these disclosure controls and procedures were effective at the reasonable assurance level as of December 31, 2015.

In connection with the restatement discussed in the Explanatory Note to this Form 10-K/A and Note 2 to the consolidated financial statements included in Part II, Item 8 of this Form 10-K/A, management became aware of a material weakness in the Company's internal control over financial reporting. As a result of this material weakness, described below, the Chief Executive Officer and Chief Financial Officer concluded that, as of December 31, 2015, the Company's disclosure controls and procedures were not effective. The Company has undertaken remediation efforts, as discussed below.

In light of the material weakness referred to above, the Company has designed and implemented additional controls, including the performance of additional analyses and procedures, in order to conclude that the consolidated financial statements in this Form 10-K/A for the year ended December 31, 2015 and for each of the quarterly periods within fiscal 2015 are fairly presented, in all material respects, in accordance with GAAP.

Management's Report on Internal Control over Financial Reporting

Management, including the Chief Executive Officer and Chief Financial Officer, are responsible for establishing and maintaining adequate internal control over financial reporting for the Company. Management used the criteria issued by the Committee of Sponsoring Organizations of the Treadway Commission in Internal Control - 2013 Integrated Framework to assess the effectiveness of the Company's internal control over financial reporting. Based on such assessments, at the time the Original Filing was filed on February 26, 2016, the Chief Executive Officer and Chief Financial Officer concluded that our internal control over financial reporting was effective as of December 31, 2015. Subsequent to this evaluation, the Chief Executive Officer and Chief Financial Officer identified a material weakness in our internal control over financial reporting.

The Company failed to design controls over the review of the accounting for real estate dispositions; specifically, the allocation of a portion of the Company's goodwill to the carrying amount of assets sold or held for sale when determining the gain or loss on sale to be recognized for sold assets or the amount, if any, of impairment losses to be recognized for assets held for sale.

The material weakness was identified by Ernst & Young LLP, the Company's independent registered public accounting firm, in October 2016.

Ernst & Young LLP has reissued an audit report on the effectiveness of the Company's internal control over financial reporting as of December 31, 2015, which is included in this Annual Report on Form 10-K/A.

Management's Plans for Remediation

Management became aware of this material weakness in internal control over financial reporting and took immediate actions to remediate the material weakness.

The Company will design controls over the review of the accounting for real estate dispositions; specifically, the allocation of a portion of the Company's goodwill to the carrying amount of assets sold or held for sale when determining the gain or loss on sale to be recognized for sold assets or the amount, if any, of impairment losses to be recognized for assets held for sale.

The Company does not expect to incur material costs to remediate this control and expects to have this material weakness remediated no later than December 31, 2016.

Changes in Internal Control over Financial Reporting

Except as noted in the preceding paragraphs, there were no changes to the Company's internal control over financial reporting (as defined in Rule 13a-15(e) and 15d-15(e) under the Exchange Act) that occurred during the quarter ended December 31, 2015 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Inherent Limitations on Effectiveness of Controls

Our management, including our Chief Executive Officer and Chief Financial Officer, believes that our disclosure controls and procedures and internal control over financial reporting are designed to provide reasonable assurance of achieving their objectives and are effective at the reasonable assurance level. However, our management does not expect that our disclosure controls and procedures or our internal control over financial reporting will prevent all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. These inherent limitations include the realities that judgments in decision making can be faulty, and that breakdowns can occur because of a simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by management override of the controls. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, controls may become inadequate because of changes in conditions, or the degree of compliance with policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

Item 9B. Other Information

On February 23, 2016, we entered into an amendment to the employment agreement of Phillip D. Joseph, Jr., our Chief Financial Officer, Executive Vice President and Treasurer. The amendment provides that Mr. Joseph is eligible to receive an annual discretionary incentive payment under the Company's annual bonus plan, as may be in effect from time to time, based on a target bonus opportunity equal to 125% (originally 100%), and a maximum bonus opportunity equal to 200% (originally 150%), of his base salary, respectively. Additionally, the amendment increases Mr. Joseph's base salary to \$415,000 (originally \$400,000), effective January 1, 2016. Any annual bonus plan incentive payment will be based upon the attainment of one or more pre-established performance criteria set by the Board of Directors (or a committee thereof), in its sole discretion.

We are currently in the midst of a search for a new general counsel. We expect our employment relationship with our current general counsel to terminate on March 4, 2016. We are currently seeking to negotiate a severance agreement with our current general counsel. We cannot assure you that we will be able to reach a separation on mutually agreeable terms.

On February 18, 2016, the Compensation Committee of the Board of Directors of Spirit Realty Capital, Inc. approved a 2016 bonus program applicable to its executive officers, Tom H. Nolan, Phillip D. Joseph, Jr. Gregg A. Seibert and Mark L. Manheimer. Prior to its approval, the Compensation Committee engaged in a review of its incentive compensation program, with the assistance of its independent compensation consultant, Towers Watson.

Under the 2016 Bonus Program, the executives will be eligible to earn cash bonuses based on the Company's achievement in 2016 of performance goals relating to (i) Adjusted Funds From Operations (a supplemental non-GAAP financial measure defined in this Annual Report on Form 10-K/A); (ii) ratio of debt to EBITDA (a supplemental non-GAAP financial measure meaning earnings of the Company before interest, taxes, depreciation and amortization); (iii) weighted average occupancy levels of Company real estate assets; and (iv) acquisition volume, as well as each executive's achievement of individual performance goals. In determining each executive's actual bonus under the 2016 Bonus Program, the goals will be weighted as follows for the applicable executive:

Executive	AFFO	Debt to EBITDA	Occupancy	Acquisitions	Individual Performance
Thomas H. Nolan	17.5%	17.5%	17.5%	17.5%	30%
Phillip D. Joseph, Jr.	17.5%	26.25%	13.125%	13.125%	30%
Gregg A. Seibert	17.5%	8.75%	8.75%	35%	30%
Mark L. Manheimer	17.5%	8.75%	21.875%	21.875%	30%

Each executive must be employed by the Company through the date on which the Company pays bonuses under the 2016 Bonus Program in order to be eligible to receive a bonus under the program.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

The information concerning our directors and executive officers required by Item 10 will be included in the Proxy Statement to be filed relating to our 2016 Annual Meeting of Stockholders and is incorporated herein by reference.

Item 11. Executive Compensation

The information concerning our executive compensation required by Item 11 will be included in the Proxy Statement to be filed relating to our 2016 Annual Meeting of Stockholders and is incorporated herein by reference.

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

The information concerning our security ownership of certain beneficial owners and management and related stockholder matters (including equity compensation plan information) required by Item 12 will be included in the Proxy Statement to be filed relating to our 2016 Annual Meeting of Stockholders and is incorporated herein by reference.

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

The information concerning certain relationships, related transactions and director independence required by Item 13 will be included in the Proxy Statement to be filed relating to our 2016 Annual Meeting of Stockholders and is incorporated herein by reference.

Item 14. Principal Accountant Fees and Services

The information concerning our principal accounting fees and services required by Item 14 will be included in the Proxy Statement to be filed relating to our 2016 Annual Meeting of Stockholders and is incorporated herein by reference.

PART IV

Item 15. Exhibits, Financial Statement Schedules

(a)(1) and (2)

Financial Statements and Schedules. The following documents are filed as a part of this report (see Item 8):

Reports of Independent Registered Public Accounting Firm.

Consolidated Balance Sheets as of December 31, 2015 and 2014.

Consolidated Statements of Operations for the Years Ended December 31, 2015, 2014 and 2013.

Consolidated Statements of Comprehensive Income (Loss) for the Years December 31, 2015, 2014 and 2013.

Consolidated Statements of Stockholders' Equity for the Years Ended December 31, 2015, 2014 and 2013.

Consolidated Statements of Cash Flows for the Years Ended December 31, 2015, 2014 and 2013.

Notes to Consolidated Financial Statements.

Schedule III - Real Estate and Accumulated Depreciation.

Schedule IV - Mortgage Loans on Real Estate as of December 31, 2015.

All other schedules are omitted since the required information is not present in amounts sufficient to require submission of the schedule or because the information required is included in the financial statements and the notes thereto.

(b) Exhibits.

Exhibit No. Description

- 1.1 Equity Distribution Agreement among Spirit Realty Capital, Inc. and the persons named therein, dated April 15, 2014 filed as Exhibit 1.1 to the Company's Form 8-K on April 15, 2014 and incorporated herein by reference.
- 2.1 Agreement and Plan of Merger, dated as of January 22, 2013, as amended by the First Amendment to Agreement and Plan of Merger, dated as of May 8, 2013, by and among Spirit Realty Capital, Inc. (f/k/a Cole Credit Property Trust II, Inc.), a Maryland corporation, Spirit Realty Capital, Inc., a Maryland corporation, Cole Operating Partnership II, LP, a Delaware limited partnership and Spirit Realty, L.P., a Delaware limited partnership. Previously filed by Spirit Realty Capital, Inc. as an exhibit to the Company's Form 8-K filed with the Securities and Exchange Commission on January 22, 2013 and Exhibit 2.1 to the Company's Form 8-K filed with the Securities and Exchange Commission on May 9, 2013, respectively.
- 2.2 Articles of Merger by and between Spirit Realty Capital, Inc. (f/k/a Cole Credit Property Trust II, Inc.), a Maryland corporation, and Spirit Realty Capital, Inc., a Maryland corporation and the Amended and Restated Charter of Spirit Realty Capital, Inc. (f/k/a Cole Credit Property Trust II, Inc.) filed as Exhibit (Incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K (File No. 000-51963), filed on July 17, 2013).
- 3.1 Articles of Restatement of Spirit Realty Capital, Inc. filed Exhibit 3.1 to the Company's Registration Statement on Form S-3 on November 8, 2013 and incorporated herein by reference.
- 3.2 Articles of Amendment of Spirit Realty Capital, Inc. filed as Exhibit 3.1 to the Company's Form 8-K on May 13, 2014 and incorporated herein by reference.
- 3.3 Third Amended and Restated Bylaws of Spirit Realty Capital, Inc. filed as Exhibit 10.5 to the Company's Form 8-K on August 28, 2015 and incorporated herein by reference.
- 4.1 Form of Certificate for Common Stock of Spirit Realty Capital, Inc. filed as Exhibit 4.1 to the Registration Statement on Form S-4 on March 29, 2013 and incorporated herein by reference.
- 4.2 Second Amended and Restated Master Indenture among Spirit Master Funding, LLC, Spirit Master Funding II, LLC, Spirit Master Funding III, LLC and Citibank, N.A., dated May 20, 2014 filed as Exhibit 4.1 to the Company's Form 8-K on May 20, 2014 and incorporated herein by reference.
- 4.3 Amendment No. 1 to the Second Amended and Restated Master Indenture among Spirit Master Funding, LLC, Spirit Master Funding II, LLC, Spirit Master Funding III, LLC and Citibank, N.A., dated November 26, 2014 filed as Exhibit 4.1 to the Company's Form 8-K on December 1, 2014 and incorporated herein by reference.
- 4.4 Series 2014-1 Indenture Supplement among Spirit Master Funding, LLC, Spirit Master Funding II, LLC, Spirit Master Funding III, LLC and Citibank, N.A., dated May 20, 2014 filed as Exhibit 4.2 to the

Company's Form 8-K on May 20, 2014 and incorporated herein by reference.

4.5 Series 2014-2 Indenture Supplement among Spirit Master Funding, LLC, Spirit Master Funding II, LLC, Spirit Master Funding III, LLC and Citibank, N.A., dated May 20, 2014 filed as Exhibit 4.3 to the Company's Form 8-K on May 20, 2014 and incorporated herein by reference.

4.6 Series 2014-3 Indenture Supplement among Spirit Master Funding, LLC, Spirit Master Funding II, LLC, Spirit Master Funding III, LLC and Citibank, N.A., dated May 20, 2014 filed as Exhibit 4.3 to the Company's Form 8-K on May 20, 2014 and incorporated herein by reference.

4.7 Series 2014-4 Indenture Supplement among Spirit Master Funding, LLC, Spirit Master Funding II, LLC, Spirit Master Funding III, LLC, Spirit Master Funding VI, LLC, Spirit Master Funding VIII, LLC and Citibank, N.A., dated November 26, 2014 filed as Exhibit 4.2 to the Company's Form 8-K on December 1, 2014 and incorporated herein by reference.

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Exhibit No. Description

- 4.8 Master Indenture, between Citibank, N.A. and Spirit Master Funding VII, LLC, dated as of December 23, 2013. Previously filed by Spirit Realty Capital, Inc. as Exhibit 10.21 to the Company's Annual Report on Form 10-K on March 4, 2014 and incorporated herein by reference.
- 4.9 Series 2013-1 Supplement, between Citibank, N.A. and Spirit Master Funding VII, LLC, dated as of December 23, 2013, filed as Exhibit 10.22 to the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 4, 2014.
- 4.10 Series 2013-2 Supplement, between Citibank, N.A. and Spirit Master Funding VII, LLC, dated as of December 23, 2013, filed as Exhibit 10.23 to Annual Report on Form 10-K on March 4, 2014 and incorporated herein by reference.
- 4.11 Indenture, dated May 20, 2014, between the Company and Wilmington Trust, National Association, filed as Exhibit 4.1 to the Company's Form 8-K on May 20, 2014 and incorporated herein by reference.
- 4.12 First Supplemental Indenture, dated May 20, 2014, by and between Spirit Realty Capital, Inc. and Wilmington Trust, National Association (including the form of 2.875% Convertible Senior Note due 2019) filed as Exhibit 4.2 to the Company's Form 8-K on May 20, 2014 and incorporated herein by reference.
- 4.13 Second Supplemental Indenture, dated May 20, 2014, by and between Spirit Realty Capital, Inc. and Wilmington Trust, National Association (including the form of 3.75% Convertible Senior Note due 2021) filed as Exhibit 4.3 to the Company's Form 8-K on May 20, 2014 and incorporated herein by reference.
- 10.1 Spirit Realty Capital, Inc. and Spirit Realty, L.P. 2012 Incentive Award Plan filed as Exhibit 10.7 to the Company's Form 8-K on July 17, 2013 and incorporated herein by reference.
- 10.2 Form of 2012 Incentive Award Plan Restricted Stock Award Grant Notice and Agreement filed as Exhibit 10.9 to the Company's Form 8-K on July 17, 2013 and incorporated herein by reference.
- 10.3 Form of 2012 Incentive Award Plan Stock Payment Award Grant Notice and Agreement filed as Exhibit 10.9 to the Company's Form 8-K on July 17, 2013 and incorporated herein by reference.
- 10.4 Form of Performance Share Award Agreement. Previously filed by Spirit Realty Capital, Inc. as an exhibit to the Company's Form 8-K filed with the Securities and Exchange Commission on July 17, 2013.
- 10.5 Credit Agreement, by and among Deutsche Bank Securities Inc., Deutsche Bank AG New York Branch, Spirit Realty, L.P. and various lenders, dated as of July 17, 2013 filed as Exhibit 10.01 to the Company's Form 8-K on July 17, 2013 and incorporated herein by reference.
- 10.6 Guaranty, by and among Spirit Realty Capital, Inc., Spirit General OP Holdings, LLC, Deutsche Bank Securities Inc. and various lenders, dated as of July 17, 2013 filed as Exhibit 10.2 to the Company's Form 8-K filed on July 17, 2013 and incorporated herein by reference.
- 10.7 Security Agreement, by and among Spirit Realty Capital, Inc., Spirit General OP Holdings, LLC, Spirit Realty, L.P., Spirit Master Funding IV, LLC, Spirit Master Funding V, LLC, Deutsche Bank Securities Inc. and various lenders, dated as of July 17, 2013 filed as Exhibit 10.3 to the Company's Form 8-K on July 17, 2013 and incorporated herein by reference.

- 10.8 Omnibus Collateral Assignment of Material Agreements, Permits and Licenses, by and among Spirit Realty Capital, Inc., Spirit General OP Holdings, LLC, Spirit Realty, L.P., Spirit Master Funding IV, LLC, Spirit Master Funding V, LLC, Deutsche Bank Securities Inc. and various lenders, dated as of July 17, 2013. Previously filed by Spirit Realty Capital, Inc. as an exhibit to the Company's Form 8-K filed with the Securities and Exchange Commission on July 17, 2013.
- 10.9 Loan Agreement, between German American Capital Corporation and Spirit SPE Loan Portfolio 2013-2, LLC, dated as of July 17, 2013 filed as Exhibit 10.4 to the Company's Form 8-K on July 17, 2013 and incorporated herein by reference.
- 10.10 Guaranty of Recourse Obligations of Borrower, by Spirit Realty, L.P. in favor of German American Capital Corporation, dated as of July 17, 2013 filed as Exhibit 10.6 to the Company's Form 8-K on July 17, 2013 and incorporated herein by reference.

Exhibit No. Description

- 10.11 Loan Agreement, between Barclays Bank PLC and Spirit SPE Loan Portfolio 2013-3, LLC, dated as of July 17, 2013 filed as Exhibit 10.7 to the Company's Form 8-K on July 17, 2013 and incorporated herein by reference.
- 10.12 Guaranty of Recourse Obligations of Borrower by Spirit Realty, L.P. in favor of Barclays Bank PLC, dated as of July 17, 2013 filed as Exhibit 10.8 to the Company's Form 8-K on July 17, 2013 and incorporated herein by reference.
- 10.13 Second Amended and Restated Property Management and Servicing Agreement dated May 20, 2014, by and among Spirit Realty, L.P., Spirit Master Funding, LLC, Spirit Master Funding II, LLC, Spirit Master Funding III, LLC and Midland Loan Services, a division of PNC Bank, National Association filed as Exhibit 1.1 of the Company's Form 8-K on May 20, 2014 and incorporated herein by reference.
- 10.14 Amendment No. 1 to the Second Amended and Restated Property Management and Servicing Agreement dated November 26, 2014, by and among Spirit Realty, L.P., Spirit Master Funding, LLC, Spirit Master Funding II, LLC, Spirit Master Funding III, LLC and Midland Loan Services, a division of PNC Bank, National Association filed as Exhibit 1.2 of the Company's Form 8-K on December 1, 2014 and incorporated herein by reference.
- 10.15 Property Management and Servicing Agreement, between Midland Loan Services, Spirit Master Funding VII, LLC and Spirit Realty, L.P., dated as of December 23, 2013 filed as Exhibit 10.24 to its Annual Report on Form 10-K filed on March 4, 2014 and incorporated herein by reference.
- 10.16 Defeasance, Assignment, Assumption and Release Agreement dated June 5, 2014 by and among Spirit SPE Portfolio 2006-1, LLC and Spirit SPE Portfolio 2006-2, LLC, U.S. Bank, National Association as Trustee for the Lender, Midland Loan Servicer, a division of PNC Bank, National Association as servicer and U.S. Bank, National Association as Securities Intermediary and Custodian filed as Exhibit 1.1 of the Company's Form 8-K on June 6, 2014 and incorporated herein by reference.
- 10.17 First Amended and Restated Agreement of Limited Partnership of Spirit Realty, L.P. on September 12, 2014.
- 10.18 Amended and Restated Master Lease between Spirit SPE Portfolio 2006-1, LLC and Spirit SPE Portfolio 2006-2, LLC, and Shopko Stores Operating CO., LLC, dated December 15, 2014 filed as Exhibit 1.2 of the Company's Form 8-K on December 1, 2014 and incorporated herein by reference.
- 10.19 Form of Indemnification Agreement of Spirit Realty Capital, Inc. filed as Exhibit 10.1 of the Company's Form 8-K on July 17, 2013 and incorporated herein by reference.
- 10.20 Amended and Restated Employment Agreement among Spirit Realty Capital, Inc. and Thomas H. Nolan, Jr., dated as of July 17, 2013 filed as Exhibit 10.2 of the Company's Form 8-K on July 17, 2013 and incorporated herein by reference.
- 10.21 Amended and Restated Employment Agreement among Spirit Realty Capital, Inc. and Michael A. Bender, dated as of July 17, 2013 filed as Exhibit 10.3 of the Company's Form 8-K on July 17, 2013 and incorporated herein by reference.

- 10.23 Transition and Separation Agreement among Spirit Realty Capital, Inc. and Michael A. Bender dated as of August 27, 2015 and filed as Exhibit 10.4 of the Company's form 8-K on August 28, 2015 and incorporated herein by reference.
- 10.25 Director Compensation Program of Spirit Realty Capital, Inc. filed as Exhibit 10.10 of the Company's Form 8-K on July 17, 2013 and incorporated herein by reference.
- 10.26 Employment Agreement among Spirit Realty Capital, Inc. and Phillip D. Joseph, Jr., dated as of March 25, 2015 filed as Exhibit 10.1 of the Company's Form 8-K on March 25, 2015 and incorporated herein by reference.
- 10.27* Employment Letter Agreement between Spirit Realty Capital, Inc. and Philip D. Joseph, Jr. dated as of October 14, 2015 filed within as Exhibit 10.27 of the Company's Annual Report on Form 10-K on February 26, 2016.

Exhibit No. Description

- 10.28* First Amended and Restated Employment Agreement among Spirit Realty Capital, Inc. and Phillip D. Joseph, Jr, dated as of February 23, 2016 filed within as Exhibit 10.28 of the Company's Annual Report on Form 10-K on February 26, 2016.
- 10.29 Credit Agreement among Spirit Realty L.P., Wells Fargo Bank, N.A., as the administrative agent, and the various financial institutions as are or may become parties thereto, dated as of March 31, 2015, filed as Exhibit 10.1 to the Company's Form 8-K on March 31, 2015 and incorporated herein by reference.
- 10.30 Second Amended and Restated Employment Agreement among Spirit Realty Capital, Inc. and Thomas H. Nolan, Jr., dated as of August 27, 2015 filed as Exhibit 10.1 of the Company's Form 8-K on August 28, 2015 and incorporated herein by reference.
- 10.31 Third Amended and Restated Employment Agreement among Spirit Realty Capital, Inc. and Gregg A. Seibert, dated as of August 27, 2015 filed as Exhibit 10.2 of the Company's Form 8-K on August 28, 2015 and incorporated herein by reference.
- 10.32 Second Amended and Restated Employment Agreement among Spirit Realty Capital, Inc. and Mark Manheimer, dated as of August 27, 2015 filed as Exhibit 10.3 of the Company's Form 8-K on August 28, 2015 and incorporated herein by reference.
- 10.33 Term Loan Agreement among Spirit Realty L.P., various financial institutions, as lenders, and Bank of America, N.A., as the administrative agent, dated as of November 3, 2015, filed as Exhibit 10.1 to the Company's Form 8-K on November 6, 2015 and incorporated herein by reference.
- 10.34* First Amendment to the Credit Agreement among Spirit Realty L.P., various financial institutions, as lenders, and Wells Fargo Bank, N.A., as the administrative agent, dated as of November 3, 2015, filed within as Exhibit 10.34 to the Company's Annual Report Form 10-K on February 26, 2016.
- 10.35* Credit Agreement Guaranty dated as of March 31, 2015 in favor of Wells Fargo Bank National Association, the Administrative Agent for the lenders, and among Spirit Realty, L.P., filed within as Exhibit 10.35 of the Company's Annual Report on Form 10-K on February 26, 2016.
- 10.36* The 2016 executive cash bonus program, was approved by the Compensation Committee of the Board of Directors of Spirit Realty Capital, Inc. on February 18, 2016 and is filed within as Exhibit 10.36 of the Company's Annual Report on Form 10-K on February 26, 2016.
- 14.1 Code of Business Conduct and Ethics of Spirit Realty Capital, Inc. filed as Exhibit 14.1 to its Annual Report on Form 10-K on March 5, 2013 and incorporated herein by reference.
- 16.1 Deloitte & Touche LLP's Response Letter to the Securities and Exchange Commission dated as of July 17, 2013 filed as Exhibit 16.1 to the Company's Form 8-K filed with the Securities and Exchange Commission on July 17, 2013.
- 21.1* List of Subsidiaries of Spirit Realty Capital, Inc. as of December 31, 2015.
- 23.1* Consent of Ernst & Young LLP the Company's Independent Registered Accounting Firm
- 31.1*

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Certification of Chief Executive Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) under the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

31.2* Certification of Chief Financial Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) under the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

32.1* Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

101.1** The following financial information from Spirit Realty Capital, Inc.'s Annual Report on Form 10-K/A for the year ended December 31, 2015, formatted in XBRL (Extensible Business Reporting Language): (i) Consolidated Balance Sheets, (ii) Consolidated Statements of Operations, (iii) Consolidated Statements of Comprehensive Income (loss), (iv) Consolidated Statements of Stockholders' Equity, (v) Consolidated Statements of Cash Flows and (vi) Notes to the Consolidated Financial Statements.

* Filed herewith.

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Pursuant to applicable securities laws and regulations, these interactive data files are deemed not filed or part of a **registration statement or prospectus for purposes of sections 11 or 12 of the Securities Act, are deemed not filed for purposes of section 18 of the Exchange Act and otherwise are not subject to liability under these sections.

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SPIRIT REALTY CAPITAL, INC.

Schedule III Real Estate and

Accumulated Depreciation

(Amounts in thousands)

Encumbrances Description	Land and Improvements	Buildings, Improvements	Cost Capitalized Subsequent to Gross Amount at Acquisition including impairment December 31, 2015 (g)							Land and Improvements	Buildings, Improvements	Total	Final Accum
			Initial Cost to Company	Improvements/ Land	Improvements/ building	Land	Improvements/ building	Land	Improvements/ building				
General Merchandise													
Aberdeen, SD	(d)	\$3,857	\$3,348	\$ —	—	—	—	—	—	—	—	—	—
Ainsworth, NE	(a)	360	1,829	—	—	360	1,829	2,189	(399)	)	2007	12/08/09	12 to 47 Years
Alamogordo, NM	(a)	476	560	—	—	476	560	1,036	(78)	)	2006	07/17/13	8 to 40 Years
Albany, MO	(b)	66	410	—	—	66	410	476	(138)	)	1990	05/31/06	15 to 30 Years
Albert Lea, MN	(d)	2,526	3,141	—	—	2,526	3,141	5,667	(1,638)	)	1985	05/31/06	15 to 20 Years
Allegan, MI	(b)	741	1,198	—	—	741	1,198	1,939	(495)	)	2000	05/31/06	15 to 30 Years
Anderson, SC	8,160	4,770	6,883	—	—	4,770	6,883	11,653	(1,503)	)	1993	07/17/13	8 to 21 Years
Anderson, SC	(a)	351	966	—	—	351	966	1,317	(76)	)	1992	07/17/13	10 to 41 Years
Appleton, WI	(d)	4,898	5,804	—	—	4,898	5,804	10,702	(1,985)	)	1971	05/31/06	15 to 30 Years
Arcadia, WI	(b)	673	983	—	—	673	983	1,656	(507)	)	2000	05/31/06	15 to 30 Years
Archbold, OH	(b)	631	1,229	—	—	631	1,229	1,860	(506)	)	2000	05/31/06	15 to 30 Years
Attica, IN	(b)	550	1,116	—	—	550	1,116	1,666	(468)	)	1999	05/31/06	15 to 30 Years
Austin, MN	(d)	4,246	4,444	—	—	4,246	4,444	8,690	(1,694)	)	1983	05/31/06	15 to 30 Years
Baton Rouge, LA	(a)	328	996	—	—	328	996	1,324	(90)	)	1999	07/17/13	10 to 40 Years
Bay City, TX	(d)	1,192	3,250	—	—	1,192	3,250	4,442	(619)	)	1990	07/17/13	3 to 20 Years
Beeville, TX	(a)	101	1,814	—	—	101	1,814	1,915	(108)	)	2004	07/17/13	10 to 45 Years
Bellevue, NE	(d)	3,269	3,482	—	—	3,269	3,482	6,751	(1,355)	)	1984	05/31/06	15 to 30 Years
Beloit, WI	(d)	3,191	4,414	—	—	3,191	4,414	7,605	(2,260)	)	1978	05/31/06	15 to 20 Years
Belvidere, IL	(d)	3,061	3,609	—	—	3,061	3,609	6,670	(1,406)	)	1995	05/31/06	15 to 30 Years
Bethany, MO	(b)	648	379	—	—	648	379	1,027	(285)	)	1974	05/31/06	15 to 20 Years
Billings, MT	(d)	3,035	4,509	(259)	—	2,776	4,509	7,285	(1,618)	)	1990	05/31/06	15 to 30 Years
Bloomfield, IN	(b)	639	940	—	—	639	940	1,579	(433)	)	1999	05/31/06	15 to 30 Years
Boise, ID	(d)	2,036	5,555	—	—	2,036	5,555	7,591	(1,914)	)	1989	05/31/06	15 to 30 Years
Borger, TX	(d)	907	3,243	—	—	907	3,243	4,150	(520)	)	1991	07/17/13	3 to 25 Years
Burlington, KS	(b)	371	565	—	—	371	565	936	(325)	)	1990	05/31/06	15 to 20 Years
Calumet City, IL	(a)	393	949	—	—	393	949	1,342	(96)	)	1977	07/17/13	9 to 32 Years
Carrollton, MO	(b)	352	345	—	—	352	345	697	(248)	)	1994	07/21/11	9 to 20 Years
Centerville, TN	(b)	420	776	—	—	420	776	1,196	(342)	)	2000	05/31/06	15 to 30 Years
Charlotte, NC	(a)	371	598	—	—	371	598	969	(87)	)	1957	07/17/13	8 to 25 Years
Chiefland, FL	(a)	376	1,206	—	—	376	1,206	1,582	(100))	2007	07/17/13	10 to 47 Years
Clanton, AL	(a)	350	816	—	—	350	816	1,166	(69))	2007	07/17/13	10 to 46 Years

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Encumbrances Description (e)	Initial Cost to Company			Cost Capitalized Subsequent to Acquisition including impairment				Gross Amount at December 31, 2015 (g)			Total	Final Accum
	Land and Improvements	Buildings, Improvements	Improvements/ Land	Improvements/ building	Land and Improvements	Buildings, Improvements	Land and Improvements	Buildings, Improvements	Land and Improvements	Buildings, Improvements		
Clare, MI	(b) 1,219	760	—	-4,219	760	1,979	(498)	) 2000	05/31/06	15 to 30 Years		
Clarion, IA	(b) 365	812	—	-365	812	1,177	(341)	) 2000	05/31/06	15 to 30 Years		
Clintonville, WI	(b) 495	1,089	—	-495	1,089	1,584	(568)	) 1978	05/31/06	15 to 20 Years		
De Pere, WI	(d) 264	1,681	—	-264	1,681	1,945	(541)	) 2000	05/31/06	15 to 30 Years		
De Pere, WI	(d) 1,275	2,113	—	-1,275	2,113	3,388	(711)	) 2005	05/31/06	15 to 40 Years		
Delavan, WI	(d) 1,752	4,387	(118)	-4,634	4,387	6,021	(1,584)	) 1995	05/31/06	15 to 30 Years		
Denver, CO	(b) 7,839	9,299	—	-7,839	9,299	17,138	(1,949)	) 1991	07/17/13	5 to 17 Years		
Dixon, IL	(d) 1,502	2,810	—	-1,502	2,810	4,312	(1,081)	) 1993	05/31/06	15 to 30 Years		
Dowagiac, MI	(b) 762	984	—	-762	984	1,746	(441)	) 2000	05/31/06	15 to 30 Years		
Duluth, MN	(d) 4,722	6,955	—	-4,722	6,955	11,677	(2,413)	) 1993	05/31/06	15 to 30 Years		
Dyersville, IA	(b) 381	1,082	—	-381	1,082	1,463	(423)	) 2000	05/31/06	15 to 30 Years		
Escanaba, MI	(d) 3,030	3,321	—	-3,030	3,321	6,351	(1,637)	) 1971	05/31/06	15 to 28 Years		
Essex, MD	(a) 294	1,973	—	-294	1,973	2,267	(121)	) 1998	07/17/13	10 to 45 Years		
Estherville, IA	(b) 630	463	—	-630	463	1,093	(336)	) 1976	05/31/06	15 to 20 Years		
Fairmont, MN	(d) 2,393	3,546	—	-2,393	3,546	5,939	(1,284)	) 1984	05/31/06	15 to 30 Years		
Fairview Heights, IL	(d) 1,418	2,383	—	-1,418	2,383	3,801	(823)	) 1990	07/17/13	3 to 10 Years		
Fergus Falls, MN	(b) 738	1,175	—	-738	1,175	1,913	(584)	) 1986	05/31/06	15 to 20 Years		
Flagstaff, AZ	(d) 1,474	1,321	—	-1,474	1,321	2,795	(11)	) 2001	11/02/15	15 to 30 Years		
Foley, AL	(d) 1,240	2,983	—	-1,240	2,983	4,223	(124)	) 1994	05/08/15	9 to 20 Years		
Fond du Lac, WI	(d) 4,110	5,210	—	-4,110	5,210	9,320	(1,783)	) 1985	05/31/06	15 to 30 Years		
Forrest City, AR	(a) 331	860	—	-331	860	1,191	(67)	) 2002	07/17/13	10 to 45 Years		
Fort Atkinson, WI	(d) 1,005	2,873	—	-1,005	2,873	3,878	(1,043)	) 1984	05/31/06	15 to 30 Years		
Fountain Valley, CA	(d) 9,470	13,326	—	-9,470	13,326	22,796	(591)	) 1968	12/30/14	11 to 30 Years		
Freeport, IL	(d) 1,941	2,431	—	-1,941	2,431	4,372	(1,077)	) 1994	05/31/06	15 to 30 Years		
Gallatin, MO	(b) 57	405	—	-57	405	462	(142)	) 1990	05/31/06	15 to 30 Years		
Glasgow, MT	(b) 772	1,623	—	-772	1,623	2,395	(667)	) 1998	05/31/06	15 to 30 Years		
Glenwood, MN	(b) 775	1,404	—	-775	1,404	2,179	(478)	) 1996	05/31/06	15 to 40 Years		
Gothenburg, NE	(a) 391	1,798	—	-391	1,798	2,189	(392)	) 2007	12/08/09	12 to 47 Years		
Grafton, WI	(d) 2,952	4,206	—	-2,952	4,206	7,158	(1,608)	) 1989	05/31/06	15 to 30 Years		
Grand Island, NE	(d) 3,401	5,497	—	-3,401	5,497	8,898	(2,108)	) 1983	05/31/06	15 to 30 Years		
Green Bay, WI	(d) 6,155	6,298	—	-6,155	6,298	12,453	(2,153)	) 1979	05/31/06	15 to 30 Years		
Green Bay, WI	(d) 8,698	12,160	—	-8,698	12,160	20,858	(5,517)	) 2000	05/31/06	15 to 28 Years		
Green Bay, WI	(d) 1,269	1,937	—	-1,269	1,937	3,206	(655)	) 2005	05/31/06	15 to 40 Years		
Green Bay, WI	(d) 4,788	4,605	—	-4,788	4,605	9,393	(2,308)	) 1966	05/31/06	15 to 28 Years		
Greenfield, OH	(b) 555	1,041	—	-555	1,041	1,596	(439)	) 2000	05/31/06	15 to 30 Years		
Griffin, GA	(a) 459	1,322	—	-459	1,322	1,781	(100)) 2007	07/17/13	10 to 49 Years		
Grovetown, GA	(a) 425	933	—	-425	933	1,358	(82)) 2007	07/17/13	10 to 45 Years		

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Encumbrances Description (e)	Initial Cost to Company			Cost Capitalized Subsequent to Acquisition including impairment					Gross Amount at December 31, 2015 (g)	Total	Final Accum
	Land and Improvements	Buildings, Improvements	Improvements/ Land	Improvements/ building	Land and Improvements	Buildings, Improvements					
Harrisonville, MO	(a) 316	466	—	-316	466	782	(71)	1996 07/17/13	8 to 33 Years		
Hart, MI	(b) 565	1,377	—	-565	1,377	1,942	(522)	1999 05/31/06	15 to 30 Years		
Hartsville, SC	(a) 536	813	—	-536	813	1,349	(113)	2007 07/17/13	10 to 37 Years		
Havana, IL	(b) 526	813	—	-526	813	1,339	(360)	2000 05/31/06	15 to 30 Years		
Helena, MT	(d) 3,176	5,583	(724)	-2,452	5,583	8,035	(1,945)	1992 05/31/06	15 to 30 Years		
Hodgenville, KY	(d) 709	838	—	-709	838	1,547	(403)	1999 05/31/06	15 to 30 Years		
Houghton, MI	(d) 1,963	4,025	—	-1,963	4,025	5,988	(1,622)	1994 05/31/06	15 to 30 Years		
Hutchinson, MN	(d) 2,793	4,108	—	-2,793	4,108	6,901	(1,474)	1991 05/31/06	15 to 30 Years		
Jacksonville, IL	(d) 3,603	3,569	—	-3,603	3,569	7,172	(1,756)	1996 05/31/06	15 to 30 Years		
Janesville, WI	(d) 3,166	4,808	—	-3,166	4,808	7,974	(2,329)	1980 05/31/06	15 to 28 Years		
Kennewick, WA	(d) 4,044	5,347	—	-4,044	5,347	9,391	(1,970)	1989 05/31/06	15 to 30 Years		
Kenosha, WI	(d) 3,079	4,259	—	-3,079	4,259	7,338	(2,174)	1980 05/31/06	15 to 20 Years		
Kewaunee, WI	(b) 872	758	—	-872	758	1,630	(458)	2000 05/31/06	15 to 30 Years		
Kimberly, WI	(d) 3,550	4,749	—	-3,550	4,749	8,299	(2,243)	1979 05/31/06	15 to 28 Years		
Kingsford, MI	(d) 3,736	3,570	—	-3,736	3,570	7,306	(1,805)	1970 05/31/06	15 to 28 Years		
La Crosse, WI	(d) 2,896	3,810	—	-2,896	3,810	6,706	(1,881)	1978 05/31/06	15 to 20 Years		
Lake Hallie, WI	(d) 2,627	3,965	—	-2,627	3,965	6,592	(1,732)	1982 05/31/06	15 to 30 Years		
Lancaster, WI	(b) 581	1,018	—	-581	1,018	1,599	(438)	1999 05/31/06	15 to 30 Years		
Lander, WY	(b) 289	589	—	-289	589	878	(318)	1974 05/31/06	15 to 20 Years		
Largo, FL	(a) 758	1,025	—	-758	1,025	1,783	(89)	1999 07/17/13	9 to 36 Years		
Layton, UT	(d) 2,950	3,408	—	-2,950	3,408	6,358	(1,300)	1988 05/31/06	15 to 30 Years		
Lewiston, ID	(d) 409	2,999	—	-409	2,999	3,408	(1,502)	1987 05/31/06	15 to 20 Years		
Livingston, TN	(d) 429	822	—	-429	822	1,251	(352)	2000 05/31/06	15 to 30 Years		
Logan, UT	(d) 454	3,453	—	-454	3,453	3,907	(1,721)	1989 05/31/06	15 to 20 Years		
Madison, SD	(b) 1,060	1,015	—	-1,060	1,015	2,075	(620)	1975 05/31/06	15 to 20 Years		
Manistique, MI	(b) 659	1,223	—	-659	1,223	1,882	(514)	2000 05/31/06	15 to 30 Years		
Manitowoc, WI	(d) 2,573	4,011	—	-2,573	4,011	6,584	(2,021)	1977 05/31/06	15 to 28 Years		
Mankato, MN	(d) 6,167	4,861	—	-6,167	4,861	11,028	(2,356)	1971 05/31/06	15 to 28 Years		
Mansfield, TX	(a) 859	599	—	-859	599	1,458	(75)	2007 07/17/13	10 to 34 Years		
Marinette, WI	(d) 1,452	3,736	—	-1,452	3,736	5,188	(1,372)	1990 05/31/06	15 to 30 Years		
Marion, KY	(b) 724	765	—	-724	765	1,489	(396)	2000 05/31/06	15 to 30 Years		
Marquette, MI	(d) 4,423	5,774	—	-4,423	5,774	10,197	(2,809)	1969 05/31/06	15 to 20 Years		
Marshall, MN	(d) 4,152	2,872	—	-4,152	2,872	7,024	(1,582)	1972 05/31/06	15 to 28 Years		
Marshfield, WI	(d) 3,272	4,406	—	-3,272	4,406	7,678	(2,086)	1968 05/31/06	15 to 28 Years		
Mason City, IA	(d) 2,186	3,888	—	-2,186	3,888	6,074	(1,905)	1985 05/31/06	15 to 28 Years		
Memphis, MO	(b) 448	313	—	-448	313	761	(218)	1983 05/31/06	15 to 20 Years		
Mineral Wells, TX	(a) 448	878	—	-448	878	1,326	(81)	2008 07/17/13	10 to 42 Years		
Minerva, OH	(b) 1,103	902	—	-1,103	902	2,005	(523)	2000 05/31/06	15 to 30 Years		
Missoula, MT	(d) 4,123	5,253	—	-4,123	5,253	9,376	(2,473)	1987 05/31/06	15 to 28 Years		

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Encumbrances Description (e)	Initial Cost to Company			Cost Capitalized Subsequent to Acquisition including impairment				Gross Amount at December 31, 2015 (g)			Total	Final Accum		
	Land and Improvements	Buildings, Improvements	Improvements/ Land	Improvements/ building	Land and Improvements	Buildings, Improvements								
Mitchell, IN	(b)	554	791	—	-554	791	1,345	(374)	2000	05/31/06	15 to 30 Years			
Mitchell, SD	(d)	3,918	3,126	—	-3,918	3,126	7,044	(1,596)	1973	05/31/06	15 to 28 Years			
Monmouth, IL	(d)	2,037	1,166	—	-2,037	1,166	3,203	(818)	1971	05/31/06	15 to 20 Years			
Monroe, WI	(d)	1,526	4,027	—	-1,526	4,027	5,553	(1,453)	1994	05/31/06	15 to 30 Years			
Monticello, IL	(b)	641	1,172	—	-641	1,172	1,813	(487)	1999	05/31/06	15 to 30 Years			
Montpelier, OH	(b)	557	1,130	—	-557	1,130	1,687	(464)	2000	05/31/06	15 to 30 Years			
Mount Ayr, IA	(b)	228	666	—	-228	666	894	(251)	1995	05/31/06	15 to 30 Years			
Mount Carmel, IL	(b)	972	1,602	—	-972	1,602	2,574	(870)	2000	05/31/06	15 to 20 Years			
Murfreesboro, TN	(d)	3,413	6,727	—	-3,413	6,727	10,140	(320)	1985	02/25/15	9 to 20 Years			
Navasota, TX	(a)	322	868	—	-322	868	1,190	(80)	2007	07/17/13	10 to 44 Years			
Neenah, WI	(d)	2,944	5,595	(38)	-2,906	5,595	8,501	(1,951)	1990	05/31/06	15 to 30 Years			
New London, WI		1,778	1,008	2,094	—	-1,008	2,094	3,102	(503)	1991	07/17/13	3 to 18 Years		
Newaygo, MI	(b)	633	1,155	—	-633	1,155	1,788	(474)	2000	05/31/06	15 to 30 Years			
Norfolk, NE	(d)	2,701	2,912	—	-2,701	2,912	5,613	(1,315)	1984	05/31/06	15 to 30 Years			
Oconto, WI	(b)	496	1,176	—	-496	1,176	1,672	(493)	2000	05/31/06	15 to 30 Years			
Ogden, UT	(d)	2,448	3,864	—	-2,448	3,864	6,312	(1,401)	1988	05/31/06	15 to 30 Years			
Okeechobee, FL	(a)	409	1,298	—	-409	1,298	1,707	(95)	2006	07/17/13	10 to 47 Years			
Omaha, NE	(d)	5,320	4,086	—	-5,320	4,086	9,406	(1,537)	1985	05/31/06	15 to 30 Years			
Omaha, NE	(d)	5,477	3,986	—	-5,477	3,986	9,463	(1,492)	1984	05/31/06	15 to 30 Years			
Onalaska, WI	(d)	2,468	4,392	—	-2,468	4,392	6,860	(1,588)	1989	05/31/06	15 to 30 Years			
O'Neill, NE	(a)	400	1,752	—	-400	1,752	2,152	(427)	1972	12/08/09	12 to 47 Years			
Osceola, IA	(b)	322	422	—	-322	422	744	(227)	1978	05/31/06	15 to 20 Years			
Oshkosh, WI	(d)	3,594	4,384	—	-3,594	4,384	7,978	(1,577)	1984	05/31/06	15 to 30 Years			
Peoria, IL		4,950	2,407	5,452	—	-2,407	5,452	7,859	(467)	2006	07/17/13	2 to 40 Years		
Perry, IA	(b)	651	1,015	—	-651	1,015	1,666	(463)	1998	05/31/06	15 to 30 Years			
Port Washington, WI	(d)	436	1,427	—	-436	1,427	1,863	(484)	1982	05/31/06	15 to 40 Years			
Powell, WY	(b)	1,264	859	—	-1,264	859	2,123	(510)	1985	05/31/06	15 to 20 Years			
Quincy, IL	(d)	3,510	4,916	—	-3,510	4,916	8,426	(2,401)	1986	05/31/06	15 to 28 Years			
Racine, WI	(d)	3,076	5,305	—	-3,076	5,305	8,381	(2,439)	1979	05/31/06	15 to 20 Years			
Rawlins, WY	(b)	430	581	—	-430	581	1,011	(350)	1971	05/31/06	15 to 20 Years			
Redding, CA	(d)	7,043	5,255	—	-7,043	5,255	12,298	(1,915)	1989	05/31/06	15 to 30 Years			
Rensselaer, NY	(a)	705	657	—	-705	657	1,362	(263)	1971	07/17/13	3 to 13 Years			
Rice Lake, WI	(d)	1,535	3,407	—	-1,535	3,407	4,942	(1,350)	1995	05/31/06	15 to 30 Years			
River Falls, WI	(d)	1,787	4,283	—	-1,787	4,283	6,070	(1,565)	1994	05/31/06	15 to 30 Years			
Rochester, MN	(d)	6,466	4,232	—	-6,466	4,232	10,698	(2,180)	1981	05/31/06	15 to 28 Years			
Rochester, MN	(d)	6,189	4,511	—	-6,189	4,511	10,700	(2,256)	1981	05/31/06	15 to 20 Years			
Rockville, IN	(b)	628	939	—	-628	939	1,567	(425)	1999	05/31/06	15 to 30 Years			
Rome, NY	(a)	436	699	—	-436	699	1,135	(90)	1996	07/17/13	10 to 28 Years			

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	Land and Improvements	Buildings, Improvements	Improvements/ Land	Improvements/ building	Land and Improvements	Buildings, Improvements								
Rothschild, WI	(d)	2,685	4,231	—	-2,685	4,231	6,916	(2,122)	1977	05/31/06	15 to 23 Years			
Sandersville, GA	(a)	503	751	—	-503	751	1,254	(75)	2006	07/17/13	10 to 45 Years			
Sheboygan, WI	(d)	2,973	4,340	—	-2,973	4,340	7,313	(1,768)	1993	05/31/06	15 to 30 Years			
Shreveport, LA	(a)	374	490	—	-374	490	864	(88)	2001	07/17/13	10 to 31 Years			
Sioux Falls, SD	(d)	4,907	4,023	—	-4,907	4,023	8,930	(2,028)	1987	05/31/06	15 to 28 Years			
Smithville, TN	(b)	570	733	(15)	-555	733	1,288	(364)	2000	05/31/06	15 to 30 Years			
Somerville, TN	(b)	345	537	—	-345	537	882	(265)	2000	05/31/06	15 to 30 Years			
Spencer, IN		1,325	971	2,483	—	-971	2,483	3,454	(405)	1987	07/17/13	4 to 22 Years		
Spokane, WA	(d)	1,014	3,005	—	-1,014	3,005	4,019	(1,280)	1987	05/31/06	15 to 23 Years			
St. Cloud, MN	(d)	3,749	4,884	—	-3,749	4,884	8,633	(2,389)	1985	05/31/06	15 to 20 Years			
St. Cloud, MN	(d)	5,033	6,589	—	-5,033	6,589	11,622	(2,331)	1991	05/31/06	15 to 30 Years			
Stevens Point, WI	(d)	1,383	5,401	—	-1,383	5,401	6,784	(2,340)	1985	05/31/06	15 to 20 Years			
Sturgis, SD	(b)	402	717	—	-402	717	1,119	(389)	1984	05/31/06	15 to 20 Years			
Sullivan, IL	(b)	557	879	—	-557	879	1,436	(396)	1999	05/31/06	15 to 30 Years			
Sweetwater, TX	(a)	415	1,097	—	-415	1,097	1,512	(90)	2006	07/17/13	10 to 47 Years			
Thermopolis, WY	(a)	589	1,600	—	-589	1,600	2,189	(358)	2007	12/08/09	12 to 47 Years			
Tuscola, IL	(b)	724	897	—	-724	897	1,621	(439)	2000	05/31/06	15 to 30 Years			
Union Gap, WA	(d)	481	4,079	—	-481	4,079	4,560	(1,994)	1991	05/31/06	15 to 23 Years			
Walla Walla, WA	(d)	2,283	1,955	—	-2,283	1,955	4,238	(770)	1989	05/31/06	15 to 30 Years			
Washington, IA	(b)	719	865	—	-719	865	1,584	(503)	1973	05/31/06	15 to 20 Years			
Washington, IL	(d)	1,195	1,441	—	-1,195	1,441	2,636	(618)	1989	07/17/13	2 to 10 Years			
Watertown, SD	(d)	3,064	3,519	—	-3,064	3,519	6,583	(1,301)	1985	05/31/06	15 to 30 Years			
Watertown, WI	(d)	3,124	4,436	—	-3,124	4,436	7,560	(2,150)	1972	05/31/06	15 to 20 Years			
Waukon, IA	(b)	604	971	—	-604	971	1,575	(429)	1998	05/31/06	15 to 30 Years			
West Valley City, UT	(d)	2,780	4,005	—	-2,780	4,005	6,785	(1,551)	1989	05/31/06	15 to 30 Years			
Whiteville, NC	(d)	1,119	1,676	—	-1,119	1,676	2,795	(395)	1988	07/17/13	7 to 30 Years			
Wichita, KS	(a)	236	741	—	-236	741	977	(57)	1990	07/17/13	10 to 42 Years			
Wilton, NY	(a)	1,348	2,165	—	-1,348	2,165	3,513	(375)	2000	07/17/13	8 to 27 Years			
Winona, MN	(d)	3,413	4,436	—	-3,413	4,436	7,849	(2,303)	1986	05/31/06	15 to 20 Years			
Wisconsin Rapids, WI	(d)	3,689	4,806	—	-3,689	4,806	8,495	(2,316)	1969	05/31/06	15 to 28 Years			
Woodsfield, OH	(b)	691	1,009	—	-691	1,009	1,700	(464)	2000	05/31/06	15 to 30 Years			
Worthington, MN	(d)	2,861	3,767	—	-2,861	3,767	6,628	(1,399)	1984	05/31/06	15 to 30 Years			

Restaurants -
Casual Dining

Addison, TX (a) 1,615 2,476 —1,615 2,476 4,091 (881) 1998 07/01/05 15 to 30 Years

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	Land and Improvements	Buildings, Improvements	Improvements/ Land	Improvements/ building	Land and Improvements	Buildings, Improvements	Improvements/ Land	Improvements/ building	Land and Improvements	Buildings, Improvements	Improvements/ Land		
Adrian, MI	(d) 652	1,233	—	—	652	1,233	1,885	(55)	1991	12/23/14	15 to 30 Years		
Albany, GA	(a) 1,073	1,719	—	—	1,073	1,719	2,792	(187)	2003	07/17/13	12 to 33 Years		
Albany, GA	(d) 744	1,340	—	—	744	1,340	2,084	(60)	1971	12/23/14	15 to 30 Years		
Albany, OR	(b) 913	1,951	—	—	913	1,951	2,864	(175)	2005	07/17/13	12 to 35 Years		
Albuquerque, NM	(a) 120	1,336	—	—	120	1,336	1,456	(375)	1999	07/01/05	30 to 30 Years		
Albuquerque, NM	(a) 1,036	1,655	—	—	1,036	1,655	2,691	(656)	1994	07/01/05	15 to 30 Years		
Albuquerque, NM	(a) 1,473	2,947	—	—	1,473	2,947	4,420	(403)	2011	07/17/13	10 to 33 Years		
Alcoa, TN	(a) 228	219	—	—	228	219	447	(101)	1982	11/02/07	15 to 30 Years		
Alcoa, TN	(a) 483	318	—	—	483	318	801	(151)	1978	11/02/07	15 to 30 Years		
Alexandria, VA	(a) 1,024	202	—	12	1,024	214	1,238	(131)	1979	12/19/06	11 to 20 Years		
Alvin, TX	(a) 256	585	—	—	256	585	841	(527)	1997	12/30/04	10 to 15 Years		
Apple Valley, MN	(a) 1,119	1,055	—	—	1,119	1,055	2,174	(419)	1999	09/24/04	15 to 30 Years		
Appleton, WI	(a) 727	1,329	—	9	727	1,338	2,065	(558)	1993	12/29/06	7 to 30 Years		
Ardmore, OK	(a) 1,332	1,466	(704)	(677)	628	789	1,417	(654)	1986	02/26/07	14 to 30 Years		
Arkansas city, KS	(a) 239	975	—	—	239	975	1,214	(68)	1987	06/04/14	15 to 30 Years		
Arlington, TX	(a) 2,064	2,043	—	—	2,064	2,043	4,107	(718)	1995	07/01/05	15 to 30 Years		
Ashland, OH	(a) 294	642	—	—	294	642	936	(108)	1971	03/18/13	13 to 20 Years		
Ashtabula, OH	(a) 865	244	—	—	865	244	1,109	(143)	1975	02/06/07	15 to 30 Years		
Athens, TN	(a) 197	341	—	176	197	517	714	(199)	1977	11/02/07	15 to 30 Years		
Augusta, GA	(b) 1,494	2,019	—	—	1,494	2,019	3,513	(165)	2005	07/17/13	13 to 40 Years		
Aurora, CO	(b) 1,017	1,743	—	—	1,017	1,743	2,760	(150)	1998	07/17/13	13 to 35 Years		
Aurora, CO	(b) 1,521	1,498	—	—	1,521	1,498	3,019	(159)	1992	07/17/13	9 to 32 Years		
Aurora, CO	(d) 1,151	1,742	—	—	1,151	1,742	2,893	(63)	1974	12/23/14	15 to 40 Years		
Aurora, CO	(d) 1,268	1,696	—	—	1,268	1,696	2,964	(68)	2007	02/10/15	15 to 30 Years		
Austell, GA	(a) 838	216	—	—	838	216	1,054	(195)	1962	02/28/06	15 to 20 Years		
Austintown, OH	(a) 1,106	450	—	—	1,106	450	1,556	(205)	1991	02/06/07	15 to 30 Years		
Avon, IN	(a) 899	615	—	—	899	615	1,514	(44)	2014	10/31/14	14 to 30 Years		
Battle Creek, MI	(a) 423	560	—	—	423	560	983	(57)	1997	12/24/13	15 to 30 Years		
Beachwood, OH	(d) 1,080	1,773	—	—	1,080	1,773	2,853	(66)	1977	12/23/14	15 to 40 Years		
Beaumont, TX	(a) 1,435	1,541	—	—	1,435	1,541	2,976	(612)	1997	06/29/07	15 to 40 Years		
Bellflower, CA	(a) 1,284	1,636	—	—	1,284	1,636	2,920	(70)	1970	12/19/14	15 to 30 Years		
Bellflower, CA	(a) 1,273	1,501	—	—	1,273	1,501	2,774	(46)	1981	12/19/14	15 to 50 Years		
Benson, AZ	(d) 313	336	—	—	313	336	649	(19)	1996	03/20/15	15 to 20 Years		
Berkley, MI	(a) 390	540	—	—	390	540	930	(31)	1927	10/31/14	14 to 30 Years		
Bessemer, AL	(a) 622	983	—	64	622	1,047	1,669	(131)	2002	03/29/13	8 to 29 Years		
Birch Run, MI	(d) 1,852	1,290	—	—	1,852	1,290	3,142	(99)	2014	12/24/14	14 to 30 Years		
Birmingham, AL	(a) 321	740	—	50	321	790	1,111	(97)	1977	03/29/13	8 to 29 Years		

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Birmingham, AL	(a) 512	983	—	65	512	1,048	1,560	(131)	2002	03/29/13	8 to 29 Years		
Blakely, GA	(a) 288	744	—	—	288	744	1,032	(420)	1987	06/25/04	15 to 20 Years		
Bloomington, IL	(a) 393	629	—	—	393	629	1,022	(56)	1986	12/24/13	15 to 30 Years		
Bloomington, IL	(d) 662	1,029	—	—	662	1,029	1,691	(47)	1975	12/23/14	15 to 30 Years		
Boise, ID	(a) 809	601	(400)	(259)	409	342	751	(208)	1998	06/25/04	15 to 30 Years		
Bowie, MD	(a) 333	173	—	200	333	373	706	(183)	1983	11/27/06	15 to 20 Years		
Bowie, MD	(a) 1,501	615	—	—	1,501	615	2,116	(267)	2004	12/31/07	15 to 40 Years		
Bowling Green, KY	(a) 934	3,134	—	—	934	3,134	4,068	(295)	1997	07/17/13	10 to 34 Years		
Boyne City, MI	(d) 69	938	—	—	69	938	1,007	(5)	1997	11/09/15	15 to 30 Years		
Bradford, PA	(a) 368	255	—	—	368	255	623	(135)	1977	02/06/07	15 to 30 Years		
Bradley, IL	(d) 1,610	1,783	—	—	1,610	1,783	3,393	(89)	1991	12/23/14	15 to 30 Years		
Brandon, FL	(d) 1,358	614	—	—	1,358	614	1,972	(64)	2004	11/05/14	14 to 20 Years		
Branson, MO	(a) 1,497	1,684	—	—	1,497	1,684	3,181	(717)	1994	09/23/05	15 to 30 Years		
Bridgeton, MO	(a) 314	1,160	—	—	314	1,160	1,474	(89)	1994	12/24/13	15 to 30 Years		
Broken Arrow, OK	(a) 1,636	1,620	—	—	1,636	1,620	3,256	(116)	2006	07/21/14	14 to 30 Years		
Broken Arrow, OK	(a) 1,081	226	—	—	1,081	226	1,307	(18)	2006	12/24/13	15 to 40 Years		
Brooklyn, OH	(d) 1,226	672	—	—	1,226	672	1,898	(280)	2001	02/06/07	10 to 25 Years		
Bryan, TX	(a) 739	700	—	—	739	700	1,439	(392)	1988	12/30/04	15 to 20 Years		
Burlington, IA	(a) 304	588	—	—	304	588	892	(254)	1996	09/23/05	15 to 30 Years		
Burlington, IA	(a) 318	484	—	—	318	484	802	(214)	2006	12/04/06	15 to 30 Years		
Burr Ridge, IL	(a) 759	977	16	1,584	775	2,561	3,336	(871)	1997	06/25/04	15 to 30 Years		
Calera, AL	(a) 560	912	—	84	560	996	1,556	(134)	2008	03/29/13	8 to 29 Years		
Canfield, OH	(a) 449	644	92	—	541	644	1,185	(259)	1973	02/06/07	15 to 30 Years		
Canton, MI	(a) 2,071	1,224	—	—	2,071	1,224	3,295	(604)	1996	06/25/04	15 to 30 Years		
Canton, MI	(d) 914	890	—	—	914	890	1,804	(22)	2014	06/17/15	15 to 40 Years		
Canton, OH	(a) 1,325	781	—	—	1,325	781	2,106	(305)	1989	02/06/07	15 to 30 Years		
Carmel, IN	(a) 851	646	—	—	851	646	1,497	(39)	2014	10/31/14	14 to 30 Years		
Carrollton, GA	(a) 508	603	—	—	508	603	1,111	(208)	2000	02/28/06	15 to 40 Years		
Carrollton, GA	(a) 985	725	—	—	985	725	1,710	(92)	1995	07/17/13	11 to 33 Years		
Cartersville, GA	(a) 581	730	—	—	581	730	1,311	(307)	1997	02/28/06	15 to 30 Years		
Cartersville, GA	(a) 439	451	—	—	439	451	890	(225)	1990	02/28/06	15 to 30 Years		
Casper, WY	(a) 54	762	—	—	54	762	816	(245)	1969	12/29/06	15 to 30 Years		
Chanhassen, MN	(a) 1,439	784	—	—	1,439	784	2,223	(84)	1953	05/22/14	15 to 30 Years		
Charleston, IL	(a) 272	220	—	—	272	220	492	(208)	1986	09/23/05	10 to 15 Years		
Charleston, SC	(a) 860	1,018	—	—	860	1,018	1,878	(241)	1988	07/17/13	8 to 15 Years		
Chatsworth, GA	(a) 213	558	—	—	213	558	771	(207)	1979	11/02/07	15 to 30 Years		
Chesapeake, VA	(a) 1,046	334	—	75	1,046	409	1,455	(329)	1995	06/25/04	4 to 25 Years		
Cheyenne, WY	(a) 277	2,041	—	—	277	2,041	2,318	(907)	1928	12/29/06	15 to 20 Years		

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Chicago, IL	(a) 1,675	1,112	—	—	1,675	1,112	2,787	(420)	1999	12/29/06	15 to 30 Years		
Cincinnati, OH	(a) 1,614	4,134	—	—	1,614	4,134	5,748	(252)	2013	01/15/14	9 to 40 Years		
Claremont, CA	(a) 2,764	2,919	—	—	2,764	2,919	5,683	(120)	2011	12/19/14	15 to 40 Years		
Clarion, PA	(a) 426	653	—	—	426	653	1,079	(272)	1976	02/06/07	15 to 30 Years		
Clearwater, FL	(a) 2,226	858	—	—	2,226	858	3,084	(334)	2004	12/31/07	15 to 40 Years		
Cleveland, OH	(a) 875	138	—	—	875	138	1,013	(17)	1995	12/24/13	15 to 30 Years		
Clinton Township, MI	(d) 1,377	911	—	—	1,377	911	2,288	(58)	2003	11/05/14	14 to 30 Years		
Clinton, MD	(a) 300	193	—	200	300	393	693	(150)	1980	11/27/06	13 to 20 Years		
Clinton, TN	(a) 417	293	—	—	417	293	710	(152)	1994	11/02/07	15 to 30 Years		
Clovis, NM	(b) 861	2,172	—	—	861	2,172	3,033	(190)	2005	07/17/13	13 to 40 Years		
Colby, KS	(a) 269	567	—	—	269	567	836	(45)	1987	06/04/14	15 to 30 Years		
Colonial Heights, VA	(a) 1,948	—	37	1,963	1,985	1,963	3,948	(77)	1989	10/25/13	15 to 40 Years		
Colonie, NY	(a) 1,322	991	(350)	(261)	972	730	1,702	(361)	1994	12/31/07	15 to 40 Years		
Colorado Springs, CO	(a) 674	519	—	—	674	519	1,193	(88)	1989	11/19/12	5 to 30 Years		
Colorado Springs, CO	(b) 937	1,120	—	—	937	1,120	2,057	(152)	1998	07/17/13	8 to 25 Years		
Colorado Springs, CO	(d) 1,335	1,233	—	—	1,335	1,233	2,568	(62)	1982	12/23/14	15 to 30 Years		
Columbus, GA	(b) 1,199	1,911	—	—	1,199	1,911	3,110	(162)	2005	07/17/13	13 to 40 Years		
Columbus, GA	(b) 2,102	1,717	—	—	2,102	1,717	3,819	(132)	1993	07/17/13	13 to 40 Years		
Columbus, GA	(d) 876	1,243	—	—	876	1,243	2,119	(58)	2003	12/23/14	15 to 30 Years		
Conroe, TX	(a) 942	3,274	—	—	942	3,274	4,216	(318)	1993	07/17/13	11 to 32 Years		
Corry, PA	(a) 411	279	—	—	411	279	690	(163)	1977	02/06/07	15 to 30 Years		
Corydon, IN	(a) 890	1,220	—	—	890	1,220	2,110	(198)	1999	07/17/13	7 to 21 Years		
Council Bluffs, IA	(d) 1,070	703	—	—	1,070	703	1,773	(38)	1995	12/23/14	15 to 30 Years		
Creston, IA	(a) 103	180	—	—	103	180	283	(179)	1974	12/15/05	10 to 15 Years		
Crossville, TN	(a) 220	288	—	176	220	464	684	(185)	1978	11/02/07	15 to 30 Years		
Culpeper, VA	(a) 367	169	—	—	367	169	536	(103)	1977	12/19/06	15 to 20 Years		
Dallas, TX	(a) 1,053	412	—	—	1,053	412	1,465	(228)	1976	07/01/05	15 to 20 Years		
Dallas, TX	(a) 1,366	1,699	227	—	1,593	1,699	3,292	(574)	1997	07/01/05	15 to 30 Years		
Dallas, TX	(a) 2,965	9,066	—	—	2,965	9,066	12,031	(708)	1998	07/17/13	11 to 35 Years		
Danville, VA	(a) 957	2,813	—	—	957	2,813	3,770	(210)	2009	08/21/13	15 to 40 Years		
Danville, VA	(d) 469	1,263	—	—	469	1,263	1,732	(40)	1995	12/23/14	15 to 40 Years		
Dawsonville, GA	(a) 925	828	—	—	925	828	1,753	(113)	2005	07/17/13	7 to 27 Years		
Dayton, OH	(a) 1,026	907	—	—	1,026	907	1,933	(383)	2002	12/31/07	15 to 40 Years		
Dayton, TN	(a) 308	291	—	176	308	467	775	(184)	1979	11/02/07	15 to 30 Years		
De Witt, IA	(a) 248	333	—	—	248	333	581	(213)	1984	09/23/05	15 to 20 Years		
Decatur, AL	(a) 1,157	1,725	—	—	1,157	1,725	2,882	(213)	2004	07/17/13	10 to 30 Years		
Decorah, IA	(a) 207	91	—	—	207	91	298	(100)	1985	09/23/05	10 to 15 Years		

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Encumbrances Description (e)	Initial Cost to Company		Cost Capitalized Subsequent to Gross Amount at Acquisition including impairment					December 31, 2015 (g)		Total	Final Accum	
	Land and Improvements	Buildings, Improvements	Improvements/ Land	Improvements/ building	Land and Improvements	Buildings, Improvements						
DeKalb, IL	(a)	1,423	1,552	—1,423	1,552	2,975	(633)	1996	12/29/06	15 to 30 Years		
Dickinson, ND	(a)	616	1,301	—616	1,301	1,917	(375)	2003	12/29/06	15 to 40 Years		
Dodge City, KS	(a)	249	587	—249	587	836	(38)	1985	06/04/14	15 to 30 Years		
Dothan, AL	(a)	924	1,235	—924	1,235	2,159	(190)	1998	07/17/13	9 to 24 Years		
Douglasville, GA	(a)	712	669	—712	669	1,381	(222)	2003	02/28/06	15 to 40 Years		
Douglasville, GA	(a)	764	941	—764	941	1,705	(346)	1990	02/28/06	15 to 30 Years		
Douglasville, GA	(a)	127	—	—127	—	127	—	(f)	11/14/14	(f)		
Downey, CA	(a)	2,329	2,526	—2,329	2,526	4,855	(93)	1993	12/19/14	15 to 40 Years		
Dubuque, IA	(a)	479	298	—479	298	777	(328)	1970	09/23/05	10 to 15 Years		
Duluth, MN	(a)	74	423	—74	423	497	(120)	1915	05/24/05	15 to 30 Years		
Durham, NC	(d)	1,477	1,661	—1,477	1,661	3,138	(78)	1978	12/23/14	15 to 30 Years		
Dyersville, IA	(a)	267	513	—267	513	780	(319)	1983	09/23/05	14 to 20 Years		
Eagen, MN	(a)	724	1,230	—724	1,230	1,954	(83)	1996	05/22/14	15 to 30 Years		
Edinboro, PA	(a)	384	350	—384	350	734	(181)	1973	02/06/07	15 to 30 Years		
Effingham, IL	(a)	357	228	—357	228	585	(249)	1973	09/23/05	10 to 15 Years		
El Paso, TX	(d)	1,725	1,470	—1,725	1,470	3,195	(51)	2014	04/15/15	15 to 30 Years		
Elizabethton, TN	(a)	727	482	—727	482	1,209	(48)	2006	12/24/13	15 to 40 Years		
Elk Rapids, MI	(d)	227	947	—227	947	1,174	(6)	1998	11/09/15	15 to 30 Years		
Emmitsburg, MD	(a)	141	182	—141	182	323	(93)	1981	11/27/06	15 to 20 Years		
Emporia, KS	(a)	657	219	—657	219	876	(19)	1997	06/04/14	15 to 30 Years		
Ephrata, PA	(a)	685	231	—685	231	916	(170)	1978	01/30/06	15 to 20 Years		
Erie, PA	(a)	575	740	—575	740	1,315	(283)	1974	02/06/07	15 to 30 Years		
Erie, PA	(a)	463	565	—463	565	1,028	(232)	1973	02/06/07	15 to 30 Years		
Erie, PA	(a)	855	147	—855	147	1,002	(123)	1973	02/06/07	15 to 30 Years		
Evansville, IN	(a)	270	231	—270	231	501	(65)	2000	06/25/04	30 to 30 Years		
Fairborn, OH	(a)	923	468	—923	468	1,391	(240)	1998	06/25/04	15 to 30 Years		
Fairview Heights, IL	(a)	1,020	826	—1,020	826	1,846	(418)	1972	12/31/07	15 to 30 Years		
Findlay, OH	(d)	958	1,029	—958	1,029	1,987	(51)	1991	12/23/14	15 to 30 Years		
Florence, AL	(a)	794	1,742	—794	1,742	2,536	(206)	1995	07/17/13	8 to 27 Years		
Floyd, GA	(a)	973	415	—973	415	1,388	(160)	1993	02/28/06	15 to 30 Years		
Fort Smith, AR	(a)	1,503	1,323	—1,503	1,323	2,826	(781)	1993	09/23/05	15 to 20 Years		
Fort Wayne, IN	(a)	989	2,057	—989	2,057	3,046	(663)	2001	11/10/05	15 to 30 Years		
Fountain Hills, AZ	(a)	825	561	—825	561	1,386	(291)	1995	09/24/04	15 to 30 Years		
Fountain, CO	(b)	861	2,226	—861	2,226	3,087	(176)	2005	07/17/13	12 to 38 Years		
Frederick, MD	(a)	440	236	—5 440	241	681	(123)	1977	11/27/06	11 to 20 Years		
Fredericksburg, TX	1,504	511	1,516	—511	1,516	2,027	(158)	1985	07/17/13	11 to 30 Years		
Ft Wayne, IN	(a)	1,110	817	—1,110	817	1,927	(384)	2003	12/31/07	15 to 40 Years		

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Encumbrances Description (e)	Initial Cost to Company				Cost Capitalized Subsequent to Gross Amount at Acquisition including impairment December 31, 2015 (g)								Total	Final Accum
	Land and Improvements	Buildings, Improvements	Improvements/ Land	Improvements/ building	Land and Improvements	Buildings, Improvements	Improvements/ Land	Improvements/ building	Land and Improvements	Buildings, Improvements	Improvements/ Land	Improvements/ building		
Gadsden, AL	(a) 626	1,439 (229)	(506)	397 933	1,330 (265)	2007	12/21/07	10 to 50 Years						
Gallipolis, OH	(a) 375	1,295 —	—	375 1,295	1,670 (121)	1996	10/25/13	15 to 30 Years						
Gallup, NM	(b) 937	2,277 —	—	937 2,277	3,214 (190)	2004	07/17/13	13 to 40 Years						
Garden City, GA	(b) 1,184	1,465 —	—	1,184 1,465	2,649 (130)	1998	07/17/13	9 to 40 Years						
Garden City, KS	(a) 246	924 —	—	246 924	1,170 (73)	1984	12/24/13	15 to 30 Years						
Gardendale, AL	(a) 438	841 —	57	438 898	1,336 (112)	1996	03/29/13	8 to 29 Years						
Gaylord, MI	(a) 1,003	1,478 —	—	1,003 1,478	2,481 (99)	2014	11/05/14	14 to 30 Years						
Geneva, AL	(a) 522	570 —	—	522 570	1,092 (556)	1990	06/25/04	10 to 15 Years						
Geneva, NY	(a) 177	139 —	—	177 139	316 (146)	1975	08/27/09	8 to 13 Years						
Gilbert, AZ	(a) 643	1,669 —	—	643 1,669	2,312 (245)	2006	10/28/11	14 to 39 Years						
Glendale, AZ	(a) 1,480	1,329 —	—	1,480 1,329	2,809 (473)	1996	06/25/04	15 to 30 Years						
Glendale, AZ	(a) 1,236	272 —	—	1,236 272	1,508 (218)	1995	06/25/04	15 to 20 Years						
Golden, CO	(a) 649	334 —	—	649 334	983 (35)	1997	12/24/13	15 to 30 Years						
Grand Junction, CO	(b) 1,363	1,990 —	—	1,363 1,990	3,353 (171)	1995	07/17/13	10 to 40 Years						
Grand Rapids, MI	(a) 986	524 —	—	986 524	1,510 (40)	1985	10/31/14	14 to 30 Years						
Grandview, OH	(a) 2,164	1,165 —	—	2,164 1,165	3,329 (217)	1960	07/17/13	9 to 23 Years						
Greensboro, NC	(a) 1,009	444 —	—	1,009 444	1,453 (270)	2003	12/31/07	15 to 40 Years						
Grove City, PA	(a) 531	495 —	—	531 495	1,026 (220)	1976	02/06/07	15 to 30 Years						
Gurnee, IL	(a) 586	619 —	—	586 619	1,205 (342)	1995	06/25/04	15 to 20 Years						
Hagerstown, MD	(a) 546	342 —	68	546 410	956 (190)	1975	11/27/06	11 to 20 Years						
Hamilton, NY	(a) 145	152 —	—	145 152	297 (102)	1982	06/30/09	13 to 18 Years						
Hammond, IN	(a) 976	1,080 —	—	976 1,080	2,056 (75)	2014	12/24/14	14 to 30 Years						
Harriman, TN	(a) 314	143 —	176	314 319	633 (145)	1979	11/02/07	15 to 30 Years						
Harrisburg, PA	(a) 762	241 —	176	762 417	1,179 (253)	1977	01/30/06	15 to 20 Years						
Harrisburg, PA	(a) 611	239 —	—	611 239	850 (229)	1978	01/30/06	15 to 20 Years						
Harrisburg, PA	(a) 423	307 —	—	423 307	730 (153)	1973	01/30/06	15 to 20 Years						
Hermitage, PA	(d) 604	717 —	—	604 717	1,321 (299)	1978	02/06/07	10 to 25 Years						
Hilliard, OH	(a) 1,149	1,291 —	—	1,149 1,291	2,440 (540)	1997	09/24/04	15 to 30 Years						
Hiram, GA	(a) 1,006	1,142 —	—	1,006 1,142	2,148 (474)	1987	02/28/06	15 to 30 Years						
Hiram, GA	(a) 813	716 —	—	813 716	1,529 (137)	1999	07/17/13	6 to 21 Years						
Hiram, GA	(a) 1,255	1,766 —	—	1,255 1,766	3,021 (180)	2003	01/16/15	9 to 15 Years						
Hodgkins, IL	(a) 1,230	2,048 —	—	1,230 2,048	3,278 (728)	1993	12/29/06	15 to 30 Years						
Homewood, AL	(a) 583	839 —	—	583 839	1,422 (80)	2002	12/05/13	15 to 30 Years						
Houston, TX	(a) 1,098	439 —	—	1,098 439	1,537 (308)	1995	06/25/04	15 to 40 Years						
Houston, TX	(a) 1,156	352 (22)	—	1,134 352	1,486 (256)	1995	06/25/04	15 to 30 Years						
Houston, TX	(a) 585	561 —	—	585 561	1,146 (526)	1979	12/30/04	10 to 15 Years						
Houston, TX	(a) 2,844	1,620 —	—	2,844 1,620	4,464 (676)	1994	06/29/07	15 to 30 Years						
Houston, TX	(a) 2,348	1,348 —	—	2,348 1,348	3,696 (616)	1997	06/29/07	15 to 30 Years						

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	Land and Improvements	Buildings, Improvements	Improvements/ Land	Improvements/ building	Land and Improvements	Buildings, Improvements	Improvements/ Land	Improvements/ building	Land and Improvements	Buildings, Improvements	Improvements/ Land			
Huntington Park, CA	(a)	1,822	1,211	—	—	1,822	1,211	3,033	(60)	1957	12/19/14	15 to 30 Years		
Hutchinson, KS	(a)	895	856	—	—	895	856	1,751	(66)	1987	06/04/14	15 to 30 Years		
Hyattsville, MD	(a)	702	245	—	—	702	245	947	(148)	1985	11/27/06	15 to 20 Years		
Independence, IA	(a)	223	473	—	—	223	473	696	(463)	1976	09/23/05	10 to 15 Years		
Independence, MO	(a)	1,450	1,967	—	—	1,450	1,967	3,417	(599)	2002	06/29/07	15 to 40 Years		
Indiana, PA	(a)	331	323	—	—	331	323	654	(161)	1982	02/06/07	15 to 30 Years		
Indianapolis, IN	(a)	1,971	2,295	—	—	1,971	2,295	4,266	(577)	2003	11/10/05	15 to 40 Years		
Indianapolis, IN	(d)	703	1,223	—	—	703	1,223	1,926	(59)	1974	12/23/14	15 to 30 Years		
Indianapolis, IN	(d)	418	1,223	—	—	418	1,223	1,641	(44)	1992	12/23/14	15 to 30 Years		
Indianapolis, IN	(a)	590	633	—	—	590	633	1,223	(46)	2014	10/31/14	14 to 30 Years		
Jackson, MI	(a)	599	354	—	—	599	354	953	(39)	1997	12/24/13	15 to 30 Years		
Johnson City, TN	1,933	1,331	2,304	—	—	1,331	2,304	3,635	(269)	1996	07/17/13	12 to 30 Years		
Johnstown, PA	(a)	865	938	—	—	865	938	1,803	(229)	1998	07/17/13	8 to 20 Years		
Joliet, IL	(a)	1,994	1,207	—	—	1,994	1,207	3,201	(561)	1996	12/29/06	15 to 30 Years		
Kansas City, KS	(a)	796	609	—	—	796	609	1,405	(54)	2006	12/24/13	15 to 40 Years		
Kennesaw, GA	(a)	907	499	—	—	907	499	1,406	(216)	2001	02/28/06	15 to 40 Years		
Kimball, TN	(a)	367	283	—	176	367	459	826	(187)	1987	11/02/07	15 to 30 Years		
Kingwood, TX	(a)	936	387	—	—	936	387	1,323	(268)	1994	06/25/04	15 to 30 Years		
Knoxville, TN	(a)	296	343	—	176	296	519	815	(192)	1978	11/02/07	15 to 30 Years		
Knoxville, TN	(a)	172	700	—	—	172	700	872	(224)	1991	11/02/07	15 to 30 Years		
LaFayette, GA	(a)	246	434	—	176	246	610	856	(222)	1991	11/02/07	15 to 30 Years		
Lake Charles, LA	(a)	1,619	1,349	—	—	1,619	1,349	2,968	(213)	1987	07/17/13	10 to 24 Years		
Lakeville, MN	(a)	342	439	—	—	342	439	781	(156)	1988	05/24/05	15 to 30 Years		
Lancaster, PA	(a)	308	161	—	—	308	161	469	(103)	1977	07/25/06	15 to 30 Years		
Lander, WY	(a)	57	1,010	—	—	57	1,010	1,067	(456)	1883	12/29/06	15 to 20 Years		
Lanham, MD	(a)	302	193	—	200	302	393	695	(153)	1980	11/27/06	13 to 20 Years		
Lawrence, KS	(a)	478	209	—	—	478	209	687	(14)	1974	06/04/14	15 to 30 Years		
Lebanon, PA	(a)	616	316	—	176	616	492	1,108	(263)	1980	01/30/06	15 to 20 Years		
Leeds, AL	(a)	907	926	—	31	907	957	1,864	(643)	2003	09/26/06	9 to 40 Years		
Lewis Center, OH	(a)	626	560	—	—	626	560	1,186	(245)	1998	06/25/04	15 to 30 Years		
Lewiston, ID	(d)	1,080	866	—	—	1,080	866	1,946	(49)	1996	12/23/14	15 to 30 Years		
Lexington, KY	(a)	1,267	944	—	—	1,267	944	2,211	(530)	1996	02/26/07	14 to 30 Years		
Lexington, NC	(a)	910	1,059	—	—	910	1,059	1,969	(117)	1998	10/25/13	15 to 30 Years		
Little Rock, AR	(a)	699	1,700	(344)	(592)	355	1,108	1,463	(822)	1972	02/26/07	14 to 20 Years		
Little Rock, AR	(a)	886	—	—	—	886	—	886	—	(f)	06/26/14	(f)		
Littleton, CO	(b)	696	1,943	—	—	696	1,943	2,639	(154)	1990	07/17/13	11 to 40 Years		
Littleton, CO	(a)	501	629	—	—	501	629	1,130	(55)	1992	12/24/13	15 to 30 Years		

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	Land and Improvements	Buildings, Improvements	Improvements/ Land	Improvements/ building	Land and Improvements	Buildings, Improvements	Improvements/ Land	Improvements/ building	Land and Improvements	Buildings, Improvements	Improvements/ Land		
Longview, WA	(b) 870	2,855	—	—	870	2,855	3,725	(216)	2004	07/17/13	13 to 40 Years		
Loveland, CO	(b) 602	1,913	—	—	602	1,913	2,515	(139)	1997	07/17/13	12 to 40 Years		
Lufkin, TX	(a) 927	790	—	—	927	790	1,717	(616)	1970	02/26/07	14 to 20 Years		
Lynchburg, VA	(a) 2,033	2,013	—	—	2,033	2,013	4,046	(216)	2000	08/21/13	15 to 30 Years		
Mableton, GA	(a) 454	826	—	—	454	826	1,280	(276)	1987	02/28/06	15 to 30 Years		
Mableton, GA	(a) 634	578	—	—	634	578	1,212	(213)	1981	02/28/06	15 to 30 Years		
Macon, GA	(b) 838	1,723	—	—	838	1,723	2,561	(142)	1995	07/17/13	13 to 40 Years		
Macon, GA	(b) 874	1,712	—	—	874	1,712	2,586	(147)	1995	07/17/13	11 to 40 Years		
Madill, OK	(a) 352	648	—	—	352	648	1,000	(656)	1972	06/25/04	10 to 15 Years		
Manchester, IA	(a) 351	495	—	—	351	495	846	(483)	1977	09/23/05	10 to 15 Years		
Manhattan, KS	(a) 816	388	—	—	816	388	1,204	(27)	1987	06/04/14	15 to 30 Years		
Maple Grove, MN	(a) 1,852	1,096	—	—	1,852	1,096	2,948	(501)	1997	09/24/04	15 to 30 Years		
Maquoketa, IA	(a) 184	90	—	—	184	90	274	(123)	1973	09/23/05	10 to 15 Years		
Marietta, GA	(a) 797	428	—	—	797	428	1,225	(221)	1990	02/28/06	15 to 30 Years		
Marietta, GA	(a) 1,221	1,533	—	—	1,221	1,533	2,754	(155)	2003	01/16/15	9 to 15 Years		
Mars, PA	(a) 946	2,221	—	—	946	2,221	3,167	(812)	1990	06/25/04	15 to 30 Years		
Mason, OH	(a) 619	599	—	—	619	599	1,218	(64)	1994	12/24/13	15 to 30 Years		
Maumee, OH	(a) 1,505	1,817	(754)	(668)	751	1,149	1,900	(641)	1997	09/24/04	15 to 30 Years		
Mayfield, KY	(a) 307	596	—	—	307	596	903	(300)	1997	06/25/04	15 to 30 Years		
McAllen, TX	(a) 1,819	1,188	—	—	1,819	1,188	3,007	(598)	1997	06/29/07	15 to 30 Years		
Meadville, PA	(a) 981	1,056	—	—	981	1,056	2,037	(389)	1983	02/06/07	15 to 30 Years		
Meadville, PA	(d) 652	1,284	—	—	652	1,284	1,936	(66)	1991	12/23/14	15 to 30 Years		
Mechanicsburg, PA	(a) 801	481	—	—	801	481	1,282	(293)	1995	01/30/06	15 to 20 Years		
Melbourne, FL	(a) 2,005	794	—	—	2,005	794	2,799	(381)	1986	12/31/07	15 to 40 Years		
Memphis, TN	(a) 817	1,637	—	—	817	1,637	2,454	(167)	2005	01/16/15	9 to 15 Years		
Mendota, MN	(a) 536	963	—	—	536	963	1,499	(64)	1995	05/22/14	15 to 30 Years		
Mentor, OH	(a) 873	790	—	—	873	790	1,663	(343)	2003	12/31/07	15 to 40 Years		
Mesa, AZ	(a) 1,318	234	—	—	1,318	234	1,552	(211)	1995	06/25/04	15 to 20 Years		
Mesa, AZ	(a) 676	911	—	—	676	911	1,587	(163)	1978	10/28/11	14 to 39 Years		
Mesa, AZ	(d) 422	1,002	—	—	422	1,002	1,424	(92)	1990	06/14/13	15 to 40 Years		
Metairie, LA	(b) 800	3,016	—	—	800	3,016	3,816	(259)	1964	07/17/13	10 to 30 Years		
Middleburg Heights, OH	(a) 1,456	793	—	—	1,456	793	2,249	(312)	1987	02/06/07	15 to 30 Years		
Midlothian, VA	(a) 823	1,151	—	246	823	1,397	2,220	(434)	1994	11/28/06	15 to 30 Years		
Monroe, MI	(d) 927	897	—	—	927	897	1,824	(53)	1996	12/23/14	15 to 30 Years		
Moody, AL	(a) 518	800	—	57	518	857	1,375	(111)	1997	03/29/13	8 to 29 Years		
Morrow, GA	(a) 652	450	—	—	652	450	1,102	(190)	1995	02/28/06	15 to 30 Years		
Muskogee, OK	(a) 968	1,259	(448)	(568)	520	691	1,211	(618)	1984	02/26/07	14 to 30 Years		
New Boston, OH	(a) 599	1,498	—	—	599	1,498	2,097	(134)	1996	10/25/13	15 to 30 Years		

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Encumbrances Description (c)	Initial Cost to Company			Cost Capitalized Subsequent to Gross Amount at Acquisition including impairment December 31, 2015 (g)								Total	Final Accum	
	Land and Improvements	Buildings, Improvements	Improvements/ Land	Improvements/ Land	Improvements/ building	Land and Improvements	Buildings, Improvements	Improvements/ Land	Improvements/ building	Land and Improvements	Buildings, Improvements			
New Cumberland, PA	(a)	634	278	-176	634	454	1,088	(255)	1990	01/30/06	15 to 20 Years			
Newport News, VA	(d)	1,184	311	—	1,184	311	1,495	(257)	1995	06/25/04	10 to 25 Years			
Newton, KS	(a)	175	661	—	175	661	836	(45)	1987	06/30/14	15 to 30 Years			
Norcross, GA	(a)	678	402	—	678	402	1,080	(215)	1982	02/28/06	15 to 20 Years			
Norman, OK	(a)	1,466	2,294	—	1,466	2,294	3,760	(940)	1992	07/02/07	14 to 30 Years			
North Little Rock, AR	(a)	1,398	1,289	—	1,398	1,289	2,687	(714)	1993	09/23/05	15 to 20 Years			
Oak Ridge, TN	(d)	988	1,019	—	988	1,019	2,007	(48)	1994	12/23/14	15 to 30 Years			
Oklahoma City, OK	(a)	479	1,877	—	479	1,877	2,356	(196)	1904	12/02/13	20 to 20 Years			
Oklahoma, OK	(a)	481	2,315	—	481	2,315	2,796	(161)	1920	12/02/13	30 to 30 Years			
Olean, NY	(a)	355	663	—	355	663	1,018	(269)	1977	02/06/07	15 to 30 Years			
Orange City, FL	(a)	409	694	—	409	694	1,103	(392)	1984	09/24/04	11 to 20 Years			
Orlando, FL	(a)	2,006	571	—	2,006	571	2,577	(264)	2002	12/31/07	15 to 40 Years			
Ottawa, KS	(a)	348	816	—	348	816	1,164	(56)	1987	06/04/14	15 to 30 Years			
Overland Park, KS	(a)	953	886	—	953	886	1,839	(124)	2009	08/22/13	15 to 20 Years			
Overland Park, KS	(a)	2,549	3,219	—	2,549	3,219	5,768	(218)	1983	05/15/14	15 to 30 Years			
Owensboro, KY	(a)	250	502	—	250	502	752	(141)	1991	06/25/04	30 to 30 Years			
Oxford, AL	(d)	489	1,212	—	489	1,212	1,701	(56)	1991	12/23/14	15 to 30 Years			
Paris, TX		1,790	552	1,821	—	552	1,821	2,373	(170)	1999	07/17/13	11 to 35 Years		
Pasadena, TX	(a)	847	832	—	847	832	1,679	(780)	1973	12/30/04	10 to 15 Years			
Pasadena, TX	(a)	810	739	—	810	739	1,549	(704)	1977	12/30/04	10 to 15 Years			
Pelham, AL	(a)	605	922	-57	605	979	1,584	(124)	1998	03/29/13	8 to 29 Years			
Phoenix, AZ	(a)	787	663	—	787	663	1,450	(160)	1964	10/28/11	14 to 29 Years			
Picayune, MS	(a)	1,250	1,409	—	1,250	1,409	2,659	(182)	1999	07/17/13	7 to 29 Years			
Pico Rivera, CA	(a)	2,785	3,126	—	2,785	3,126	5,911	(115)	2014	12/19/14	15 to 40 Years			
Pittsburgh, PA	(a)	1,289	1,871	—	1,289	1,871	3,160	(671)	1992	06/25/04	15 to 30 Years			
Pittsburgh, PA	(a)	1,481	676	—	1,481	676	2,157	(316)	2006	12/31/07	15 to 40 Years			
Plano, TX	(a)	2,418	1,529	—	2,418	1,529	3,947	(543)	1998	06/29/07	15 to 40 Years			
Powell, TN	(a)	252	377	-176	252	553	805	(212)	1982	11/02/07	15 to 30 Years			
Princeton, WV	(a)	948	2,212	—	948	2,212	3,160	(294)	2001	07/17/13	11 to 25 Years			
Queen Creek, AZ	(d)	609	1,159	—	609	1,159	1,768	(117)	2004	06/14/13	15 to 40 Years			
Rapid City, SD	(a)	878	1,657	—	878	1,657	2,535	(736)	1902	12/29/06	15 to 20 Years			
Rawlins, WY	(a)	25	406	—	25	406	431	(194)	1958	12/29/06	15 to 20 Years			
Reston, VA	(a)	1,033	193	—	1,033	193	1,226	(124)	1977	11/27/06	15 to 20 Years			
Richmond, VA	(a)	1,253	1,410	-29	1,253	1,439	2,692	(469)	1977	11/28/06	15 to 30 Years			
Richmond, VA	(d)	993	922	—	993	922	1,915	(42)	2003	03/20/15	13 to 20 Years			
Ringgold, GA	(a)	387	374	—	387	374	761	(158)	1990	11/02/07	15 to 30 Years			

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Encumbrances Description (e)	Initial Cost to Company				Cost Capitalized Subsequent to Acquisition including impairment				Gross Amount at December 31, 2015 (g)			Total	Final Accum
	Land and Improvements	Buildings, Improvements	Improvements/ Land	Improvements/ building	Land and Improvements	Buildings, Improvements	Improvements/ Land	Improvements/ building	Land and Improvements	Buildings, Improvements	Improvements/ Land		
Riverside, CA	(a) 1,988	1,211	—	—	1,988	1,211	3,199	(68)	2002	12/19/14	15 to 30 Years		
Roanoke, VA	(a) 1,362	1,836	—	—	1,362	1,836	3,198	(167)	1996	08/21/13	15 to 30 Years		
Rock Falls, IL	(a) 314	631	—	—	314	631	945	(262)	1995	09/23/05	15 to 30 Years		
Salem, IL	(a) 271	218	—	—	271	218	489	(101)	2000	07/28/04	15 to 30 Years		
Salina, KS	(d) 764	1,100	—	—	764	1,100	1,864	(56)	1994	12/23/14	15 to 30 Years		
San Antonio, TX	(a) 1,204	—	—	519	1,204	519	1,723	(30)	1993	09/26/13	30 to 30 Years		
Santa Ana, CA	(a) 2,112	1,501	—	—	2,112	1,501	3,613	(69)	1976	12/19/14	15 to 30 Years		
Santa Fe, NM	(b) 2,120	2,033	—	—	2,120	2,033	4,153	(167)	1997	07/17/13	13 to 40 Years		
Sarasota, FL	(a) 2,758	412	—	—	2,758	412	3,170	(96)	2000	07/17/13	12 to 25 Years		
Savannah, GA	(b) 1,112	1,727	—	—	1,112	1,727	2,839	(146)	1993	07/17/13	13 to 40 Years		
Shawnee, OK	(a) 621	1,399	—	—	621	1,399	2,020	(113)	1984	07/29/05	15 to 30 Years		
Shelbyville, IN	(d) 549	752	—	—	549	752	1,301	(230)	2006	12/21/07	15 to 50 Years		
Sherman, TX	(a) 1,013	1,286	(415)	(542)	598	744	1,342	(678)	1994	02/26/07	14 to 30 Years		
Shreveport, LA	(a) 759	964	—	—	759	964	1,723	(506)	1964	02/26/07	14 to 20 Years		
Silver Spring, MD	(a) 1,008	251	—	—	1,008	251	1,259	(163)	1983	11/27/06	15 to 20 Years		
Sioux Falls, SD	(a) 639	206	—	—	639	206	845	(20)	1994	12/24/13	15 to 30 Years		
Soddy Daisy, TN	(a) 316	405	—	—	316	405	721	(172)	1989	11/02/07	15 to 30 Years		
Springfield, IL	(a) 1,115	772	—	—	1,115	772	1,887	(323)	1996	12/31/07	15 to 40 Years		
Springfield, MO	(a) 1,655	1,467	—	—	1,655	1,467	3,122	(691)	1993	09/23/05	15 to 30 Years		
Stillwater, MN	(a) 1,051	1,051	—	—	1,051	1,051	2,102	(525)	1998	09/24/04	15 to 30 Years		
Stillwater, OK	(a) 647	687	—	—	647	687	1,334	(52)	1987	06/04/14	15 to 30 Years		
Stillwater, OK	(d) 611	1,447	—	—	611	1,447	2,058	(54)	1995	12/23/14	15 to 30 Years		
Sweetwater, TN	(a) 231	307	—	—	231	307	538	(137)	1979	11/02/07	15 to 30 Years		
Syracuse, NY	(d) 734	1,518	—	—	734	1,518	2,252	(73)	1981	12/23/14	15 to 30 Years		
Taylorville, IL	(a) 154	352	—	—	154	352	506	(319)	1980	09/23/05	10 to 15 Years		
Thornton, CO	(a) 943	128	—	—	943	128	1,071	(14)	1996	12/24/13	15 to 30 Years		
Thurmont, MD	(a) 857	307	—	68	857	375	1,232	(190)	1985	11/27/06	11 to 20 Years		
Tifton, GA	(d) 642	1,009	—	—	642	1,009	1,651	(40)	1995	12/23/14	15 to 40 Years		
Tilton, NH	(b) 1,565	—	—	—	1,565	—	1,565	—	(f)	07/17/13	(f)		
Tipton, IA	(a) 240	408	—	—	240	408	648	(434)	1991	09/23/05	10 to 15 Years		
Titusville, PA	(a) 247	438	—	—	247	438	685	(183)	1976	04/29/11	11 to 26 Years		
Topeka, KS	(a) 1,224	905	—	—	1,224	905	2,129	(82)	1988	06/04/14	15 to 30 Years		
Torrance, CA	(a) 3,509	2,754	—	—	3,509	2,754	6,263	(103)	1998	12/19/14	15 to 40 Years		
Traverse City, MI	(d) 651	1,255	—	—	651	1,255	1,906	(9)	2004	11/09/15	15 to 30 Years		
Trenton, GA	(a) 300	227	—	—	300	227	527	(126)	1991	11/02/07	15 to 30 Years		
Trussville, AL	(b) 1,222	1,770	—	—	1,222	1,770	2,992	(170)	2007	07/17/13	12 to 38 Years		
Trussville, AL	(a) 909	892	—	57	909	949	1,858	(136)	2000	03/29/13	8 to 29 Years		
Trussville, AL	(a) 796	256	—	—	796	256	1,052	(34)	1998	12/24/13	15 to 30 Years		
Tullahoma, TN	(d) 520	886	—	—	520	886	1,406	(37)	1996	12/23/14	15 to 40 Years		

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Encumbrances Description (e)	Initial Cost to Company				Cost Capitalized Subsequent to Acquisition including impairment				Gross Amount at December 31, 2015 (g)			Total	Final Accum	
	Land and Improvements	Buildings, Improvements	Improvements/ Land	Improvements/ building	Land and Improvements	Buildings, Improvements	Land and Improvements	Buildings, Improvements	Land and Improvements	Buildings, Improvements	Land and Improvements			Buildings, Improvements
Tulsa, OK	(a) 983	1,232 (497)	(573)	486 659	1,145 (570)	1976	02/26/07	14 to 30 Years						
Tulsa, OK	(a) 1,540	1,997 —	—	1,540 1,997	3,537 (649)	2002	07/02/07	14 to 40 Years						
Tulsa, OK	(a) 1,465	1,728 —	—	1,465 1,728	3,193 (116)	2013	07/21/14	14 to 30 Years						
Tupelo, MS	(a) 1,131	1,175 —	—	1,131 1,175	2,306 (172)	1995	07/17/13	7 to 26 Years						
Union Gap, WA	(b) 522	2,218 —	—	522 2,218	2,740 (155)	2004	07/17/13	13 to 40 Years						
Upper Marlboro, MD	(a) 290	172 —	—	290 172	462 (122)	1983	11/27/06	15 to 20 Years						
Vandalia, IL	(a) 409	202 —	—	409 202	611 (296)	1977	09/23/05	10 to 15 Years						
Villa Rica, GA	(a) 807	629 —	—	807 629	1,436 (284)	1999	02/28/06	15 to 30 Years						
Vinton, IA	(a) 121	114 —	—	121 114	235 (150)	1978	09/23/05	10 to 15 Years						
Walkersville, MD	(a) 381	238 —	68	381 306	687 (139)	1985	11/27/06	11 to 20 Years						
Walla Walla, WA	(b) 665	2,072 —	—	665 2,072	2,737 (197)	2005	07/17/13	11 to 35 Years						
Warner Robins, GA	(b) 1,228	1,714 —	—	1,228 1,714	2,942 (150)	1994	07/17/13	11 to 40 Years						
Warren, OH	(a) 973	640 —	—	973 640	1,613 (262)	1999	02/06/07	15 to 30 Years						
Warren, PA	(a) 383	427 —	—	383 427	810 (210)	1970	02/06/07	15 to 30 Years						
Warrenton, VA	(a) 378	254 —	—	378 254	632 (152)	1985	12/19/06	14 to 20 Years						
Warwick, RI	(a) 1,593	1,314 —	—	1,593 1,314	2,907 (481)	1990	12/31/07	15 to 40 Years						
Waterford, MI	(d) 761	1,958 —	—	761 1,958	2,719 (62)	1997	02/10/15	15 to 40 Years						
Wesley Chapel, FL	(d) 2,672	1,725 —	—	2,672 1,725	4,397 (24)	2015	08/18/15	14 to 40 Years						
Whittier, CA	(a) 1,439	1,874 —	—	1,439 1,874	3,313 (66)	1991	12/19/14	15 to 40 Years						
Wichita Falls, TX	(a) 851	1,077 (271)	(317)	580 760	1,340 (772)	1976	02/26/07	14 to 20 Years						
Winfield, KS	(a) 239	866 —	—	239 866	1,105 (64)	1995	06/04/14	15 to 30 Years						
Woodbury, MN	(a) 3,165	1,707 —	—	3,165 1,707	4,872 (148)	1995	05/22/14	15 to 30 Years						
Youngstown, OH	(a) 1,560	557 —	—	1,560 557	2,117 (239)	1985	02/06/07	15 to 30 Years						
Restaurants - Quick Service														
Aberdeen, NC	(a) 564	338 —564	338 902	(35)	1994	09/17/13	15 to 30 Years							
Abilene, TX	(d) 198	311 —198	311 509	(42)	1975	07/17/13	10 to 26 Years							
Adairsville, GA	(a) 557	318 —557	318 875	(158)	1986	09/29/06	15 to 20 Years							
Akron, OH	(a) 247	198 —247	198 445	(123)	1971	05/25/05	15 to 20 Years							
Akron, OH	(a) 218	273 —218	273 491	(147)	1976	05/25/05	15 to 20 Years							
Akron, OH	(a) 310	394 —310	394 704	(208)	1982	05/25/05	15 to 20 Years							
Alamo, TX	(d) 1,745	715 —1,745	715 2,460	(62)	1984	07/17/13	9 to 35 Years							
Albermarle, NC	(a) 639	310 —639	310 949	(35)	1993	09/17/13	15 to 30 Years							
Albuquerque, NM	(d) 265	575 —265	575 840	(85)	1980	07/17/13	11 to 26 Years							
Albuquerque, NM	(d) 466	591 —466	591 1,057	(66)	1976	07/17/13	11 to 35 Years							

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Encumbrances Description (e)	Initial Cost to Company		Cost Capitalized Subsequent to Gross Amount at Acquisition including impairment					December 31, 2015 (g)	Total	Final Accum
	Land and Improvements	Buildings, Improvements	Improvements/ Land	Improvements/ building	Land and Improvements	Buildings, Improvements				
Albuquerque, NM	(d) 267	439	—267	439	706	(74)	1975 07/17/13	11 to 25 Years		
Albuquerque, NM	(d) 293	300	—293	300	593	(63)	1976 07/17/13	11 to 25 Years		
Altus, OK	(d) 70	413	—70	413	483	(53)	1980 07/17/13	7 to 25 Years		
Altus, OK	(a) 103	237	—103	237	340	(35)	2007 07/17/13	4 to 28 Years		
Amarillo, TX	(d) 538	615	—538	615	1,153	—	1985 12/29/15	15 to 30 Years		
Americus, GA	(d) 282	406	—282	406	688	(70)	1978 07/17/13	11 to 23 Years		
Anderson, IN	(a) 363	700	—363	700	1,063	(130)	1995 07/17/13	8 to 17 Years		
Apopka, FL	(a) 1,038	482	—1,038	482	1,520	(520)	1977 06/25/04	10 to 15 Years		
Arlington, TX	(d) 168	188	—168	188	356	(43)	1968 07/17/13	9 to 20 Years		
Artesia, NM	(a) 435	1,106	—435	1,106	1,541	(87)	1984 04/16/14	15 to 30 Years		
Atlanta, GA	(a) 513	483	—513	483	996	(80)	2002 02/02/12	15 to 30 Years		
Atlanta, GA	(d) 336	346	—336	346	682	(72)	1981 07/17/13	11 to 22 Years		
Atlanta, GA	(d) 554	258	—554	258	812	(59)	1980 07/17/13	11 to 23 Years		
Atlanta, GA	(d) 683	5	—683	5	688	(35)	1975 07/17/13	11 to 23 Years		
Atlanta, GA	(d) 394	268	—394	268	662	(74)	1975 07/17/13	11 to 16 Years		
Atlanta, GA	(a) 488	653	—488	653	1,141	(103)	1995 02/02/12	15 to 30 Years		
Atlanta, GA	(a) 309	867	—309	867	1,176	(74)	1994 12/24/13	15 to 30 Years		
Auburn, CA	(a) 579	299	—579	299	878	(125)	1992 12/29/06	15 to 30 Years		
Aurora, IL	(a) 286	726	—286	726	1,012	(307)	1998 12/29/06	15 to 30 Years		
Austin, TX	(d) 699	417	—699	417	1,116	(60)	1975 07/17/13	11 to 29 Years		
Austin, TX	(d) 531	794	—531	794	1,325	(75)	1967 07/17/13	11 to 32 Years		
Austin, TX	(d) 904	477	—904	477	1,381	(48)	1976 07/17/13	11 to 35 Years		
Austin, TX	(d) 418	872	—418	872	1,290	(77)	1986 07/17/13	11 to 35 Years		
Austin, TX	(d) 689	634	—689	634	1,323	(76)	2003 07/17/13	11 to 35 Years		
Balch Springs, TX	(d) 329	576	—329	576	905	(80)	1986 07/17/13	11 to 31 Years		
Bartlett, TN	(a) 411	—	—411	—	411	—	(f) 10/30/13	(f)		
Bartonville, IL	(a) 410	856	—410	856	1,266	(134)	1980 12/21/12	15 to 30 Years		
Baton Rouge, LA	(a) 565	286	—565	286	851	(203)	1991 06/25/04	15 to 20 Years		
Baton Rouge, LA	(a) 391	599	—391	599	990	(317)	1980 09/24/04	15 to 20 Years		
Baton Rouge, LA	(a) 594	417	—594	417	1,011	(268)	1979 06/25/04	15 to 20 Years		
Baton Rouge, LA	(a) 747	558	—747	558	1,305	(359)	1984 09/24/04	15 to 20 Years		
Baton Rouge, LA	(a) 472	642	—472	642	1,114	(258)	1987 09/24/04	15 to 30 Years		

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	Land and Improvements	Buildings, Improvements	Improvements/ Land	Improvements/ building	Land and Improvements	Buildings, Improvements	Land and Improvements	Buildings, Improvements	Land and Improvements	Buildings, Improvements		
Bay Minette, AL	(a) 583 754	— —	583 754	1,337 (50)	2000 09/22/14	15 to 30 Years						
Beaumont, TX	(d) 581 284	— —	581 284	865 (11)	2001 08/31/15	15 to 20 Years						
Beaumont, TX	(d) 777 246	— —	777 246	1,023 (12)	2000 08/31/15	15 to 20 Years						
Beaumont, TX	(d) 758 325	— —	758 325	1,083 (12)	2007 08/31/15	15 to 30 Years						
Beeville, TX	(d) 120 488	— —	120 488	608 (67)	1972 07/17/13	9 to 25 Years						
Bellefontaine, OH	(a) 388 778	(12) —	376 778	1,154 (387)	1989 12/29/06	15 to 20 Years						
Bentonville, AR	(a) 635 900	— —	635 900	1,535 (354)	2004 07/07/05	15 to 30 Years						
Birmingham, AL	(d) 192 656	— —	192 656	848 (106)	1981 07/17/13	7 to 19 Years						
Birmingham, AL	(d) 120 151	— —	120 151	271 (40)	1970 07/17/13	6 to 15 Years						
Birmingham, AL	(d) 119 158	— —	119 158	277 (38)	1970 07/17/13	5 to 15 Years						
Birmingham, AL	(d) 107 508	— —	107 508	615 (78)	1983 07/17/13	7 to 19 Years						
Birmingham, AL	(d) 131 526	— —	131 526	657 (84)	1984 07/17/13	7 to 19 Years						
Bloomington, IL	(a) 426 1,956	13 (1,956)	439 —	439 (71)	1992 12/29/06	15 to 15 Years						
Bloomsburg, PA	(d) 698 823	— —	698 823	1,521 (42)	1993 11/18/14	15 to 30 Years						
Blue Springs, MO	(d) 688 119	101 (119)	789 —	789 —	(f) 08/27/09	(f)						
Bolingbrook, IL	(a) 762 821	— —	762 821	1,583 (436)	1994 09/23/05	15 to 20 Years						
Boone, NC	(a) 750 379	— —	750 379	1,129 (190)	2006 12/29/06	15 to 30 Years						
Bowling Green, KY	(d) 756 205	— —	756 205	961 (46)	2007 07/17/13	4 to 39 Years						
Brazil, IN	(a) 391 903	— —	391 903	1,294 (100)	1996 07/17/13	8 to 33 Years						
Bristol, TN	(a) 484 134	— —	484 134	618 (199)	1991 07/01/05	15 to 20 Years						
Bristol, TN	(a) 474 282	— —	474 282	756 (107)	1985 12/21/12	10 to 15 Years						
Bristol, VA	(a) 492 366	— —	492 366	858 (102)	1982 12/21/12	15 to 20 Years						
Bristol, VA	(a) 369 564	— —	369 564	933 (114)	1991 12/21/12	15 to 20 Years						
Brownsville, TX	(d) 795 556	— —	795 556	1,351 (51)	1977 07/17/13	10 to 35 Years						
Brownsville, TX	(d) 667 785	— —	667 785	1,452 (71)	1985 07/17/13	10 to 35 Years						
Brownsville, TX	(d) 369 679	— —	369 679	1,048 (69)	1972 07/17/13	11 to 35 Years						
Brownsville, TX	(d) 267 652	— —	267 652	919 (58)	2000 07/17/13	10 to 35 Years						
Brownsville, TX	(d) 430 656	— —	430 656	1,086 (94)	1985 07/17/13	11 to 29 Years						
Brownsville, TX	(d) 571 930	— —	571 930	1,501 (99)	2002 07/17/13	11 to 35 Years						
Brunswick, GA	(a) 774 614	— —	774 614	1,388 (331)	1999 09/24/04	15 to 20 Years						
Bryan, TX	(d) 441 766	— —	441 766	1,207 (63)	1972 07/17/13	10 to 35 Years						
Buckhannon, WV	(a) 438 529	— —	438 529	967 (106)	1978 12/21/12	15 to 20 Years						
Buffalo, NY	(a) 737 629	— —	737 629	1,366 (218)	1993 11/10/05	15 to 30 Years						
Buffalo, NY	(a) 821 694	— —	821 694	1,515 (244)	1976 11/10/05	15 to 30 Years						
Calhoun, GA	(a) 503 713	— —	503 713	1,216 (118)	1988 02/02/12	15 to 30 Years						
Canton, OH	(a) 215 483	— —	215 483	698 (224)	1974 05/25/05	15 to 20 Years						

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Encumbrances Description (e)	Initial Cost to Company		Buildings, Improvements		Improvements/ Land		Improvements/ building		Land and Improvements		Buildings, Improvements		Total	Final Accum
	Land and Improvements	Buildings, Improvements	Land	Improvements/ building	Land and Improvements	Improvements/ building	Land and Improvements	Buildings, Improvements						
Carrollton, GA	(a) 613	503	—613	503	1,116	(115)	1988	02/02/12	15 to 20	Years				
Carrollton, KY	(a) 229	730	—229	730	959	(263)	1990	06/30/09	13 to 28	Years				
Carrollton, TX	(d) 361	415	—361	415	776	(70)	1997	07/17/13	11 to 25	Years				
Cedar Hill, TX	(a) 620	501	—620	501	1,121	(245)	2005	12/29/06	15 to 30	Years				
Champlin, MN	(d) 710	408	—710	408	1,118	(26)	2004	03/20/15	8 to 20	Years				
Chattanooga, TN	(a) 482	682	—482	682	1,164	(292)	1997	06/25/04	15 to 30	Years				
Chattanooga, TN	(a) 600	389	—600	389	989	(157)	1995	09/29/06	15 to 30	Years				
Chattanooga, TN	(d) 175	271	—175	271	446	(41)	2007	07/17/13	3 to 26	Years				
Cheektowaga, NY	(a) 561	549	—561	549	1,110	(207)	1985	11/10/05	15 to 30	Years				
Chicago, IL	(a) 313	275	—313	275	588	(138)	1982	05/25/05	15 to 20	Years				
Chicago, IL	(a) 340	220	—340	220	560	(128)	1975	05/25/05	15 to 20	Years				
Chicago, IL	(a) 242	244	—242	244	486	(141)	1970	05/25/05	15 to 20	Years				
Chicago, IL	(a) 242	256	—242	256	498	(135)	1974	05/25/05	15 to 20	Years				
Chicago, IL	(a) 532	279	—532	279	811	(149)	1982	05/25/05	15 to 20	Years				
Chicago, IL	(a) 289	260	—289	260	549	(134)	1982	05/25/05	15 to 20	Years				
Chicago, IL	(a) 976	271	—976	271	1,247	(276)	1987	09/23/05	10 to 15	Years				
Christiansburg, VA	(a) 666	168	—666	168	834	(249)	1994	07/01/05	15 to 20	Years				
Cleburne, TX	(d) 129	482	—129	482	611	(65)	1997	07/17/13	9 to 25	Years				
Cleveland, TN	(a) 501	459	—501	459	960	(165)	2004	12/29/06	15 to 40	Years				
College Park, GA	(d) 839	1,439	—839	1,439	2,278	(30)	2007	07/01/15	15 to 30	Years				
Collierville, TN	(a) 539	—	—539	—	539	—	(f)	10/30/13	(f)					
Columbia, MO	(a) 339	1,126	—339	1,126	1,465	(91)	1985	12/24/13	15 to 30	Years				
Columbus, GA	(d) 640	403	—640	403	1,043	(72)	1983	07/17/13	11 to 23	Years				
Columbus, GA	(d) 342	49	—342	49	391	(38)	1978	07/17/13	9 to 23	Years				
Columbus, OH	(a) 268	354	—268	354	622	(194)	1975	05/25/05	15 to 20	Years				
Columbus, OH	(a) 294	262	—294	262	556	(158)	1976	05/25/05	15 to 20	Years				
Commerce, GA	(a) 219	797	—219	797	1,016	(69)	1990	12/24/13	15 to 30	Years				
Concord, NC	(a) 244	310	—244	310	554	(32)	1993	09/17/13	15 to 30	Years				
Concord, NC	(a) 855	348	—855	348	1,203	(46)	2004	09/17/13	15 to 30	Years				
Conroe, TX	(d) 375	692	—375	692	1,067	—	1985	12/29/15	15 to 30	Years				
Conyers, GA	(a) 463	557	—463	557	1,020	(70)	2008	02/02/12	15 to 40	Years				
Conyers, GA	(a) 509	706	—509	706	1,215	(110)	1984	02/02/12	15 to 30	Years				
Copperas Cove, TX	(d) 186	249	—186	249	435	(38)	1973	07/17/13	11 to 23	Years				

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Encumbrances Description (e)	Initial Cost to Company		Buildings,		Improvements/		Improvements/		Land and		Buildings, Improvements	Total	Final Accum
	Land and Improvements	Improvements	Land	Improvements/	Improvements/	Land and	Improvements	Improvements					
Cordele, GA	(d) 459	181	—459	181	640	(37)	1980	07/17/13	11 to 35	Years			
Council Bluffs, IA	(a) 393	484	—393	484	877	(71)	2008	10/03/11	15 to 40	Years			
Covington, GA	(a) 526	665	—526	665	1,191	(104)	2001	02/02/12	15 to 30	Years			
Covington, TN	(d) 343	152	—343	152	495	(48)	2007	07/17/13	3 to 24	Years			
Crawfordsville, IN	(a) 557	624	—557	624	1,181	(261)	1998	09/23/05	15 to 30	Years			
Creedmoor, NC	(a) 451	367	—451	367	818	(56)	2006	09/17/13	15 to 30	Years			
Crossville, TN	(a) 353	382	—353	382	735	(105)	1977	09/01/05	15 to 40	Years			
Cumming, GA	(a) 967	844	—967	844	1,811	(365)	1986	09/24/04	15 to 30	Years			
Cumming, GA	(a) 408	827	—408	827	1,235	(75)	1988	12/24/13	15 to 30	Years			
Dallas, TX	(d) 88	215	—88	215	303	(42)	1980	07/17/13	9 to 19	Years			
Dallas, TX	(d) 249	431	—249	431	680	(44)	1985	07/17/13	9 to 33	Years			
Dallas, TX	(d) 164	431	—164	431	595	(70)	1968	07/17/13	10 to 18	Years			
Dallas, TX	(d) 174	450	—174	450	624	(59)	1969	07/17/13	10 to 26	Years			
Dallas, TX	(d) 236	339	—236	339	575	(48)	1971	07/17/13	10 to 23	Years			
Dallas, TX	(d) 315	209	—315	209	524	(35)	1999	07/17/13	10 to 25	Years			
Dallas, TX	(d) 392	501	—392	501	893	(59)	1985	07/17/13	11 to 30	Years			
Danville, IL	(a) 619	672	—619	672	1,291	(312)	1995	12/29/06	15 to 30	Years			
Daphne, AL	(a) 695	302	—695	302	997	(182)	1982	09/24/04	15 to 20	Years			
Davenport, IA	(a) 393	405	—393	405	798	(112)	1989	10/03/11	15 to 20	Years			
Davenport, IA	(a) 291	633	—291	633	924	(118)	1992	10/03/11	15 to 30	Years			
Davenport, IA	(a) 441	646	—441	646	1,087	(134)	2002	10/03/11	15 to 30	Years			
Dayton, OH	(a) 526	598	—526	598	1,124	(321)	1982	12/08/09	12 to 17	Years			
Dayton, OH	(d) 203	258	—203	258	461	(6)	1987	08/21/15	15 to 20	Years			
Dayton, OH	(d) 117	314	—117	314	431	(6)	1984	08/21/15	15 to 20	Years			
Dayton, OH	(d) 467	237	—467	237	704	(5)	1984	08/21/15	15 to 20	Years			
Decatur, GA	(d) 459	133	—459	133	592	(38)	1974	07/17/13	11 to 20	Years			
Decatur, GA	(d) 566	49	—566	49	615	(63)	1979	07/17/13	3 to 11	Years			
Decatur, GA	(d) 554	49	—554	49	603	(35)	1977	07/17/13	7 to 25	Years			
Decatur, GA	(d) 570	30	—570	30	600	(33)	1981	07/17/13	7 to 25	Years			
Decatur, GA	(a) 677	539	—677	539	1,216	(87)	1989	02/02/12	15 to 30	Years			
Decatur, IL	(a) 940	126	—940	126	1,066	(308)	1992	09/23/05	15 to 20	Years			
Deerfield Beach, FL	(a) 668	295	—668	295	963	(142)	1970	09/24/04	15 to 30	Years			
Denham Springs, LA	(a) 419	594	—419	594	1,013	(325)	1983	09/24/04	15 to 20	Years			
Detroit, MI	(a) 425	200	—425	200	625	(124)	1977	05/25/05	15 to 20	Years			
Detroit, MI	(a) 351	209	—351	209	560	(126)	1977	05/25/05	15 to 20	Years			

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Encumbrances Description (e)	Initial Cost to Company			Cost Capitalized Subsequent to Gross Amount at Acquisition including impairment December 31, 2015 (g)							Total	Final Accum
	Land and Improvements	Buildings, Improvements	Improvements/ Land	Improvements/ building	Land and Improvements	Buildings, Improvements	Year	Term				
Detroit, MI	(a) 426	223	—	426	223	649	(138)	1979	05/25/05	15 to 20 Years		
Detroit, MI	(a) 413	235	—	413	235	648	(140)	1977	05/25/05	15 to 20 Years		
Detroit, MI	(a) 301	219	—	301	219	520	(126)	1972	05/25/05	15 to 20 Years		
Detroit, MI	(a) 270	305	—	270	305	575	(152)	1976	05/25/05	15 to 20 Years		
Detroit, MI	(a) 271	157	—	271	157	428	(96)	1978	05/25/05	15 to 20 Years		
Detroit, MI	(a) 385	258	—	385	258	643	(157)	1979	05/25/05	15 to 20 Years		
Detroit, MI	(a) 428	189	—	428	189	617	(117)	1979	05/25/05	15 to 20 Years		
Detroit, MI	(a) 614	688	—	614	688	1,302	(374)	1987	02/13/09	13 to 18 Years		
D'Iberville, MS	(a) 597	995	—	597	995	1,592	(62)	2005	07/14/14	15 to 30 Years		
Donna, TX	(d) 1,091	540	—	1,091	540	1,631	(57)	1984	07/17/13	10 to 35 Years		
Douglasville, GA	(a) 452	570	—	452	570	1,022	(87)	1974	02/02/12	15 to 30 Years		
Durham, NC	(a) 1,253	—	—	1,253	—	1,253	—	(f)	07/17/13	(f)		
Eagle Pass, TX	(d) 597	385	—	597	385	982	(46)	1977	07/17/13	9 to 35 Years		
East Aurora, NY	(a) 424	584	—	424	584	1,008	(305)	1982	11/10/05	15 to 20 Years		
East Ellijay, GA	(a) 562	354	—	562	354	916	(218)	1984	12/29/05	15 to 20 Years		
East Point, GA	(d) 429	245	—	429	245	674	(69)	1977	07/17/13	11 to 19 Years		
East St. Louis, IL	(a) 117	334	—	117	334	451	(127)	1990	05/25/05	15 to 30 Years		
Edinburg, TX	(d) 624	888	—	624	888	1,512	(82)	1985	07/17/13	11 to 35 Years		
Effingham, IL	(a) 539	575	—	539	575	1,114	(251)	1985	09/23/05	15 to 30 Years		
Elizabethton, TN	(a) 655	129	—	655	129	784	(202)	1993	07/01/05	15 to 20 Years		
Elizabethton, TN	(a) 735	278	—	735	278	1,013	(76)	1971	12/21/12	15 to 20 Years		
Elmwood Park, IL	(a) 650	380	—	650	380	1,030	(204)	1993	09/23/05	15 to 20 Years		
Elsa, TX	(d) 1,159	141	—	1,159	141	1,300	(29)	1984	07/17/13	11 to 35 Years		
Emporia, KS	(a) 508	1,175	—	508	1,175	1,683	(102)	1969	12/24/13	15 to 30 Years		
Englewood, OH	(d) 235	345	—	235	345	580	(5)	1988	08/21/15	15 to 30 Years		
Escanaba, MI	(a) 772	767	-300	772	1,067	1,839	(441)	1984	12/29/05	3 to 20 Years		
Eureka, IL	(a) 307	338	—	307	338	645	(143)	1980	12/21/12	10 to 15 Years		
Eustis, FL	(a) 451	377	—	451	377	828	(368)	1969	12/30/04	10 to 15 Years		
Fayetteville, AR	(a) 1,019	1,150	—	1,019	1,150	2,169	(71)	2014	06/23/14	15 to 40 Years		
Fayetteville, NC	(a) 470	629	—	470	629	1,099	(252)	1999	09/29/06	15 to 30 Years		
Fayetteville, NC	(a) 489	612	—	489	612	1,101	(232)	1987	09/29/06	15 to 30 Years		
Fayetteville, NC	(a) 607	1,020	—	607	1,020	1,627	(438)	1996	09/29/06	15 to 30 Years		
Ferguson, MO	(a) 293	212	—	293	212	505	(132)	1974	05/25/05	15 to 20 Years		
Flint, MI	(a) 340	258	—	340	258	598	(156)	1979	05/25/05	15 to 20 Years		
Florence, KY	(a) 524	209	—	524	209	733	(149)	1992	09/24/04	15 to 30 Years		
Floresville, TX	(d) 109	555	—	109	555	664	(72)	1985	07/17/13	9 to 25 Years		

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Encumbrances Description (e)	Initial Cost to Company		Cost Capitalized Subsequent to Acquisition including impairment		Gross Amount at December 31, 2015 (g)		Total	Final Accum
	Land and Improvements	Buildings, Improvements	Improvements/ Land	Improvements/ building	Land and Improvements	Buildings, Improvements		
Flowood, MS	(a) 338 848	—338 848	1,186 (49)	1994 07/31/14	15 to 30 Years			
Forsyth, GA	(a) 495 1,007	—495 1,007	1,502 (378)	1984 01/12/06	15 to 30 Years			
Forsythe, GA	(a) 249 936	—249 936	1,185 (81)	1983 12/24/13	15 to 30 Years			
Fort Lauderdale, FL	(a) 601 121	—601 121	722 (180)	1984 09/24/04	10 to 15 Years			
Fort Pierce, FL	(a) 667 184	—667 184	851 (123)	1999 09/24/04	15 to 30 Years			
Fort Wayne, IN	(a) 660 204	—660 204	864 (254)	1982 09/23/05	10 to 15 Years			
Fort Worth, TX	(d) 157 263	—157 263	420 (50)	1965 07/17/13	11 to 20 Years			
Fort Worth, TX	(d) 164 573	—164 573	737 (67)	1965 07/17/13	11 to 25 Years			
Fort Worth, TX	(d) 200 643	—200 643	843 (72)	1979 07/17/13	11 to 30 Years			
Fort Worth, TX	(d) 356 572	—356 572	928 (61)	1970 07/17/13	11 to 35 Years			
Fort Worth, TX	(d) 187 539	—187 539	726 (57)	1984 07/17/13	11 to 35 Years			
Ft Madison, IA	(a) 191 620	—191 620	811 (86)	1980 12/21/12	15 to 30 Years			
Ft. Valley, GA	(d) 353 379	—353 379	732 (75)	1985 07/17/13	11 to 23 Years			
Garland, TX	(d) 141 455	—141 455	596 (59)	1986 07/17/13	10 to 25 Years			
Garner, NC	(a) 600 765	—600 765	1,365 (318)	1995 09/29/06	15 to 30 Years			
Gary, IN	(a) 109 410	—109 410	519 (202)	1980 05/25/05	15 to 20 Years			
Gary, IN	(a) 210 318	—210 318	528 (194)	1979 05/25/05	15 to 20 Years			
Gary, IN	(a) 161 493	—161 493	654 (256)	1973 05/25/05	15 to 20 Years			
Gilman, IL	(a) 219 414	—219 414	633 (253)	1998 09/23/05	15 to 20 Years			
Graceville, FL	(a) 279 1,036	—279 1,036	1,315 (93)	1985 12/24/13	15 to 30 Years			
Grand Prairie, TX	(d) 335 527	—335 527	862 (55)	1980 07/17/13	10 to 35 Years			
Grand Prairie, TX	(d) 147 535	—147 535	682 (61)	1985 07/17/13	11 to 30 Years			
Greensboro, AL	(d) 100 663	—100 663	763 (66)	1986 07/17/13	7 to 35 Years			
Greenville, TN	(a) 289 311	—289 311	600 (286)	1972 09/01/05	10 to 15 Years			
Greenville, TN	(a) 735 517	—735 517	1,252 (77)	2010 03/29/13	15 to 30 Years			
Greenville, TX	(a) 223 304	—223 304	527 (152)	1985 12/29/05	15 to 20 Years			
Greenville, TX	(d) 325 441	—325 441	766 (43)	1972 07/17/13	10 to 35 Years			
Griffin, GA	(d) 215 492	—215 492	707 (69)	1978 07/17/13	11 to 25 Years			
Griffin, GA	(a) 249 877	—249 877	1,126 (73)	1979 12/24/13	15 to 30 Years			
Gulfport, MS	(d) 540 429	—540 429	969 (40)	1971 07/17/13	11 to 35 Years			
Haltom City, TX	(d) 571 425	—571 425	996 (47)	2007 07/17/13	11 to 35 Years			
Hampton, GA	(a) 568 648	—568 648	1,216 (102)	2002 02/02/12	15 to 30 Years			
Harlingen, TX	(d) 923 753	—923 753	1,676 (66)	1985 07/17/13	10 to 35 Years			
Harlingen, TX	(d) 226 519	—226 519	745 (63)	1973 07/17/13	11 to 30 Years			
Harriman, TN	(a) 387 502	—387 502	889 (235)	1976 09/01/05	15 to 20 Years			

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Encumbrances Description (e)	Initial Cost to Company				Cost Capitalized Subsequent to Gross Amount at Acquisition including impairment December 31, 2015 (g)							Total	Final Accum
	Land and Improvements	Buildings, Improvements	Improvements/ Land	Improvements/ building	Land and Improvements	Buildings, Improvements	Improvements/ Land	Improvements/ building	Land and Improvements	Buildings, Improvements	Improvements/ Land			Improvements/ building
Harrisburg, NC	(a) 489	291	—	-489	291	780	(42)	2004 09/17/13	15 to 30 Years				
Harrisonville, MO	(a) 369	1,195	—	-369	1,195	1,564	(101)	1981 12/24/13	15 to 30 Years				
Harvey, IL	(a) 361	269	(80)	-281	269	550	(328)	1978 05/25/05	15 to 20 Years				
Hattiesburg, MS	(a) 845	995	—	-845	995	1,840	(62)	2010 07/14/14	15 to 40 Years				
Havana, IL	(a) 439	297	—	-439	297	736	(138)	1980 12/21/12	10 to 15 Years				
Hawkinsville, GA	(a) 169	946	—	-169	946	1,115	(79)	1986 12/24/13	15 to 30 Years				
Henderson, KY	(a) 656	1,058	—	-656	1,058	1,714	(96)	1992 07/17/13	7 to 35 Years				
Hickory, NC	(a) 292	818	—	-292	818	1,110	(257)	2000 09/29/06	15 to 40 Years				
Hickory, NC	(a) 1,105	851	—	-1,105	851	1,956	(585)	1995 12/29/06	13 to 28 Years				
Hidalgo, TX	(d) 352	1,043	—	-352	1,043	1,395	(100)	2001 07/17/13	10 to 31 Years				
Hobbs, NM	(d) 706	534	—	-706	534	1,240	(64)	1974 07/17/13	11 to 35 Years				
Holly Springs, MS	(a) 116	—	—	-116	—	116	—	(f) 10/30/13	(f)				
Hope Mills, NC	(a) 408	930	—	-408	930	1,338	(330)	1990 09/29/06	15 to 30 Years				
Horn Lake, MS	(a) 231	—	—	-231	—	231	—	(f) 10/30/13	(f)				
Houston, TX	(a) 592	302	—	-592	302	894	(159)	1979 09/28/06	15 to 20 Years				
Houston, TX	(a) 1,329	—	—	-1,329	—	1,329	—	(f) 07/17/13	(f)				
Hudson, NC	(a) 794	616	—	-794	616	1,410	(249)	1998 09/29/06	15 to 40 Years				
Independence, MO	(a) 396	1,074	—	-396	1,074	1,470	(194)	1984 10/03/11	15 to 30 Years				
Independence, MO	(a) 279	936	—	-279	936	1,215	(78)	1979 12/24/13	15 to 30 Years				
Indianapolis, IN	(a) 460	587	—	-460	587	1,047	(225)	1998 09/24/04	15 to 30 Years				
Indianapolis, IN	(a) 258	262	—	-258	262	520	(165)	1970 05/25/05	15 to 20 Years				
Indianapolis, IN	(a) 266	310	—	-266	310	576	(176)	1971 05/25/05	15 to 20 Years				
Indianapolis, IN	(a) 170	749	—	-170	749	919	(345)	1983 05/25/05	15 to 20 Years				
Indianapolis, IN	(a) 449	153	—	-449	153	602	(125)	1968 05/25/05	15 to 20 Years				
Indianapolis, IN	(a) 370	150	—	-370	150	520	(111)	1970 05/25/05	15 to 20 Years				
Irving, TX	(d) 463	338	—	-463	338	801	(34)	1967 07/17/13	10 to 35 Years				
Jackson, GA	(a) 467	729	—	-467	729	1,196	(133)	1992 02/02/12	15 to 30 Years				
Jackson, MS	(d) 215	476	—	-215	476	691	(62)	1977 07/17/13	11 to 25 Years				
Jackson, MS	(d) 996	610	—	-996	610	1,606	(69)	1978 07/17/13	11 to 35 Years				
Jackson, MS	(d) 195	582	—	-195	582	777	(63)	2000 07/17/13	11 to 30 Years				
Jackson, MS	(d) 447	555	—	-447	555	1,002	(67)	1998 07/17/13	11 to 35 Years				
Jacksonville, FL	(a) 480	631	—	-480	631	1,111	(263)	1998 09/24/04	15 to 30 Years				
Jacksonville, FL	(a) 930	910	—	-930	910	1,840	(365)	1986 09/24/04	15 to 30 Years				
Jacksonville, FL	(a) 872	509	—	-872	509	1,381	(296)	1984 09/24/04	15 to 20 Years				

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Encumbrances Description (e)	Initial Cost to Company		Cost Capitalized Subsequent to Acquisition including impairment				Gross Amount at December 31, 2015 (g)		Total	Final Accum
	Land and Improvements	Buildings, Improvements	Improvements/ Land	Improvements/ building	Land and Improvements	Buildings, Improvements				
Jacksonville, FL	(a) 487 871	—487 871	1,358 (411)	1985 12/30/04	15 to 20 Years					
Jamestown, NY	(a) 508 573	—508 573	1,081 (303)	1988 11/10/05	15 to 20 Years					
Johnson City, TN	(a) 718 450	—718 450	1,168 (123)	1983 12/21/12	15 to 20 Years					
Joliet, IL	(a) 245 193	—245 193	438 (126)	1985 05/25/05	15 to 20 Years					
Jonesboro, GA	(d) 680 1,736	—680 1,736	2,416 (34)	2006 07/01/15	15 to 30 Years					
Jonesborough, TN	(a) 576 329	—576 329	905 (81)	1987 12/21/12	15 to 20 Years					
Kannapolix, NC	(a) 244 291	—244 291	535 (37)	2001 09/17/13	15 to 30 Years					
Kansas City, KS	(a) 349 425	—349 425	774 (78)	1977 10/03/11	14 to 29 Years					
Kansas City, KS	(a) 594 904	—594 904	1,498 (173)	1999 10/03/11	15 to 30 Years					
Kansas City, KS	(a) 289 1,066	—289 1,066	1,355 (90)	1980 12/24/13	15 to 30 Years					
Kansas City, MO	(d) 312 574	—312 574	886 (64)	1996 07/17/13	10 to 30 Years					
Kansas City, MO	(d) 348 730	—348 730	1,078 (72)	1996 07/17/13	10 to 35 Years					
Kansas City, MO	(d) 462 673	—462 673	1,135 (67)	1996 07/17/13	10 to 35 Years					
Kansas City, MO	(d) 135 616	—135 616	751 (75)	1996 07/17/13	10 to 25 Years					
Kansas City, MO	(d) 310 580	—310 580	890 (65)	1996 07/17/13	10 to 31 Years					
Kansas City, MO	(d) 189 837	—189 837	1,026 (102)	1996 07/17/13	9 to 25 Years					
Kansas City, MO	(a) 334 654	— 334 654	988 (127)	1985 10/03/11	15 to 30 Years					
Kansas City, MO	(d) 772 —	—934 772 934	1,706 —	1995 09/19/14	40 to 40 Years					
Kansas City, MO	(a) 538 936	— 538 936	1,474 (84)	1979 12/24/13	15 to 30 Years					
Kennesaw, GA	(a) 487 334	— 487 334	821 (76)	1991 02/02/12	15 to 20 Years					
Kilgore, TX	(d) 140 415	— 140 415	555 (68)	1985 07/17/13	11 to 20 Years					
Killeen, TX	(d) 289 513	— 289 513	802 (51)	1974 07/17/13	9 to 35 Years					
Kingsport, TN	(a) 592 200	— 592 200	792 (290)	1992 07/01/05	15 to 20 Years					
Kingsport, TN	(d) 307 766	— 307 766	1,073 (80)	2007 07/17/13	4 to 32 Years					
Kingsport, TN	(a) 384 877	— 384 877	1,261 (126)	1992 12/21/12	15 to 30 Years					
Kingston, PA	(d) 521 635	— 521 635	1,156 (29)	1978 11/18/14	15 to 30 Years					
Kingsville, TX	(d) 263 461	— 263 461	724 (47)	1977 07/17/13	9 to 35 Years					
Kingwood, WV	(a) 618 677	— 618 677	1,295 (137)	1979 12/21/12	15 to 20 Years					
Kirby, TX	(d) 224 262	— 224 262	486 (49)	1985 07/17/13	9 to 18 Years					
Knoxville, TN	(a) 635 227	— 635 227	862 (255)	1995 07/01/05	15 to 20 Years					
Knoxville, TN	(a) 547 230	— 547 230	777 (320)	1987 07/01/05	10 to 15 Years					
Knoxville, TN	(a) 332 185	— 332 185	517 (107)	1977 09/01/05	15 to 20 Years					
Knoxville, TN	(a) 561 305	— 561 305	866 (151)	1975 09/01/05	15 to 20 Years					
La Feria, TX	(d) 369 941	— 369 941	1,310 (84)	2003 07/17/13	11 to 35 Years					
La Vista, NE	(a) 499 664	— 499 664	1,163 (117)	1992 10/03/11	15 to 30 Years					
Lafayette, LA	(a) 300 779	— 300 779	1,079 (66)	1972 10/30/13	15 to 30 Years					
LaGrange, GA	(d) 555 44	— 555 44	599 (96)	1978 07/17/13	7 to 30 Years					
Laredo, TX	(d) 272 713	— 272 713	985 (60)	1966 07/17/13	11 to 35 Years					

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Encumbrances Description (e)	Initial Cost to Company				Cost Capitalized Subsequent to Acquisition including impairment				Gross Amount at December 31, 2015 (g)		Total	Final Accum
	Land and Improvements	Buildings, Improvements	Improvements/ Land	Improvements/ building	Land and Improvements	Buildings, Improvements	Land and Improvements	Buildings, Improvements	Land and Improvements	Buildings, Improvements		
Laredo, TX	(d) 727	698	— —	727 698	1,425 (62)	1968	07/17/13	11 to 35 Years				
Lauderdale Lakes, FL	(a) 411	346	— —	411 346	757 (134)	1998	12/29/06	15 to 30 Years				
Laurel, MS	(d) 690	290	— —	690 290	980 (52)	1971	07/17/13	11 to 24 Years				
Laurel, MS	(a) 543	754	— —	543 754	1,297 (49)	1993	09/22/14	15 to 30 Years				
Lees Summit, MO	(a) 590	69	55 (69)	645 —	645 —	(f)	09/23/05	(f)				
Lees Summit, MO	(a) 319	906	— —	319 906	1,225 (79)	1985	12/24/13	15 to 30 Years				
Lewisville, TX	(d) 913	470	— —	913 470	1,383 (60)	1976	07/17/13	8 to 35 Years				
Lexington, KY	(a) 636	362	— —	636 362	998 (354)	1978	12/30/04	10 to 15 Years				
Lexington, KY	(a) 713	451	— —	713 451	1,164 (442)	1976	01/26/05	10 to 15 Years				
Lillington, NC	(a) 419	687	— —	419 687	1,106 (223)	1992	09/29/06	15 to 40 Years				
Lincoln, IL	(a) 203	616	— —	203 616	819 (322)	1990	09/23/05	15 to 20 Years				
Little Rock, AR	(a) 917	847	— —	917 847	1,764 (348)	2004	07/07/05	15 to 30 Years				
Little Rock, AR	(d) 99	500	— —	99 500	599 (55)	1970	07/17/13	8 to 30 Years				
Little Rock, AR	(d) 332	432	— —	332 432	764 (43)	1971	07/17/13	9 to 35 Years				
Little Rock, AR	(d) 263	492	— —	263 492	755 (50)	1975	07/17/13	9 to 35 Years				
Lone Tree, CO	(a) 1,717	1,117	— —	1,717 1,117	2,834 (530)	2000	12/23/08	13 to 38 Years				
Longview, TX	(d) 149	552	— —	149 552	701 (57)	1985	07/17/13	9 to 35 Years				
Louisville, KY	(a) 334	251	— —	334 251	585 (128)	1991	09/24/04	15 to 20 Years				
Louisville, KY	(a) 1,010	577	— —	1,010 577	1,587 (247)	1994	11/10/05	15 to 30 Years				
Louisville, KY	(a) 854	514	— —	854 514	1,368 (223)	1994	11/10/05	15 to 30 Years				
Lubbock, TX	(a) 687	856	— —	687 856	1,543 (349)	2003	07/07/05	15 to 30 Years				
Lubbock, TX	(d) 325	794	— —	325 794	1,119 (81)	2004	07/17/13	11 to 34 Years				
Macon, GA	(d) 291	628	— —	291 628	919 (60)	1983	07/17/13	10 to 35 Years				
Macon, GA	(d) 195	347	— —	195 347	542 (52)	1976	07/17/13	9 to 25 Years				
Macon, GA	(d) 185	553	— —	185 553	738 (63)	1980	07/17/13	11 to 30 Years				
Madison, GA	(a) 892	739	— —	892 739	1,631 (294)	1989	01/12/06	15 to 40 Years				
Madisonville, KY	(a) 1,198	819	— —	1,198 819	2,017 (343)	1990	09/24/04	15 to 30 Years				
Mansfield, OH	(a) 225	327	— —	225 327	552 (165)	1972	05/25/05	15 to 20 Years				
Mansfield, TX	(a) 472	760	— —	472 760	1,232 (346)	1991	12/29/06	15 to 30 Years				
Maplewood, MO	(a) 180	225	— —	180 225	405 (124)	1980	05/25/05	15 to 20 Years				
Marietta, GA	(d) 350	173	— —	350 173	523 (47)	1976	07/17/13	11 to 20 Years				
Marion, IN	(a) 503	153	— —	503 153	656 (119)	1990	09/24/04	15 to 20 Years				
Marlin, TX	(d) 81	327	— —	81 327	408 (52)	1985	07/17/13	8 to 25 Years				
Martinsburg, WV	(a) 887	992	— —	887 992	1,879 (395)	1999	12/29/05	15 to 30 Years				
Martinsville, IN	(a) 940	1,128	— —	940 1,128	2,068 (116)	1986	07/17/13	4 to 35 Years				
Maryville, TN	(a) 810	306	— —	810 306	1,116 (241)	1993	07/01/05	15 to 20 Years				
Maryville, TN	(d) 421	380	— —	421 380	801 (60)	2007	07/17/13	4 to 26 Years				
Mayfield, KY	(a) 316	603	— —	316 603	919 (271)	1986	12/08/09	12 to 27 Years				

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Encumbrances Description (e)	Initial Cost to Company		Buildings,		Improvements/		Improvements/		Land and		Buildings,	Total	Final Accum
	Land and Improvements	Improvements	Land	Improvements/	Improvements/	Land and	Improvements	Improvements					
McAllen, TX	(d) 747	408	—747	408	1,155	(41)	1992	07/17/13	10 to 35	Years			
McAllen, TX	(d) 601	539	—601	539	1,140	(56)	1985	07/17/13	11 to 35	Years			
McDonough, GA	(a) 938	697	—938	697	1,635	(317)	1985	09/24/04	15 to 30	Years			
McDonough, GA	(a) 179	807	—179	807	986	(67)	1989	12/24/13	15 to 30	Years			
McDonough, GA	(a) 418	847	—418	847	1,265	(79)	1995	12/24/13	15 to 30	Years			
Mebane, NC	(a) 846	682	—846	682	1,528	(259)	1993	09/29/06	15 to 30	Years			
Memphis, TN	(d) 208	302	—208	302	510	(46)	2007	07/17/13	3 to 24	Years			
Memphis, TN	(d) 103	120	—103	120	223	(34)	1976	07/17/13	6 to 15	Years			
Memphis, TN	(d) 128	232	—128	232	360	(43)	1971	07/17/13	8 to 20	Years			
Memphis, TN	(d) 156	351	—156	351	507	(53)	1971	07/17/13	7 to 25	Years			
Memphis, TN	(d) 288	278	—288	278	566	(63)	1976	07/17/13	6 to 20	Years			
Memphis, TN	(d) 206	471	—206	471	677	(63)	1979	07/17/13	10 to 25	Years			
Memphis, TN	(d) 163	295	—163	295	458	(46)	1979	07/17/13	10 to 25	Years			
Memphis, TN	(d) 212	245	—212	245	457	(53)	1971	07/17/13	7 to 25	Years			
Memphis, TN	(d) 119	261	—119	261	380	(43)	1980	07/17/13	8 to 20	Years			
Memphis, TN	(d) 180	316	—180	316	496	(54)	1971	07/17/13	7 to 20	Years			
Memphis, TN	(d) 264	592	—264	592	856	(63)	1971	07/17/13	11 to 35	Years			
Memphis, TN	(d) 426	608	—426	608	1,034	(71)	1971	07/17/13	11 to 32	Years			
Memphis, TN	(a) 320	—	—320	—	320	—	(f)	10/30/13	(f)				
Mercedes, TX	(d) 535	575	—535	575	1,110	(58)	1982	07/17/13	11 to 35	Years			
Mesquite, TX	(d) 234	459	—234	459	693	(63)	2001	07/17/13	11 to 28	Years			
Miami, FL	(a) 602	14	—602	14	616	(164)	1978	09/24/04	10 to 15	Years			
Miami, FL	(a) 596	105	—596	105	701	(137)	1978	09/24/04	10 to 15	Years			
Miamisburg, OH	(d) 140	262	—140	262	402	(6)	1970	08/21/15	15 to 20	Years			
Midland, TX	(d) 195	432	—195	432	627	(42)	1972	07/17/13	9 to 35	Years			
Midland, TX	(d) 769	893	—769	893	1,662	—	1982	12/29/15	15 to 30	Years			
Midwest City, OK	(d) 318	623	—318	623	941	(61)	1985	07/17/13	9 to 35	Years			
Milan, IL	(a) 161	533	—161	533	694	(87)	1997	10/03/11	15 to 30	Years			
Mission, TX	(d) 577	598	—577	598	1,175	(60)	1981	07/17/13	9 to 35	Years			
Mobile, AL	(a) 587	487	—587	487	1,074	(245)	1985	09/24/04	15 to 20	Years			
Moline, IL	(a) 424	520	—424	520	944	(85)	2009	10/03/11	15 to 40	Years			
Moncks Corner, SC	(a) 573	466	—573	466	1,039	(297)	1998	09/24/04	15 to 20	Years			
Monroe, GA	(a) 618	787	—618	787	1,405	(75)	1977	12/24/13	15 to 30	Years			
Montgomery, AL	(d) 288	623	—288	623	911	(59)	1998	07/17/13	9 to 35	Years			
Montgomery, AL	(d) 177	516	—177	516	693	(93)	1984	07/17/13	9 to 19	Years			
Montgomery, AL	(d) 247	376	—247	376	623	(68)	1999	07/17/13	10 to 24	Years			
Montgomery, AL	(d) 455	579	—455	579	1,034	(71)	1972	07/17/13	11 to 33	Years			
Montgomery, AL	(d) 313	601	—313	601	914	(94)	1999	07/17/13	10 to 27	Years			
Mooreville, IN	(a) 560	549	—560	549	1,109	(332)	1998	09/23/05	15 to 20	Years			

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Encumbrances Description (e)	Initial Cost to Company				Cost Capitalized Subsequent to Acquisition including impairment				Gross Amount at December 31, 2015 (g)			Total	Final Accum
	Land and Improvements	Buildings, Improvements	Improvements/ Land	Improvements/ building	Land and Improvements	Buildings, Improvements	Land and Improvements	Buildings, Improvements	Land and Improvements	Buildings, Improvements	Land and Improvements		
Morristown, TN	(a) 588	781	—	—	588	781	1,369	(271)	1987	09/01/05	15 to 30 Years		
Morristown, TN	(a) 436	290	—	—	436	290	726	(160)	1976	09/01/05	15 to 20 Years		
Morrow, GA	(a) 530	568	—	—	530	568	1,098	(79)	2006	02/02/12	15 to 40 Years		
Moultrie, GA	(a) 437	563	—	—	437	563	1,000	(77)	2012	03/29/13	15 to 30 Years		
Moultrie, GA	(a) 359	827	—	—	359	827	1,186	(70)	1997	12/24/13	15 to 30 Years		
Mount Carmel, TN	(a) 499	536	—	—	499	536	1,035	(97)	1988	12/21/12	15 to 30 Years		
Mount Pleasant, MI	(a) 485	642	—	—	485	642	1,127	(250)	1997	12/29/05	15 to 30 Years		
Mount Pleasant, MI	(a) 657	854	—	—	657	854	1,511	(308)	2010	02/13/09	13 to 38 Years		
Nappanee, IN	(a) 301	413	—	—	301	413	714	(248)	2005	12/21/07	15 to 20 Years		
Nashville, TN	(a) 264	—	—	—	264	—	264	—	(f)	10/30/13	(f)		
Nashville, TN	(a) 538	—	—	—	538	—	538	—	(f)	10/30/13	(f)		
New Albany, IN	(a) 497	278	—	—	497	278	775	(154)	1992	09/24/04	15 to 30 Years		
New Braunfels, TX	(d) 302	526	—	—	302	526	828	(69)	1973	07/17/13	10 to 27 Years		
New Castle, PA	(a) 573	1,042	—	—	573	1,042	1,615	(157)	1999	07/17/13	7 to 25 Years		
Niagara Falls, NY	(a) 1,359	551	—	—	1,359	551	1,910	(247)	1979	11/10/05	15 to 30 Years		
Nogales, AZ	(d) 207	448	—	—	207	448	655	(61)	1976	07/17/13	11 to 25 Years		
Norfolk, VA	(d) 373	517	—	—	373	517	890	(92)	1988	07/17/13	7 to 20 Years		
Normal, IL	(a) 394	240	—	—	394	240	634	(92)	1980	12/21/12	10 to 15 Years		
Normandy, MO	(a) 265	329	(6)	—	259	329	588	(181)	1978	05/25/05	15 to 20 Years		
North Canton, OH	(a) 484	497	(14)	—	470	497	967	(274)	1989	12/29/06	15 to 20 Years		
North Little Rock, AR	(d) 128	351	—	—	128	351	479	(47)	1999	07/17/13	10 to 28 Years		
Oak Ridge, TN	(a) 669	548	—	—	669	548	1,217	(185)	1976	09/01/05	15 to 30 Years		
Odessa, TX	(d) 597	443	—	—	597	443	1,040	(51)	1979	07/17/13	10 to 35 Years		
Odessa, TX	(d) 670	563	—	—	670	563	1,233	(59)	1972	07/17/13	10 to 35 Years		
Odessa, TX	(d) 500	941	—	—	500	941	1,441	—	1982	12/29/15	15 to 30 Years		
Oklahoma City, OK	(d) 223	469	—	—	223	469	692	(78)	1998	07/17/13	8 to 22 Years		
Oklahoma City, OK	(d) 200	428	—	—	200	428	628	(60)	1971	07/17/13	9 to 25 Years		
Oklahoma City, OK	(a) 541	842	(398)	(614)	143	228	371	(51)	2007	07/17/13	4 to 33 Years		
Omaha, NE	(a) 539	380	—	—	539	380	919	(50)	2006	10/03/11	15 to 40 Years		
Opelousas, LA	(a) 419	659	—	—	419	659	1,078	(62)	1968	10/30/13	15 to 30 Years		
Orange, TX	(d) 541	335	—	—	541	335	876	(11)	2007	08/31/15	15 to 30 Years		
Orlando, FL	(a) 1,249	729	—	—	1,249	729	1,978	(445)	1985	06/25/04	15 to 20 Years		
Orlando, FL	(a) 642	178	—	—	642	178	820	(212)	1967	12/30/04	10 to 15 Years		
Oshkosh, WI	(a) 765	829	(40)	300	725	1,129	1,854	(496)	1984	12/29/05	15 to 20 Years		

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Encumbrances Description (e)	Initial Cost to Company			Cost Capitalized Subsequent to Gross Amount at Acquisition including impairment December 31, 2015 (g)							Total	Final Accum
	Land and Improvements	Buildings, Improvements	Improvements/ Land	Improvements/ building	Land and Improvements	Buildings, Improvements						
Overland, MO	(a) 278	494	— 278	494	772	(247)	1972	05/25/05	15 to 20 Years			
Parkersburg, WV	(a) 416	658	-75 416	733	1,149	(407)	1986	03/07/07	4 to 20 Years			
Parkersburg, WV	(a) 457	309	— 457	309	766	(122)	1999	12/21/12	10 to 15 Years			
Parma Heights, OH	(a) 598	535	— 598	535	1,133	(186)	2004	08/27/09	13 to 38 Years			
Paxton, IL	(a) 324	658	— 324	658	982	(408)	1986	12/29/05	15 to 20 Years			
Pearson, GA	(a) 159	817	— 159	817	976	(70)	1994	12/24/13	15 to 30 Years			
Pensacola, FL	(a) 860	291	— 860	291	1,151	(351)	1977	07/28/04	10 to 15 Years			
Peoria, IL	(a) 154	320	— 154	320	474	(176)	1976	05/25/05	15 to 20 Years			
Peoria, IL	(a) 383	270	— 383	270	653	(106)	1980	12/21/12	10 to 15 Years			
Peoria, IL	(a) 282	435	— 282	435	717	(92)	1980	12/21/12	15 to 20 Years			
Pharr, TX	(d) 694	441	— 694	441	1,135	(64)	1997	07/17/13	10 to 26 Years			
Phenix City, AL	(d) 493	497	— 493	497	990	(44)	1978	07/17/13	8 to 35 Years			
Philippi, WV	(a) 405	232	— 405	232	637	(100)	1986	12/21/12	10 to 15 Years			
Phoenix, AZ	(d) 523	97	— 523	97	620	(33)	1976	07/17/13	9 to 16 Years			
Phoenix, AZ	(d) 321	276	— 321	276	597	(52)	1975	07/17/13	10 to 20 Years			
Phoenix, AZ	(d) 384	528	— 384	528	912	(64)	1974	07/17/13	11 to 27 Years			
Phoenix, AZ	(d) 368	267	— 368	267	635	(40)	1974	07/17/13	11 to 23 Years			
Phoenix, AZ	(d) 415	403	— 415	403	818	(49)	1975	07/17/13	8 to 27 Years			
Phoenix, AZ	(d) 599	412	— 599	412	1,011	(47)	1980	07/17/13	10 to 35 Years			
Phoenix, AZ	(d) 400	120	— 400	120	520	(36)	1977	07/17/13	11 to 13 Years			
Pine Bluff, AR	(d) 854	431	— 854	431	1,285	(41)	1971	07/17/13	7 to 35 Years			
Pineville, LA	(a) 558	1,044	— 558	1,044	1,602	(399)	1996	06/25/04	11 to 30 Years			
Pleasanton, TX	(d) 230	1,052	— 230	1,052	1,282	(96)	1985	07/17/13	11 to 35 Years			
Ponca City, OK	(d) 93	249	— 93	249	342	(37)	2007	07/17/13	4 to 28 Years			
Port Allen, LA	(a) 521	575	— 521	575	1,096	(278)	1997	09/24/04	15 to 30 Years			
Port Arthur, TX	(d) 187	256	— 187	256	443	(7)	1976	08/31/15	15 to 20 Years			
Port Arthur, TX	(d) 384	266	— 384	266	650	(10)	2002	08/31/15	15 to 20 Years			
Port Arthur, TX	(d) 403	344	— 403	344	747	(11)	2004	08/31/15	15 to 20 Years			
Port Isabel, TX	(d) 348	672	— 348	672	1,020	(72)	2004	07/17/13	11 to 31 Years			
Port Lavaca, TX	(d) 339	594	— 339	594	933	(69)	1985	07/17/13	11 to 28 Years			
Portsmouth, VA	(d) 574	419	— 574	419	993	(66)	1988	07/17/13	10 to 25 Years			
Powell, TN	(d) 411	353	— 411	353	764	(58)	2007	07/17/13	4 to 26 Years			
Princeton, IN	(a) 340	906	— 340	906	1,246	(185)	1992	07/17/13	7 to 15 Years			
Pulaski, VA	(a) 444	236	— 444	236	680	(264)	1994	07/01/05	15 to 20 Years			
Quincy, FL	(a) 1,015	416	— 1,015	416	1,431	(382)	1989	09/24/04	15 to 20 Years			
Quitman, GA	(a) 259	936	— 259	936	1,195	(78)	1985	12/24/13	15 to 30 Years			
Radford, VA	(a) 499	248	— 499	248	747	(310)	1995	07/01/05	15 to 20 Years			
Raleigh, NC	(a) 639	320	— 639	320	959	(54)	2008	09/17/13	15 to 30 Years			

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Encumbrances Description (e)	Initial Cost to Company				Cost Capitalized Subsequent to Acquisition including impairment				Gross Amount at December 31, 2015 (g)		Total	Final Accum
	Land and Improvements	Buildings, Improvements	Improvements/ Land	Improvements/ building	Land and Improvements	Buildings, Improvements	Land and Improvements	Buildings, Improvements				
Raymondville, TX	(d) 660	455	—	—	660	455	1,115	(57)	1984 07/17/13	9 to 35 Years		
Red Bank, TN	(a) 610	557	—	—	610	557	1,167	(312)	1997 06/25/04	15 to 30 Years		
Richland Hills, TX	(d) 229	199	—	—	229	199	428	(34)	1999 07/17/13	10 to 25 Years		
Rio Grand City, TX	(d) 1,746	554	—	—	1,746	554	2,300	(56)	1984 07/17/13	12 to 35 Years		
Riverdale, GA	(d) 742	1,789	—	—	742	1,789	2,531	(18)	2010 09/17/15	15 to 30 Years		
Robinson, IL	(a) 250	1,021	—	—	250	1,021	1,271	(111)	1994 07/17/13	7 to 33 Years		
Rochester, MN	(a) 561	83	66	(83)	627	—	627	—	(f) 09/23/05	(f)		
Rock Hill, SC	(a) 373	722	—	—	373	722	1,095	(370)	1978 12/29/05	15 to 20 Years		
Rockwell, NC	(a) 385	385	—	—	385	385	770	(61)	2006 09/17/13	15 to 30 Years		
Rogers, AR	(d) 334	884	—	—	334	884	1,218	(43)	2005 09/30/14	15 to 30 Years		
Rogersville, TN	(a) 384	964	—	—	384	964	1,348	(137)	1986 12/21/12	15 to 30 Years		
Rolesville, NC	(a) 526	320	—	—	526	320	846	(51)	2007 09/17/13	15 to 30 Years		
Rolla, MO	(a) 229	857	—	—	229	857	1,086	(73)	1978 12/24/13	15 to 30 Years		
Roma, TX	(d) 478	855	—	—	478	855	1,333	(87)	1985 07/17/13	11 to 35 Years		
Romeoville, IL	(a) 789	713	—	—	789	713	1,502	(362)	1999 09/23/05	15 to 20 Years		
Roswell, GA	(a) 513	559	—	—	513	559	1,072	(74)	2006 02/02/12	15 to 40 Years		
Roswell, NM	(d) 343	321	—	—	343	321	664	(68)	1974 07/17/13	11 to 23 Years		
Saint Ann, MO	(a) 588	613	—	—	588	613	1,201	(380)	1985 09/23/05	15 to 20 Years		
Saint Cloud, FL	(a) 1,193	557	—	—	1,193	557	1,750	(319)	1983 06/25/04	15 to 20 Years		
Salisbury, NC	(a) 357	338	—	—	357	338	695	(41)	2002 09/17/13	15 to 30 Years		
San Antonio, TX	(a) 517	373	—	—	517	373	890	(179)	2002 09/25/06	15 to 30 Years		
San Antonio, TX	(a) 349	429	—	—	349	429	778	(233)	1983 09/25/06	15 to 20 Years		
San Antonio, TX	(a) 428	339	—	—	428	339	767	(165)	2001 09/25/06	15 to 30 Years		
San Antonio, TX	(a) 539	300	—	—	539	300	839	(178)	2001 09/25/06	15 to 30 Years		
San Antonio, TX	(d) 205	1,042	—	—	205	1,042	1,247	(145)	1976 07/17/13	10 to 20 Years		
San Antonio, TX	(d) 685	257	—	—	685	257	942	(31)	1976 07/17/13	9 to 35 Years		
San Antonio, TX	(d) 592	336	—	—	592	336	928	(39)	1968 07/17/13	9 to 35 Years		
San Antonio, TX	(d) 79	347	—	—	79	347	426	(33)	1977 07/17/13	9 to 33 Years		
San Antonio, TX	(d) 395	414	—	—	395	414	809	(61)	1984 07/17/13	11 to 25 Years		
San Antonio, TX	(d) 144	538	—	—	144	538	682	(80)	1984 07/17/13	8 to 20 Years		
San Antonio, TX	(d) 544	521	—	—	544	521	1,065	(55)	1967 07/17/13	11 to 33 Years		
San Antonio, TX	(d) 375	282	—	—	375	282	657	(51)	1965 07/17/13	9 to 21 Years		
San Antonio, TX	(d) 373	170	—	—	373	170	543	(33)	1993 07/17/13	9 to 20 Years		
San Antonio, TX	(d) 331	449	—	—	331	449	780	(62)	1983 07/17/13	10 to 25 Years		
San Antonio, TX	(d) 283	573	—	—	283	573	856	(76)	1971 07/17/13	11 to 33 Years		
San Antonio, TX	(d) 369	226	—	—	369	226	595	(33)	1986 07/17/13	10 to 25 Years		
San Antonio, TX	(d) 397	700	—	—	397	700	1,097	(69)	1984 07/17/13	11 to 35 Years		
San Antonio, TX	(d) 403	61	—	—	403	61	464	(92)	1971 07/17/13	9 to 17 Years		

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Encumbrances Description (e)	Initial Cost to Company				Cost Capitalized Subsequent to Acquisition including impairment				Gross Amount at December 31, 2015 (g)			Total	Final Accum
	Land and Improvements	Buildings, Improvements	Improvements/ Land	Improvements/ building	Land and Improvements	Buildings, Improvements	Improvements/ Land	Improvements/ building	Land and Improvements	Buildings, Improvements	Improvements/ Land		
San Antonio, TX	(d) 279	261	—	—	279	261	540	(38)	1976	07/17/13	11 to 32 Years		
San Benito, TX	(d) 1,641	688	—	—	1,641	688	2,329	(62)	1977	07/17/13	9 to 35 Years		
Sandusky, OH	(a) 922	406	(314)	(89)	608	317	925	(116)	1987	08/27/09	14 to 29 Years		
Sedalia, MO	(a) 751	662	—	—	751	662	1,413	(314)	1983	12/29/06	15 to 30 Years		
Sedalia, MO	(d) 283	641	—	—	283	641	924	(60)	2006	07/17/13	3 to 48 Years		
Seven Hills, OH	(a) 496	488	—	—	496	488	984	(185)	1977	08/27/09	13 to 28 Years		
Seymour, TN	(a) 365	440	—	—	365	440	805	(61)	2007	07/17/13	6 to 27 Years		
Shawnee, OK	(d) 130	1,182	—	—	130	1,182	1,312	(113)	2007	07/17/13	3 to 32 Years		
Siler City, NC	(a) 686	385	—	—	686	385	1,071	(68)	2005	09/17/13	15 to 30 Years		
So. Parkersburg, WV	(a) 383	404	—	—	383	404	787	(83)	1986	12/21/12	15 to 20 Years		
South Charleston, WV	(a) 524	541	—	—	524	541	1,065	(101)	1993	12/21/12	15 to 20 Years		
South Hill, VA	(a) 564	320	—	—	564	320	884	(56)	2007	09/17/13	15 to 30 Years		
Spencer, IN	(a) 136	1,040	—	—	136	1,040	1,176	(132)	1999	07/17/13	8 to 22 Years		
Springfield, IL	(a) 1,072	642	—	—	1,072	642	1,714	(435)	1988	09/23/05	15 to 20 Years		
Springfield, IL	(a) 571	630	—	—	571	630	1,201	(286)	1997	09/23/05	15 to 30 Years		
Springfield, MO	(a) 439	719	—	—	439	719	1,158	(300)	2004	12/29/06	15 to 40 Years		
Springville, NY	(a) 678	586	—	—	678	586	1,264	(234)	1988	11/10/05	15 to 30 Years		
St. Louis, MO	(a) 290	211	—	—	290	211	501	(136)	1973	05/25/05	15 to 20 Years		
St. Louis, MO	(a) 231	337	—	—	231	337	568	(174)	1972	05/25/05	15 to 20 Years		
St. Louis, MO	(a) 189	227	—	—	189	227	416	(130)	1972	05/25/05	15 to 20 Years		
St. Louis, MO	(a) 464	218	—	—	464	218	682	(155)	1978	05/25/05	15 to 20 Years		
St. Louis, MO	(a) 503	651	—	—	503	651	1,154	(345)	1976	09/24/04	15 to 20 Years		
St. Louis, MO	(a) 828	351	—	—	828	351	1,179	(268)	1986	09/24/04	15 to 20 Years		
Statesboro, GA	(a) 779	777	—	—	779	777	1,556	(366)	1985	09/24/04	15 to 20 Years		
Sterling Heights, MI	(a) 866	960	—	—	866	960	1,826	(363)	2000	12/29/05	15 to 30 Years		
Stillwater, OK	(d) 218	1,262	—	—	218	1,262	1,480	(113)	2007	07/17/13	4 to 32 Years		
Stillwater, OK	(d) 1,314	1,111	—	—	1,314	1,111	2,425	(36)	2015	03/31/15	15 to 40 Years		
Stockbridge, GA	(a) 388	353	—	—	388	353	741	(58)	2001	02/02/12	15 to 30 Years		
Stone Mountain, GA	(a) 379	487	—	—	379	487	866	(76)	1986	02/02/12	15 to 30 Years		
Sun City, AZ	(a) 771	372	—	—	771	372	1,143	(212)	1986	12/29/06	15 to 20 Years		
Sweetwater, TN	(a) 602	550	—	—	602	550	1,152	(218)	1999	12/29/06	15 to 40 Years		
Talladega, AL	(d) 247	245	—	—	247	245	492	(64)	1998	07/17/13	11 to 21 Years		
Tempe, AZ	(a) 480	361	—	—	480	361	841	(170)	2003	09/25/06	15 to 30 Years		
Temple, TX	(d) 705	493	—	—	705	493	1,198	(47)	1983	07/17/13	10 to 35 Years		
Texarkana, TX	(a) 265	747	—	—	265	747	1,012	(70)	2013	11/04/13	14 to 30 Years		
The Village, OK	(d) 211	650	—	—	211	650	861	(59)	1978	07/17/13	9 to 35 Years		
Thomasville, GA	(a) 408	837	—	—	408	837	1,245	(72)	1985	12/24/13	15 to 30 Years		

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Encumbrances Description (e)	Initial Cost to Company		Buildings,		Improvements/ Land		Improvements/ building		Land and Improvements		Buildings, Improvements		Total	Final Accum
	Land and Improvements	Buildings, Improvements	Land	Improvements/ building	Land and Improvements	Improvements/ building	Land and Improvements	Buildings, Improvements						
Tipp City, OH	(a) 789 332	—789 332	1,121 (225)	1991 12/29/06	15 to 20 Years									
Tooele, UT	(a) 552 624	—552 624	1,176 (384)	1988 09/24/04	15 to 20 Years									
Trenton, MO	(a) 309 1,175	—309 1,175	1,484 (98)	1976 12/24/13	15 to 30 Years									
Trotwood, OH	(d) 281 220	—281 220	501 (6)	1971 08/21/15	15 to 20 Years									
Tucson, AZ	(d) 262 193	—262 193	455 (43)	1983 07/17/13	11 to 23 Years									
Tucson, AZ	(d) 191 552	—191 552	743 (51)	1981 07/17/13	11 to 35 Years									
Tucson, AZ	(d) 349 479	—349 479	828 (51)	1976 07/17/13	11 to 35 Years									
Tucson, AZ	(d) 221 434	—221 434	655 (51)	1980 07/17/13	11 to 27 Years									
Tulsa, OK	(d) 767 466	—767 466	1,233 (53)	1976 07/17/13	8 to 35 Years									
Tulsa, OK	(d) 315 717	—315 717	1,032 (67)	1976 07/17/13	10 to 35 Years									
Tyler, TX	(d) 227 527	—227 527	754 (50)	1976 07/17/13	11 to 35 Years									
Tyler, TX	(d) 355 663	—355 663	1,018 —	1980 12/29/15	15 to 30 Years									
Universal City, TX	(d) 408 369	—408 369	777 (59)	1989 07/17/13	9 to 25 Years									
Vicksburg, MS	(d) 278 333	—278 333	611 (54)	1972 07/17/13	11 to 25 Years									
Victoria, TX	(d) 129 490	—129 490	619 (62)	1985 07/17/13	11 to 28 Years									
Victoria, TX	(d) 367 182	—367 182	549 (34)	1984 07/17/13	11 to 22 Years									
Vincennes, IN	(a) 389 1,425	—389 1,425	1,814 (146)	2000 07/17/13	8 to 30 Years									
Waco, TX	(d) 365 542	—365 542	907 (47)	1969 07/17/13	10 to 35 Years									
Warner Robins, GA	(a) 229 887	—229 887	1,116 (80)	1978 12/24/13	15 to 30 Years									
Warren, MI	(a) 488 215	—488 215	703 (131)	1979 05/25/05	15 to 20 Years									
Washington Park, IL	(a) 119 324	—119 324	443 (168)	1980 05/25/05	15 to 20 Years									
Washington, IL	(a) 264 460	—264 460	724 (95)	1980 12/21/12	15 to 20 Years									
Washington, IN	(a) 272 949	—272 949	1,221 (107)	1995 07/17/13	8 to 33 Years									
Watertown, WI	(a) 267 338	—267 338	605 (160)	1986 06/30/09	13 to 18 Years									
Waynesburg, PA	(a) 323 918	—323 918	1,241 (133)	1982 12/21/12	15 to 30 Years									
Weslaco, TX	(d) 860 513	—860 513	1,373 (51)	1990 07/17/13	11 to 35 Years									
Weslaco, TX	(d) 291 786	—291 786	1,077 (94)	1970 07/17/13	11 to 25 Years									
Westchester, IL	(a) 765 437	—765 437	1,202 (215)	1986 09/29/06	15 to 20 Years									
Weston, WV	(a) 158 695	—158 695	853 (89)	1981 12/21/12	15 to 30 Years									
Williamsport, PA	(d) 864 979	—864 979	1,843 (45)	1966 11/18/14	15 to 30 Years									
Winchester, TN	(a) 400 291	—400 291	691 (164)	1993 12/29/06	15 to 20 Years									
Winter Springs, FL	(a) 523 446	—523 446	969 (279)	1988 12/30/04	15 to 20 Years									
Wytheville, VA	(a) 446 172	—446 172	618 (188)	1995 07/01/05	15 to 20 Years									
Xenia, OH	(d) 384 288	—384 288	672 (7)	1985 08/21/15	15 to 20 Years									
Yukon, OK	(a) 555 373	—555 373	928 (211)	2003 07/01/05	15 to 30 Years									
Zebulon, NC	(a) 780 395	—780 395	1,175 (63)	2006 09/17/13	15 to 30 Years									

Convenience
Stores

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Encumbrances Description (e)	Initial Cost to Company			Cost Capitalized Subsequent to Gross Amount at Acquisition including impairment December 31, 2015 (g)							Total	Final Accum
	Land and Improvements	Buildings, Improvements	Improvements/ Land	Improvements/ building	Land and Improvements	Buildings, Improvements						
Akron, OH	(c) 424	1,139	—	424	1,139	1,563	(133)	1995	07/17/13	13 to 30 Years		
Akron, OH	(c) 587	1,073	—	587	1,073	1,660	(139)	1998	07/17/13	13 to 32 Years		
Akron, OH	(c) 500	2,058	—	500	2,058	2,558	(197)	1999	07/17/13	15 to 33 Years		
Akron, OH	(c) 337	1,149	—	337	1,149	1,486	(113)	2001	07/17/13	15 to 35 Years		
Akron, OH	(c) 595	1,031	—	595	1,031	1,626	(133)	1995	07/17/13	14 to 30 Years		
Akron, OH	(c) 554	824	—	554	824	1,378	(96)	1969	07/17/13	14 to 38 Years		
Akron, OH	(c) 517	1,122	—	517	1,122	1,639	(141)	1994	07/17/13	13 to 29 Years		
Akron, OH	(c) 283	1,160	—	283	1,160	1,443	(119)	1997	07/17/13	14 to 32 Years		
Akron, OH	(c) 434	1,198	—	434	1,198	1,632	(145)	1994	07/17/13	14 to 29 Years		
Akron, OH	(c) 343	1,193	—	343	1,193	1,536	(129)	1991	07/17/13	15 to 31 Years		
Akron, OH	(c) 513	1,251	—	513	1,251	1,764	(141)	1996	07/17/13	15 to 31 Years		
Akron, OH	(c) 321	1,179	—	321	1,179	1,500	(131)	1994	07/17/13	13 to 29 Years		
Akron, OH	(c) 402	1,263	—	402	1,263	1,665	(125)	2000	07/17/13	13 to 34 Years		
Akron, OH	(c) 291	1,230	—	291	1,230	1,521	(152)	1950	07/17/13	12 to 25 Years		
Albuquerque, NM	(c) 699	777	—	699	777	1,476	(170)	1994	07/17/13	9 to 35 Years		
Altavista, VA	(d) 358	1,400	—	358	1,400	1,758	(28)	1981	06/30/15	15 to 30 Years		
Altavista, VA	(d) 467	745	—	467	745	1,212	(18)	1984	06/30/15	15 to 30 Years		
Apopka, FL	(d) 477	389	—	477	389	866	(51)	1989	12/19/13	15 to 30 Years		
Apopka, FL	(d) 1,357	748	—	1,357	748	2,105	(14)	1997	10/28/15	15 to 30 Years		
Apple Valley, CA	(d) 782	662	—	782	662	1,444	(157)	1985	05/02/14	10 to 15 Years		
Asheville, NC	(a) 278	776	-468	278	944	1,222	(131)	2000	01/01/14	8 to 29 Years		
Asheville, NC	(a) 247	497	-87	247	584	831	(88)	1986	01/01/14	8 to 29 Years		
Ashland, NH	(d) 398	157	—	398	157	555	(41)	1970	06/28/12	15 to 20 Years		
Auburn, AL	(c) 757	1,199	—	757	1,199	1,956	(172)	1990	07/17/13	10 to 25 Years		
Auburn, ME	(d) 371	444	—	371	444	815	(73)	1996	06/28/12	15 to 30 Years		
Auburn, ME	(d) 287	222	—	287	222	509	(52)	1968	06/28/12	15 to 20 Years		
Augusta, GA	(c) 400	1,540	—	400	1,540	1,940	(154)	1981	07/17/13	13 to 30 Years		
Augusta, ME	(d) 318	322	—	318	322	640	(54)	1997	06/28/12	15 to 28 Years		
Bangor, ME	(d) 327	141	—	327	141	468	(58)	1973	06/28/12	15 to 15 Years		
Barberton, OH	(c) 255	1,244	—	255	1,244	1,499	(145)	1991	07/17/13	12 to 26 Years		
Barberton, OH	(c) 884	1,885	—	884	1,885	2,769	(213)	1981	07/17/13	13 to 34 Years		
Barberton, OH	(c) 321	1,219	—	321	1,219	1,540	(127)	1983	07/17/13	14 to 31 Years		
Bartlett, NH	(d) 325	399	—	325	399	724	(66)	1998	06/28/12	15 to 32 Years		
Barton, VT	(d) 307	609	—	307	609	916	(45)	1975	01/24/14	14 to 40 Years		
Baton Rouge, LA	(c) 260	859	—	260	859	1,119	(113)	1976	07/17/13	7 to 25 Years		
Baton Rouge, LA	(c) 330	997	—	330	997	1,327	(113)	1970	07/17/13	8 to 30 Years		
Baton Rouge, LA	(c) 481	913	—	481	913	1,394	(122)	1977	07/17/13	8 to 30 Years		
Beattyville, KY	(d) 278	795	—	278	795	1,073	(17)	1981	06/30/15	15 to 30 Years		

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Encumbrances Description (e)	Initial Cost to Company			Cost Capitalized Subsequent to Acquisition including impairment				Gross Amount at December 31, 2015 (g)		Total	Final Accum
	Land and Improvements	Buildings, Improvements	Improvements/ Land	Improvements/ building	Land and Improvements	Buildings, Improvements					
Beaufort, SC	(c) 850	1,337	—	-850	1,337	2,187	(161	) 1997	07/17/13	12 to 34	Years
Bedford, OH	(c) 750	680	—	-750	680	1,430	(105	) 2000	07/17/13	15 to 33	Years
Bedford, VA	(d) 258	818	—	-258	818	1,076	(18	) 1997	06/30/15	15 to 30	Years
Belle Glade, FL	(d) 978	1,184	—	-978	1,184	2,162	(55	) 1960	10/30/14	15 to 40	Years
Belle Glade, FL	(d) 356	1,125	—	-356	1,125	1,481	(44	) 1977	10/30/14	15 to 40	Years
Belle Isle, FL	(d) 908	738	—	-908	738	1,646	(10	) 1996	10/27/15	15 to 30	Years
Belmont, NH	(d) 315	218	—	-315	218	533	(30	) 1969	01/24/14	14 to 30	Years
Belmont, NH	(d) 524	879	—	-524	879	1,403	(94	) 2002	01/24/14	14 to 30	Years
Berlin, NH	(d) 387	317	—	-387	317	704	(75	) 1991	06/28/12	15 to 22	Years
Blairs, VA	(d) 318	636	—	-318	636	954	(14	) 1987	06/30/15	15 to 30	Years
Bluffton, SC	(c) 1,531	645	—	-1,531	645	2,176	(112	) 1997	07/17/13	10 to 32	Years
Bossier City, LA	(c) 565	1,051	(21	) -544	1,051	1,595	(136	) 1987	07/17/13	9 to 25	Years
Brewer, ME	(d) 238	260	—	-238	260	498	(57	) 1967	06/28/12	15 to 25	Years
Brookpark, OH	(c) 623	978	—	-623	978	1,601	(122	) 1998	07/17/13	13 to 32	Years
Bucksport, ME	(d) 1,203	587	—	-1,203	587	1,790	(69	) 1995	01/24/14	14 to 40	Years
Calais, ME	(d) 187	213	—	-187	213	400	(53	) 1968	06/28/12	15 to 20	Years
Campton, KY	(d) 189	735	—	-189	735	924	(16	) 1996	06/30/15	15 to 30	Years
Canton, OH	(c) 362	1,159	—	-362	1,159	1,521	(145	) 1990	07/17/13	12 to 26	Years
Canton, OH	(c) 1,037	1,557	—	-1,037	1,557	2,594	(206	) 2000	07/17/13	15 to 34	Years
Carlisle, KY	(d) 209	586	—	-209	586	795	(13	) 1989	06/30/15	15 to 30	Years
Carlisle, KY	(d) 298	874	—	-298	874	1,172	(20	) 2005	06/30/15	15 to 30	Years
Catlettsburg, KY	(a) 9,344	3,989	—	-9,344	3,989	13,333	(3,616	) 2001	07/01/05	13 to 40	Years
Cave Creek, AZ	(d) 2,711	2,201	—	-2,711	2,201	4,912	(828	) 1998	07/02/07	15 to 40	Years
Charleston, SC	(c) 1,547	1,242	—	-1,547	1,242	2,789	(220	) 1987	07/17/13	7 to 20	Years
Charlotte, NC	(c) 1,507	749	(127)	-1,380	749	2,129	(112	) 1996	07/17/13	9 to 35	Years
Charlotte, NC	(c) 1,442	789	—	-1,442	789	2,231	(144	) 1997	07/17/13	8 to 35	Years
Charlotte, NC	(c) 1,392	563	—	-1,392	563	1,955	(173	) 1991	07/17/13	6 to 32	Years
Clay City, KY	(d) 397	884	—	-397	884	1,281	(24	) 2002	06/30/15	15 to 30	Years
Cleveland, MO	(d) 701	894	—	-701	894	1,595	(69	) 1994	11/18/14	15 to 20	Years
Cleveland, OH	(c) 804	1,513	—	-804	1,513	2,317	(167	) 2002	07/17/13	13 to 35	Years
Columbia, SC	(c) 1,061	1,073	—	-1,061	1,073	2,134	(131	) 1997	07/17/13	11 to 32	Years
Columbia, SC	(c) 1,261	985	—	-1,261	985	2,246	(138	) 1993	07/17/13	10 to 28	Years
Columbus, GA	(c) 711	943	—	-711	943	1,654	(114	) 1990	07/17/13	13 to 32	Years
Columbus, GA	(c) 574	1,039	—	-574	1,039	1,613	(115	) 1984	07/17/13	13 to 32	Years
Columbus, GA	(c) 867	2,299	—	-867	2,299	3,166	(242	) 1978	07/17/13	13 to 30	Years
Columbus, GA	(c) 1,465	2,088	—	-1,465	2,088	3,553	(238	) 1995	07/17/13	11 to 34	Years
Columbus, GA	(c) 730	1,317	—	-730	1,317	2,047	(161	) 1978	07/17/13	13 to 28	Years
Concord, NH	(d) 260	330	—	-260	330	590	(60	) 1988	06/28/12	15 to 25	Years
Copley, OH	(c) 379	999	—	-379	999	1,378	(129) 1993	07/17/13	12 to 28	Years
Cuyahoga Falls, OH	(c) 657	1,018	—	-657	1,018	1,675	(146) 1995	07/17/13	13 to 30	Years

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Encumbrances Description (e)	Initial Cost to Company			Cost Capitalized Subsequent to Acquisition including impairment				Gross Amount at December 31, 2015 (g)			Total	Final Accum
	Land and Improvements	Buildings, Improvements	Improvements/ Land	Improvements/ building	Land and Improvements	Buildings, Improvements	Land and Improvements	Buildings, Improvements	Land and Improvements	Buildings, Improvements		
Cuyahoga Falls, OH	(c) 958	1,416	—	958	1,416	2,374	(181)	2002	07/17/13	15 to 35 Years		
Cuyahoga Falls, OH	(c) 342	806	—	342	806	1,148	(109)	1972	07/17/13	12 to 26 Years		
Cynthiana, KY	(d) 119	596	—	119	596	715	(12)	1985	06/30/15	15 to 30 Years		
Daleville, VA	(d) 467	616	—	467	616	1,083	(16)	1989	06/30/15	15 to 30 Years		
Danville, VA	(d) 348	477	—	348	477	825	(12)	1989	06/30/15	15 to 30 Years		
El Paso, TX	(c) 1,143	1,029	—	1,143	1,029	2,172	(310)	2000	07/17/13	4 to 27 Years		
El Paso, TX	(c) 987	558	—	987	558	1,545	(146)	1999	07/17/13	3 to 26 Years		
El Paso, TX	(c) 1,090	1,203	—	1,090	1,203	2,293	(233)	1999	07/17/13	6 to 35 Years		
Fairlawn, OH	(c) 616	1,064	—	616	1,064	1,680	(143)	1993	07/17/13	13 to 28 Years		
Fallon, NV	(d) 1,262	1,321	—	1,262	1,321	2,583	(95)	1985	10/31/14	15 to 40 Years		
Flemingsburg, KY	(d) 1,073	1,212	—	1,073	1,212	2,285	(32)	1997	06/30/15	15 to 30 Years		
Forest, VA	(d) 248	834	—	248	834	1,082	(18)	1995	06/30/15	15 to 30 Years		
Fort Mill, SC	(c) 1,589	1,356	—	1,589	1,356	2,945	(150)	1999	07/17/13	10 to 33 Years		
Fort Pierce, FL	(d) 1,064	1,659	—	1,064	1,659	2,723	(88)	1977	10/30/14	15 to 40 Years		
Fort Pierce, FL	(d) 681	1,404	—	681	1,404	2,085	(67)	1989	10/30/14	15 to 40 Years		
Freeport, ME	(d) 503	343	—	503	343	846	(65)	1991	06/28/12	15 to 26 Years		
Fremont, CA	(d) 1,905	361	—	1,905	361	2,266	(42)	1990	10/31/14	15 to 30 Years		
Georgetown, KY	(d) 725	805	—	725	805	1,530	(21)	1989	06/30/15	15 to 30 Years		
Georgetown, KY	(d) 815	934	—	815	934	1,749	(23)	1998	06/30/15	15 to 30 Years		
Goose Creek, SC	(c) 682	1,571	—	682	1,571	2,253	(233)	1983	07/17/13	7 to 20 Years		
Gorham, NH	(d) 723	358	—	723	358	1,081	(98)	1975	06/28/12	15 to 18 Years		
Grandtham, NH	(d) 576	394	—	576	394	970	(53)	1989	01/24/14	14 to 30 Years		
Gresham, OR	(d) 879	643	—	879	643	1,522	(50)	1990	10/28/14	15 to 30 Years		
Gretna, VA	(d) 268	798	—	268	798	1,066	(19)	1978	06/30/15	15 to 30 Years		
Gretna, VA	(d) 159	1,083	—	159	1,083	1,242	(22)	1996	06/30/15	15 to 30 Years		
Hampden, ME	(d) 987	424	—	987	424	1,411	(91)	1997	01/24/14	14 to 30 Years		
Harrington, ME	(d) 331	459	—	331	459	790	(88)	1992	06/28/12	15 to 32 Years		
Harrodsburg, KY	(d) 229	824	—	229	824	1,053	(18)	1973	06/30/15	15 to 30 Years		
Hazard, KY	(d) 288	805	—	288	805	1,093	(17)	1991	06/30/15	15 to 30 Years		
Hockessin, DE	(b) 1,921	2,477	—	1,921	2,477	4,398	(245)	2001	07/17/13	8 to 46 Years		
Honea Path, SC	(a) 1,268	1,134	-75	1,268	1,309	2,577	(267)	1996	01/01/14	8 to 29 Years		
Huntersville, NC	(c) 1,539	924	—	1,539	924	2,463	(188)	1996	07/17/13	8 to 35 Years		
Huntington Beach, CA	(d) 2,035	155	—	2,035	155	2,190	(41)	1962	10/31/14	15 to 30 Years		
Huntington Park, CA	(d) 1,909	891	—	1,909	891	2,800	(126)	1947	05/02/14	15 to 20 Years		
Hurt, VA	(d) 685	1,023	—	685	1,023	1,708	(27)	1973	06/30/15	15 to 30 Years		
Inglewood, CA	(d) 1,053	635	-30	1,053	665	1,718	(45)	1995	06/04/14	15 to 40 Years		

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Encumbrances Description (e)	Initial Cost to Company			Cost Capitalized Subsequent to Gross Amount at Acquisition including impairment December 31, 2015 (g)							Total	Final Accum
	Land and Improvements	Buildings, Improvements	Improvements/ Land	Improvements/ building	Land and Improvements	Buildings, Improvements	Improvements/ Land	Improvements/ building	Land and Improvements	Buildings, Improvements		
Inman, SC	(a) 2,183	897	-465	2,183	1,062	3,245	(383)	1994	05/08/13	8 to 29 Years		
Irvine, KY	(d) 219	666	—	219	666	885	(16)	1987	06/30/15	15 to 30 Years		
Jackson, KY	(d) 417	765	—	417	765	1,182	(18)	1982	06/30/15	15 to 30 Years		
Jacksonville, FL	(d) 2,285	1,537	—	2,285	1,537	3,822	(23)	2010	10/28/15	15 to 40 Years		
Kansas City, MO	(d) 925	1,027	—	925	1,027	1,952	(56)	1996	11/18/14	15 to 30 Years		
Kearney, MO	(d) 529	925	—	529	925	1,454	(47)	2001	11/18/14	15 to 30 Years		
Keene, NH	(d) 553	289	—	553	289	842	(39)	1960	01/24/14	14 to 30 Years		
Kent, OH	(c) 258	917	—	258	917	1,175	(104)	1994	07/17/13	13 to 29 Years		
Kent, WA	(d) 1,450	381	—	1,450	381	1,831	(44)	1987	10/28/14	15 to 30 Years		
Kissimmee, FL	(d) 759	1,060	—	759	1,060	1,819	(139)	2005	12/19/13	15 to 30 Years		
Kissimmee, FL	(d) 2,115	1,602	—	2,115	1,602	3,717	(16)	2006	10/27/15	15 to 40 Years		
Laconia, NH	(d) 411	770	—	411	770	1,181	(77)	1998	01/24/14	14 to 30 Years		
Lanett, AL	(c) 299	844	—	299	844	1,143	(111)	1974	07/17/13	10 to 25 Years		
Laurens, SC	(a) 505	622	-418	505	740	1,245	(129)	1992	01/01/14	8 to 29 Years		
Lebo, KS	(d) 1,951	762	—	1,951	762	2,713	(75)	1976	11/18/14	15 to 20 Years		
Lewiston, ME	(d) 460	341	—	460	341	801	(75)	1994	06/28/12	15 to 28 Years		
Long Beach, CA	(d) 1,049	635	—	1,049	635	1,684	(60)	1959	05/02/14	15 to 30 Years		
Los Angeles, CA	(d) 2,178	504	—	2,178	504	2,682	(96)	1963	05/02/14	15 to 20 Years		
Lynchburg, VA	(d) 467	1,391	—	467	1,391	1,858	(28)	2006	06/30/15	15 to 30 Years		
Lynchburg, VA	(d) 278	699	—	278	699	977	(14)	1967	06/30/15	15 to 30 Years		
Lynchburg, VA	(d) 517	1,142	—	517	1,142	1,659	(26)	2000	06/30/15	15 to 30 Years		
Macon, GA	(c) 470	1,226	—	470	1,226	1,696	(178)	1974	07/17/13	7 to 35 Years		
Macon, GA	(c) 471	1,066	—	471	1,066	1,537	(192)	1993	07/17/13	5 to 35 Years		
Madison Heights, VA	(d) 268	417	—	268	417	685	(10)	1983	06/30/15	15 to 30 Years		
Madison, ME	(d) 130	410	—	130	410	540	(69)	1988	06/28/12	15 to 25 Years		
Manahawkin, NJ	(b) 3,258	1,954	—	3,258	1,954	5,212	(415)	2001	07/17/13	8 to 46 Years		
Manchester, ME	(d) 279	285	—	279	285	564	(68)	1990	06/28/12	15 to 20 Years		
Maple Heights, OH	(c) 747	917	—	747	917	1,664	(127)	1998	07/17/13	13 to 32 Years		
Martinez, GA	(c) 626	996	—	626	996	1,622	(292)	1985	07/17/13	3 to 35 Years		
McKee, KY	(d) 119	973	—	119	973	1,092	(18)	1983	06/30/15	15 to 30 Years		
Midland, GA	(c) 637	2,136	—	637	2,136	2,773	(188)	1995	07/17/13	9 to 35 Years		
Mobile, AL	(c) 552	1,664	—	552	1,664	2,216	(223)	1987	07/17/13	11 to 24 Years		
Mobile, AL	(c) 939	878	—	939	878	1,817	(153)	1988	07/17/13	13 to 25 Years		
Moneta, VA	(d) 437	934	—	437	934	1,371	(24)	1999	06/30/15	15 to 30 Years		
Monroe, LA	(c) 517	1,455	—	517	1,455	1,972	(224)	1986	07/17/13	6 to 28 Years		
Montclair, CA	(d) 4,957	4,136	-425	4,957	4,261	9,218	(313)	1989	10/31/14	15 to 40 Years		
Mount Pleasant, SC	(c) 1,328	1,073	—	1,328	1,073	2,401	(120)	1978	07/17/13	7 to 30 Years		
Mt Sterling, KY	(d) 1,103	1,102	—	1,103	1,102	2,205	(30)	2000	06/30/15	15 to 30 Years		

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	Land and Improvements	Buildings, Improvements	Improvements/ Land	Improvements/ building	Land and Improvements	Buildings, Improvements						
Murphy, NC	(a) 489	298	-49	489	347	836	(68	) 1965	05/08/13	8 to 19 Years		
N. Augusta, SC	(c) 1,065	894	—	1,065	894	1,959	(104	) 1999	07/17/13	12 to 33 Years		
Narberth, PA	(b) 1,812	3,163	—	1,812	3,163	4,975	(221	) 2006	07/17/13	8 to 46 Years		
Newport, NH	(d) 519	581	—	519	581	1,100	(103	) 1998	06/28/12	15 to 30 Years		
Northfield, OH	(c) 873	1,633	—	873	1,633	2,506	(193	) 1983	07/17/13	15 to 35 Years		
Norton, OH	(c) 581	1,460	—	581	1,460	2,041	(156	) 1984	07/17/13	13 to 35 Years		
Oakfield, ME	(d) 273	229	—	273	229	502	(61	) 1993	06/28/12	15 to 25 Years		
Oakland, FL	(d) 1,303	1,109	—	1,303	1,109	2,412	(176	) 2002	12/19/13	15 to 30 Years		
Okeechobee, FL	(d) 468	936	—	468	936	1,404	(47	) 1976	10/30/14	15 to 40 Years		
Okeechobee, FL	(d) 808	1,191	—	808	1,191	1,999	(69	) 1984	10/30/14	15 to 40 Years		
Okeechobee, FL	(d) 386	1,764	—	386	1,764	2,150	(69	) 1975	10/30/14	15 to 40 Years		
Okeechobee, FL	(d) 558	1,024	—	558	1,024	1,582	(50	) 1986	10/30/14	15 to 40 Years		
Ontario, CA	(d) 1,307	1,307	—	1,307	1,307	2,614	(102	) 1964	05/02/14	15 to 30 Years		
Opelika, AL	(c) 960	1,716	—	960	1,716	2,676	(256	) 1988	07/17/13	10 to 25 Years		
Opelika, AL	(c) 400	1,321	—	400	1,321	1,721	(169	) 1989	07/17/13	10 to 24 Years		
Orlando, FL	(d) 1,167	982	—	1,167	982	2,149	(141	) 2001	12/19/13	15 to 30 Years		
Orlando, FL	(d) 1,080	798	—	1,080	798	1,878	(105	) 2001	12/19/13	15 to 30 Years		
Orlando, FL	(d) 1,303	496	—	1,303	496	1,799	(89	) 1994	12/19/13	15 to 30 Years		
Orlando, FL	(d) 973	350	—	973	350	1,323	(79	) 1991	12/19/13	15 to 30 Years		
Orlando, FL	(d) 1,128	496	—	1,128	496	1,624	(93	) 1995	12/19/13	15 to 30 Years		
Orlando, FL	(d) 1,644	1,829	—	1,644	1,829	3,473	(176	) 2000	12/19/13	15 to 40 Years		
Orlando, FL	(d) 1,255	1,333	—	1,255	1,333	2,588	(160	) 2001	12/19/13	15 to 40 Years		
Orlando, FL	(d) 1,397	1,028	—	1,397	1,028	2,425	(16	) 1990	10/29/15	15 to 30 Years		
Oveido, FL	(d) 1,556	982	—	1,556	982	2,538	(160	) 2002	12/19/13	15 to 30 Years		
Oviedo, FL	(d) 973	798	—	973	798	1,771	(117	) 1995	12/19/13	15 to 30 Years		
Oxnard, CA	(d) 1,330	950	-363	1,330	1,313	2,643	(88	) 1966	06/27/14	15 to 30 Years		
Oxnard, CA	(d) 2,284	3,620	—	2,284	3,620	5,904	(167	) 2003	09/09/14	15 to 40 Years		
Paris, KY	(d) 129	636	—	129	636	765	(13	) 1988	06/30/15	15 to 30 Years		
Paris, KY	(d) 209	576	—	209	576	785	(13	) 1992	06/30/15	15 to 30 Years		
Paris, ME	(d) 139	153	—	139	153	292	(43	) 1954	06/28/12	15 to 17 Years		
Parma, OH	(c) 437	1,166	—	437	1,166	1,603	(113	) 2002	07/17/13	15 to 35 Years		
Phenix City, AL	(c) 554	1,392	—	554	1,392	1,946	(162	) 1999	07/17/13	13 to 33 Years		
Phoenix, AZ	(d) 2,243	4,243	—	2,243	4,243	6,486	(1,449)	2001	07/02/07	15 to 40 Years		
Phoenix, AZ	(d) 1,212	380	—	1,212	380	1,592	(33	) 1985	03/20/15	7 to 40 Years		
Pine Mountain, GA	(c) 454	1,627	—	454	1,627	2,081	(169	) 1999	07/17/13	10 to 37 Years		
Pomona, CA	(d) 1,551	839	-427	1,551	966	2,517	(85	) 1967	05/02/14	15 to 30 Years		
Pomona, CA	(d) 1,078	864	—	1,078	864	1,942	(68	) 1999	06/04/14	15 to 40 Years		
Port Wentworth, GA	(c) 1,627	1,131	—	1,627	1,131	2,758	(363) 1991	07/17/13	4 to 35 Years		
Portland, OR	(d) 516	272	—	516	272	788	(24) 1991	10/28/14	15 to 30 Years		

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	Land and Improvements	Buildings, Improvements	Improvements/ Land	Improvements/ building	Land and Improvements	Buildings, Improvements	Land and Improvements	Buildings, Improvements			
Presque Isle, ME	(d) 708	390	—708	390	1,098	(71)	1995	01/24/14	14 to 30 Years		
Prosser, WA	(d) 245	444	—245	444	689	(30)	1985	10/28/14	15 to 30 Years		
Raymond, NH	(d) 1,722	430	—1,722	430	2,152	(105)	1986	01/24/14	14 to 20 Years		
Reseda, CA	(d) 2,064	1,013	—2,064	1,013	3,077	(83)	1997	05/02/14	15 to 40 Years		