

REALTY INCOME CORP  
Form 10-K  
February 23, 2017  
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**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, DC 20549**

**FORM 10-K**

**ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D)**

**OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the Fiscal Year Ended December 31, 2016**

**Commission File Number 1-13374**

**REALTY INCOME CORPORATION**

(Exact name of registrant as specified in its charter)

Maryland  
(State or Other Jurisdiction of  
Incorporation or Organization)

**33-0580106**  
(IRS Employer  
Identification Number)

11995 El Camino Real, San Diego, California, 92130

(Address of Principal Executive Offices)

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Registrant's telephone number, including area code: (858) 284-5000

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

| Title of Each Class                       | Name of Each Exchange<br>On Which Registered |
|---|--|
| Common Stock, \$0.01 Par Value            | New York Stock Exchange                      |
| Class F Preferred 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 for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.  
YES  NO

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, 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  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

At June 30, 2016, the aggregate market value of the Registrant's shares of common stock, \$0.01 par value, held by non-affiliates of the Registrant was \$17.8 billion based upon the last reported sale price of \$69.36 per share on the New York Stock Exchange on June 30, 2016, the last business day of the Registrant's most recently completed second fiscal quarter. The determination of affiliate status for purposes of this calculation is not necessarily a conclusive determination for other purposes.

At February 10, 2017, the number of shares of common stock outstanding was 260,120,152 and the number of shares of Class F Cumulative Redeemable Preferred Stock outstanding was 16,350,000.

**DOCUMENTS INCORPORATED BY REFERENCE**

Part III, Items 10, 11, 12, 13, and 14 incorporate by reference certain specific portions of the definitive Proxy Statement for Realty Income Corporation's Annual Meeting to be held on May 16, 2017, to be filed pursuant to Regulation 14A. Only those portions of the proxy statement which are specifically incorporated by reference herein shall constitute a part of this annual report.

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**PART I**

**Item 1: Business**

**THE COMPANY**

Realty Income, The Monthly Dividend Company®, is an S&P 500 company dedicated to providing stockholders with dependable monthly dividends that increase over time. The company is structured as a real estate investment trust, or REIT, requiring it annually to distribute at least 90% of its taxable income (excluding net capital gains) in the form of dividends to its stockholders. The monthly dividends are supported by the cash flow generated from real estate owned under long-term, net lease agreements with regional and national commercial tenants. The company has in-house acquisition, portfolio management, asset management, real estate research, credit research, legal, finance and accounting, information technology, and capital markets capabilities.

Realty Income was founded in 1969, and listed on the New York Stock Exchange (NYSE: O) in 1994. Over the past 48 years, Realty Income has been acquiring and managing freestanding commercial properties that generate rental revenue under long-term net lease agreements. The company is a member of the S&P High Yield Dividend Aristocrats® index for having increased its dividend every year for more than 20 consecutive years.

At December 31, 2016, we owned a diversified portfolio:

- Of 4,944 properties;
- With an occupancy rate of 98.3%, or 4,860 properties leased and 84 properties available for lease;
- Leased to 248 different commercial tenants doing business in 47 separate industries;
- Located in 49 states and Puerto Rico;
- With over 83.0 million square feet of leasable space; and
- With an average leasable space per property of approximately 16,800 square feet; approximately 11,520 square feet per retail property and 220,290 square feet per industrial property.

Of the 4,944 properties in the portfolio, 4,920, or 99.5%, are single-tenant properties, and the remaining are multi-tenant properties. At December 31, 2016, of the 4,920 single-tenant properties, 4,836 were leased with a weighted average remaining lease term (excluding rights to extend a lease at the option of the tenant) of approximately 9.8 years.

Our 11 senior officers owned 0.2% of our outstanding common stock with a market value of \$24.6 million at January 31, 2017. Our directors and 11 senior officers, as a group, owned 0.3% of our outstanding common stock with a market value of \$42.4 million at

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January 31, 2017.

Our common stock is listed on the NYSE under the ticker symbol `O` with a CUSIP number of 756109-104. Our central index key number is 726728.

Our 6.625% Monthly Income Class F Cumulative Redeemable Preferred Stock, or the Class F preferred stock, is listed on the NYSE under the ticker symbol `OprF` with a CUSIP number of 756109-807.

In January 2017, we had 146 employees, as compared to 132 employees in January 2016.

We maintain a corporate website at [www.realtyincome.com](http://www.realtyincome.com). On our website we make available, free of charge, copies of our annual report on Form 10-K, quarterly reports on Form 10-Q, Form 3s, Form 4s, Form 5s, current reports on Form 8-K, and amendments to those reports, as soon as reasonably practicable after we electronically file these reports with the Securities and Exchange Commission, or SEC. None of the information on our website is deemed to be part of this report.

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We have continued our 48-year policy of paying monthly dividends. In addition, we increased the dividend six times during 2016 and twice during 2017. As of February 2017, we have paid 77 consecutive quarterly dividend increases and increased the dividend 90 times since our listing on the NYSE in 1994.

| <b>2016 Dividend increases</b> | <b>Month Declared</b> | <b>Month Paid</b> | <b>Dividend per share</b> | <b>Increase per share</b> |
|--------------------------------|-----------------------|-------------------|---------------------------|---------------------------|
| 1st increase                   | Dec 2015              | Jan 2016          | \$ 0.1910                 | \$ 0.0005                 |
| 2nd increase                   | Jan 2016              | Feb 2016          | \$ 0.1985                 | \$ 0.0075                 |
| 3rd increase                   | Mar 2016              | Apr 2016          | \$ 0.1990                 | \$ 0.0005                 |
| 4th increase                   | Jun 2016              | Jul 2016          | \$ 0.1995                 | \$ 0.0005                 |
| 5th increase                   | Jul 2016              | Sep 2016          | \$ 0.2015                 | \$ 0.0020                 |
| 6th increase                   | Sep 2016              | Oct 2016          | \$ 0.2020                 | \$ 0.0005                 |
| <b>2017 Dividend increases</b> |                       |                   |                           |                           |
| 1st increase                   | Dec 2016              | Jan 2017          | \$ 0.2025                 | \$ 0.0005                 |
| 2nd increase                   | Jan 2017              | Feb 2017          | \$ 0.2105                 | \$ 0.0080                 |

The dividends paid per share during 2016 totaled approximately \$2.392, as compared to approximately \$2.271 during 2015, an increase of \$0.121, or 5.3%.

The monthly dividend of \$0.2105 per share represents a current annualized dividend of \$2.526 per share, and an annualized dividend yield of approximately 4.2% based on the last reported sale price of our common stock on the NYSE of \$59.63 on January 31, 2017. Although we expect to continue our policy of paying monthly dividends, we cannot guarantee that we will maintain our current level of dividends, that we will continue our pattern of increasing dividends per share, or what our actual dividend yield will be in any future period.

**Acquisitions During 2016**

During 2016, we invested \$1.86 billion in 505 new properties and properties under development or expansion, with an initial weighted average contractual lease rate of 6.3%. The 505 new properties and properties under development or expansion are located in 40 states, will contain approximately 8.2 million leasable square feet, and are 100% leased with a weighted average lease term of 14.7 years. The tenants occupying the new properties operate in 28 industries and the property types are 86.4% retail and 13.6% industrial, based on rental revenue. During 2016, none of our real estate investments caused any one tenant to be 10% or more of our total assets at December 31, 2016.

The estimated initial weighted average contractual lease rate for a property is generally computed as estimated contractual net operating income, which, in the case of a net leased property, is equal to the aggregate base rent for the first full year of each



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lease, divided by the total cost of the property. Since it is possible that a tenant could default on the payment of contractual rent, we cannot provide assurance that the actual return on the funds invested will remain at the percentages listed above.

In the case of a property under development or expansion, the contractual lease rate is generally fixed such that rent varies based on the actual total investment in order to provide a fixed rate of return. When the lease does not provide for a fixed rate of return on a property under development or expansion, the estimated initial weighted average contractual lease rate is computed as follows: estimated net operating income (determined by the lease) for the first full year of each lease, divided by our projected total investment in the property, including land, construction and capitalized interest costs. Of the \$1.86 billion we invested during 2016, \$103.8 million was invested in 33 properties under development or expansion with an estimated initial weighted average contractual lease rate of 7.1%. We may continue to pursue development or expansion opportunities under similar arrangements in the future.

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**Portfolio Discussion**

Leasing Results

At December 31, 2016, we had 84 properties available for lease out of 4,944 properties in our portfolio, which represents a 98.3% occupancy rate based on the number of properties in our portfolio. Since December 31, 2015, when we reported 71 properties available for lease out of 4,538 and a 98.4% occupancy rate, we:

- Had 256 lease expirations (including leases rejected in bankruptcy);
- Re-leased 186 properties; and
- Sold 57 vacant properties.

Of the 186 properties re-leased during 2016, 144 properties were re-leased to existing tenants, 21 were re-leased to the same tenants without vacancy, and 21 were re-leased to new tenants after a period of vacancy. The annual rent on these 186 leases was \$28.57 million, as compared to the previous rent on these same properties of \$27.33 million, which represents a rent recapture rate of 104.5% on the properties re-leased during 2016.

As part of our re-leasing costs, we pay leasing commissions to unrelated, third party real estate brokers consistent with the commercial real estate industry standard, and sometimes provide tenant rent concessions. We do not consider the collective impact of the leasing commissions or tenant rent concessions to be material to our financial position or results of operations.

At December 31, 2016, our average annualized rental revenue was approximately \$13.64 per square foot on the 4,860 leased properties in our portfolio. At December 31, 2016, we classified 15 properties with a carrying amount of \$26.6 million as held for sale on our balance sheet. The expected sale of these properties does not represent a strategic shift that will have a major effect on our operations and financial results.

Investments in Existing Properties

In 2016, we capitalized costs of \$16.3 million on existing properties in our portfolio, consisting of \$797,000 for re-leasing costs, \$679,000 for recurring capital expenditures, and \$14.9 million for non-recurring building improvements. In 2015, we capitalized costs of \$11.5 million on existing properties in our portfolio, consisting of \$748,000 for re-leasing costs, \$7.6 million for recurring capital expenditures and \$3.2 million for non-recurring building improvements.

The majority of our building improvements relate to roof repairs, HVAC improvements, and parking lot resurfacing and replacements. The amounts of our capital expenditures can vary significantly, depending on the rental market, tenant credit worthiness, the lease term and the willingness of tenants to pay higher rents over the terms of the leases.

**Note Issuance**

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In October 2016, we issued \$600 million of 3.000% senior unsecured notes due January 2027. The public offering price for the notes was 98.671% of the principal amount for an effective yield to maturity of 3.153%. The net proceeds of approximately \$586.7 million from the offering were used to repay borrowings outstanding under our credit facility.

### **Capital Raising**

During 2016, Realty Income issued 9,449,167 common shares at a weighted average price of \$60.61, receiving gross proceeds of \$572.7 million.

### **Net Income Available to Common Stockholders**

Net income available to common stockholders was \$288.5 million in 2016, as compared to \$256.7 million in 2015, an increase of \$31.8 million. On a diluted per common share basis, net income was \$1.13 in 2016, as compared to \$1.09 in 2015, an increase of \$0.04, or 3.7%.

The calculation to determine net income available to common stockholders includes impairments, gains from the sale of properties and/or fair value adjustments on our interest rate swaps. These items vary from period to period based on the timing of property sales and the interest rate environment, and can significantly impact net income available to common stockholders.

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Gains from the sale of properties during 2016 were \$22.0 million, as compared to gains from the sale of properties of \$22.2 million during 2015.

**Funds from Operations Available to Common Stockholders (FFO)**

In 2016, our FFO increased by \$83.0 million, or 12.7%, to \$735.4 million, as compared to \$652.4 million in 2015. On a diluted per common share basis, FFO was \$2.88 in 2016, compared to \$2.77 in 2015, an increase of \$0.11, or 4.0%.

**Adjusted Funds from Operations Available to Common Stockholders (AFFO)**

In 2016, our AFFO increased by \$89.4 million, or 13.8%, to \$736.4 million versus \$647.0 million in 2015. On a diluted per common share basis, our AFFO was \$2.88 in 2016, compared to \$2.74 in 2015, an increase of \$0.14, or 5.1%.

See our discussion of FFO and AFFO (which are not financial measures under generally accepted accounting principles, or GAAP), later in the section entitled Management's Discussion and Analysis of Financial Condition and Results of Operations, in this annual report, which includes a reconciliation of net income available to common stockholders to FFO and AFFO.

**DIVIDEND POLICY**

Distributions are paid monthly to holders of shares of our common stock and Class F preferred stock if, and when, declared by our Board of Directors.

Distributions are paid monthly to the limited partners holding common units of Tau Operating Partnership, L.P. and Realty Income, L.P., each on a per unit basis that is generally equal to the amount paid per share to our common stockholders.

In order to maintain our status as a REIT for federal income tax purposes, we generally are required to distribute dividends to our stockholders aggregating annually at least 90% of our taxable income (excluding net capital gains), and we are subject to income tax to the extent we distribute less than 100% of our taxable income (including net capital gains). In 2016, our cash distributions to preferred and common stockholders totaled \$637.6 million, or approximately 129.2% of our estimated taxable income of \$493.4 million. Our estimated taxable income reflects non-cash deductions for depreciation and amortization. Our estimated taxable income is presented to show our compliance with REIT dividend requirements and is not a measure of our liquidity or operating performance. We intend to continue to make distributions to our stockholders that are sufficient to meet this dividend requirement and that will reduce or eliminate our exposure to income taxes. Furthermore, we believe our funds from operations are sufficient to support our current level of cash distributions to our stockholders. Our cash distributions to common stockholders in 2016 totaled \$610.5 million, representing 82.9% of our adjusted funds from operations available to common stockholders of \$736.4 million. In comparison, our 2015 cash distributions to common stockholders totaled \$533.2 million, representing 82.4% of our adjusted funds from operations available to common stockholders of \$647.0 million.

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The Class F preferred stockholders receive cumulative distributions at a rate of 6.625% per annum on the \$25.00 per share liquidation preference (equivalent to \$1.65625 per annum per share).

Future distributions will be at the discretion of our Board of Directors and will depend on, among other things, our results of operations, FFO, AFFO, cash flow from operations, financial condition, capital requirements, the annual distribution requirements under the REIT provisions of the Internal Revenue Code of 1986, as amended, or the Code, our debt service requirements, and any other factors the Board of Directors may deem relevant. In addition, our credit facility contains financial covenants that could limit the amount of distributions payable by us in the event of a default, and which prohibit the payment of distributions on the common or preferred stock in the event that we fail to pay when due (subject to any applicable grace period) any principal or interest on borrowings under our credit facility.

Distributions of our current and accumulated earnings and profits for federal income tax purposes generally will be taxable to stockholders as ordinary income, except to the extent that we recognize capital gains and declare a capital gains dividend, or that such amounts constitute qualified dividend income subject to a reduced rate of tax. The maximum tax rate of non-corporate taxpayers for qualified dividend income is generally 20%. In general, dividends payable by REITs are not eligible for the reduced tax rate on qualified dividend income, except to the extent that certain holding requirements have been met with respect to the REIT's stock and the REIT's dividends are attributable to dividends received from certain taxable corporations (such as our taxable REIT subsidiaries) or to income that was subject to tax at the corporate or REIT level (for example, if we distribute taxable income that we retained and paid tax on in the prior taxable year).

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Distributions in excess of earnings and profits generally will first be treated as a non-taxable reduction in the stockholders' basis in their stock, but not below zero. Distributions in excess of that basis generally will be taxable as a capital gain to stockholders who hold their shares as a capital asset. Approximately 21.5% of the distributions to our common stockholders, made or deemed to have been made in 2016, were classified as a return of capital for federal income tax purposes. We estimate that in 2017, between 15% and 25% of the distributions may be classified as a return of capital.

## **BUSINESS PHILOSOPHY AND STRATEGY**

We believe that owning an actively managed, diversified portfolio of commercial properties under long-term, net lease agreements produces consistent and predictable income. A net lease typically requires the tenant to be responsible for monthly rent and certain property operating expenses including property taxes, insurance, and maintenance. In addition, tenants of our properties typically pay rent increases based on: (1) increases in the consumer price index (typically subject to ceilings), (2) fixed increases, or (3) additional rent calculated as a percentage of the tenants' gross sales above a specified level. We believe that a portfolio of properties under long-term, net lease agreements generally produces a more predictable income stream than many other types of real estate portfolios, while continuing to offer the potential for growth in rental income.

Diversification is also a key component of our business philosophy. We believe that diversification of the portfolio by tenant, industry, geography, and, to a certain extent, property type leads to more consistent and predictable income for our stockholders by reducing vulnerability that can come with any single concentration. Our investment activities have led to a diversified property portfolio that, as of December 31, 2016, consisted of 4,944 properties located in 49 states and Puerto Rico, leased to 248 different commercial tenants doing business in 47 industries. Each of the 47 industries represented in our property portfolio individually accounted for no more than 11.4% of our rental revenue for the quarter ended December 31, 2016.

### **Investment Strategy**

Our investment strategy is to acquire real estate leased to regional and national tenants. When identifying new properties for investment, we generally focus on acquiring high-quality real estate that tenants consider important to the successful operation of their business. We generally seek to acquire real estate that has the following characteristics:

- Properties that are freestanding, commercially-zoned with a single tenant;
- Properties that are in significant markets or strategic locations critical to generating revenue for regional and national tenants (i.e. they need the property in which they operate in order to conduct their business);
- Properties that we deem to be profitable for the tenants and/or can generally be characterized as important to the successful operations of the company's business;
- Properties that are located within attractive demographic areas relative to the business of our tenants, generally fungible, and have good visibility and easy access to major thoroughfares;
- Properties with real estate valuations that approximate replacement costs;
- Properties with rental or lease payments that approximate market rents; and
- Properties that can be purchased with the simultaneous execution or assumption of long-term, net lease agreements, offering both current income and the potential for future rent increases.

We seek to invest in industries in which several, well-organized, regional and national tenants are capturing market share through the selection of prime real estate locations supported by superior service, quality control, economies of scale, consumer branding,

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and advertising. In addition, we frequently acquire large portfolios of single-tenant properties net leased to different tenants operating in a variety of industries. We have an internal team dedicated to sourcing such opportunities, often using our relationships with various tenants, owners/developers, and advisers to uncover and secure transactions. We also undertake thorough research and analysis to identify what we consider to be appropriate property locations, tenants, and industries for investment. This research expertise is instrumental to uncovering net lease opportunities in markets where we believe we can add value.

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In selecting potential investments, we look for tenants with the following attributes:

- Tenants with reliable and sustainable cash flow;
- Tenants with revenue and cash flow from multiple sources;
- Tenants that are willing to sign a long-term lease (10 or more years); and
- Tenants that are large owners and users of real estate.

From a retail perspective, our investment strategy is to target tenants that have a service, non-discretionary, and/or low-price-point component to their business. We believe these characteristics better position tenants to operate in a variety of economic conditions and to compete more effectively with internet retailers. As a result of the execution of this strategy, over 90% of our annualized retail rental revenue is derived from tenants with a service, non-discretionary, and/or low price point component to their business. From a non-retail perspective, we target industrial properties leased to Fortune 1000, primarily investment grade rated companies. We believe these characteristics enhance the stability of the rental revenue generated from these properties.

After applying this investment strategy, we pursue those transactions where we can achieve an attractive investment spread over our cost of capital and favorable risk-adjusted returns.

## **Underwriting Strategy**

In order to be considered for acquisition, properties must meet stringent underwriting requirements. We have established a four-part analysis that examines each potential investment based on:

- The aforementioned overall real estate characteristics, including demographics, replacement cost and comparative rental rates;
- Industry, tenant (including credit profile), and market conditions;
- Store profitability for retail locations if profitability data is available; and
- The importance of the real estate location to the operations of the tenants' business.

We believe the principal financial obligations for most of our tenants typically include their bank and other debt, payment obligations to suppliers, and real estate lease obligations. Because we typically own the land and building in which a tenant conducts its business or which are critical to the tenant's ability to generate revenue, we believe the risk of default on a tenant's lease obligation is less than the tenant's unsecured general obligations. It has been our experience that tenants must retain their profitable and critical locations in order to survive. Therefore, in the event of reorganization, they are less likely to reject a lease of a profitable or critical location because this would terminate their right to use the property.

Thus, as the property owner, we believe that we will fare better than unsecured creditors of the same tenant in the event of reorganization. If a property is rejected by the tenant during reorganization, we own the property and can either lease it to a new tenant or sell the property. In addition, we believe that the risk of default on real estate leases can be further mitigated by monitoring the performance of the tenants' individual locations and considering whether to proactively sell locations that meet our criteria for disposition.



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Prior to entering into any transaction, our research department conducts a review of a tenant's credit quality. The information reviewed may include reports and filings, including any public credit ratings, financial statements, debt and equity analyst reports, and reviews of corporate credit spreads, stock prices, market capitalization, and other financial metrics. We conduct additional due diligence, including additional financial reviews of the tenant and a more comprehensive review of the business segment and industry in which the tenant operates. We continue to monitor our tenants' credit quality on an ongoing basis by reviewing the available information previously discussed, and providing summaries of these findings to management. We estimate that approximately 47% of our annualized rental revenue comes from properties leased to investment grade rated companies or their subsidiaries. At December 31, 2016, our top 20 tenants represent approximately 53% of our annualized revenue and ten of these tenants have investment grade credit ratings or are subsidiaries of investment grade companies.

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**Portfolio and Asset Management Strategy**

In addition to pursuing new properties for investment, we seek to increase earnings and distributions to stockholders through active portfolio and asset management.

Generally, our portfolio and asset management efforts seek to achieve:

- Rent increases at the expiration of existing leases, when market conditions permit;
- Optimum exposure to certain tenants, industries, and markets through re-leasing vacant properties and selectively selling properties;
- Maximum asset-level returns on properties that are re-leased or sold;
- Additional value creation from the existing portfolio by enhancing individual properties, pursuing alternative uses, and deriving ancillary revenue; and
- Investment opportunities in new asset classes for the portfolio.

We continually monitor our portfolio for any changes that could affect the performance of our tenants, our tenants' industries, and the real estate locations in which we have invested. We also regularly analyze our portfolio with a view towards optimizing its returns and enhancing its overall credit quality. Our active portfolio and asset management strategy pursues asset sales when we believe the reinvestment of the sale proceeds will:

- Generate higher returns;
- Enhance the credit quality of our real estate portfolio;
- Extend our average remaining lease term; and/or
- Decrease tenant, industry, or geographic concentration.

At December 31, 2016, we classified 15 properties with a carrying amount of \$26.6 million as held for sale on our balance sheet. For 2017, we intend to continue our active disposition efforts to further enhance our real estate portfolio and anticipate \$75 to \$100 million in property sales. We plan to invest these proceeds into new property acquisitions, if there are attractive opportunities available. However, we cannot guarantee that we will sell properties during 2017 at our estimated values or be able to invest the property sale proceeds in new properties.

The active management of the portfolio is an essential component of our long-term strategy of maintaining high occupancy. Since 1970, our occupancy rate at the end of each year has never been below 96%. However, we cannot assure you that our future occupancy levels will continue to equal or exceed 96%.

**Capital Philosophy**

Historically, we have met our long-term capital needs by issuing common stock, preferred stock and long-term unsecured notes and bonds. Over the long-term, we believe that common stock should be the majority of our capital structure; however, we may issue additional preferred stock or debt securities. We may 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 initially financed by our credit facility or debt securities. However, we cannot

assure you that we will have access to the capital markets at all times and at terms that are acceptable to us.

Our primary cash obligations, for the current year and subsequent years, are included in the Table of Obligations, which is presented later in this section. We expect to fund our operating expenses and other short-term liquidity requirements, including property acquisitions and development costs, payment of principal and interest on our outstanding indebtedness, property improvements, re-leasing costs and cash distributions to common and preferred stockholders, primarily through cash provided by operating activities, borrowing on our credit facility and periodically through public securities offerings.

### **Conservative Capital Structure**

We believe that our stockholders are best served by a conservative capital structure. Therefore, we seek to maintain a conservative debt level on our balance sheet and solid interest and fixed charge coverage ratios. At December 31, 2016, our total outstanding borrowings of senior unsecured notes and bonds, term loans, mortgages payable and credit facility borrowings were \$5.875 billion, or approximately 27.6% of our total market capitalization of \$21.26 billion.

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We define our total market capitalization at December 31, 2016 as the sum of:

- Shares of our common stock outstanding of 260,168,259, plus total common units outstanding of 405,204, multiplied by the last reported sales price of our common stock on the NYSE of \$57.48 per share on December 31, 2016, or \$14.98 billion;
- Aggregate liquidation value (par value of \$25.00 per share) of the Class F preferred stock of \$408.8 million;
- Outstanding borrowings of \$1.12 billion on our credit facility;
- Outstanding mortgages payable of \$460.0 million, excluding net mortgage premiums of \$6.4 million and deferred financing costs of \$324,000;
- Outstanding borrowings of \$320.0 million on our term loans, excluding deferred financing costs of \$873,000; and
- Outstanding senior unsecured notes and bonds of \$3.98 billion, excluding unamortized original issuance discounts of \$19.8 million and deferred financing costs of \$20.8 million.

**Impact of Real Estate and Credit Markets**

In the commercial real estate market, property prices generally continue to fluctuate. Likewise, during certain periods, the U.S. credit markets have experienced significant price volatility, dislocations, and liquidity disruptions, which may impact our access to and cost of capital. We continually monitor the commercial real estate and U.S. credit markets carefully and, if required, will make decisions to adjust our business strategy accordingly.

**Universal Shelf Registration**

In December 2015, we filed a shelf registration statement with the SEC, which is effective for a term of three years and will expire in December 2018. In accordance with SEC rules, the amount of securities to be issued pursuant to this shelf registration statement was not specified when it was filed and there is no specific dollar limit. The securities covered by this registration statement include (1) common stock, (2) preferred stock, (3) debt securities, (4) depositary shares representing fractional interests in shares of preferred stock, (5) warrants to purchase debt securities, common stock, preferred stock, or depositary shares, and (6) any combination of these securities. 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 of any securities offered, will be described in detail in a prospectus supplement, or other offering materials, at the time of any offering.

**\$2.0 Billion Revolving Credit Facility**

In June 2015, we entered into a \$2.0 billion unsecured revolving credit facility, or our credit facility, that expires in June 2019 and includes, at our option, two six-month extensions. Our credit facility has a \$1.0 billion accordion expansion option. Under our credit

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facility, our investment grade credit ratings as of December 31, 2016 provide for financing at the London Interbank Offered Rate, commonly referred to as LIBOR, plus 0.90%, with a facility commitment fee of 0.15%, for all-in drawn pricing of 1.05% over LIBOR. The borrowing rate is subject to an interest rate floor and may change if our investment grade credit ratings change. We also have other interest rate options available to us under our credit facility. Our credit facility is unsecured and, accordingly, we have not pledged any assets as collateral for this obligation.

At December 31, 2016, we had a borrowing capacity of \$880.0 million available on our credit facility and an outstanding balance of \$1.12 billion. The weighted average interest rate on borrowings outstanding under our credit facility, at December 31, 2016, was 1.7% per annum. We must comply with various financial and other covenants in our credit facility. At December 31, 2016, we remain in compliance with these covenants. We expect to use our credit facility to acquire additional properties and for other general corporate purposes. Any additional borrowings will increase our exposure to interest rate risk.

We generally use our credit facility for the short-term financing of new property acquisitions. Thereafter, we generally seek to refinance those borrowings with the net proceeds of long-term or permanent financing, which may include the issuance of common stock, preferred stock or debt securities. We cannot assure you, however, that we will be able to obtain any such refinancing, or that market conditions prevailing at the time of the refinancing will enable us to issue equity or debt securities at acceptable terms.

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**Cash Reserves**

We are organized to operate as an equity REIT that acquires and leases properties and distributes to stockholders, in the form of monthly cash distributions, a substantial portion of our net cash flow generated from leases on our properties. We intend to retain an appropriate amount of cash as working capital. At December 31, 2016, we had cash and cash equivalents totaling \$9.4 million.

We believe that our cash and cash equivalents on hand, cash provided from operating activities, and borrowing capacity is sufficient to meet our liquidity needs for the next twelve months. We intend, however, to use permanent or long-term capital to fund property acquisitions and to repay future borrowings under our credit facility.

**Credit Agency Ratings**

The borrowing interest rates under our credit facility are based upon our ratings assigned by credit rating agencies. As of December 31, 2016, we were assigned the following investment grade corporate credit ratings on our senior unsecured notes and bonds: Moody's Investors Service has assigned a rating of Baa1 with a positive outlook, Standard & Poor's Ratings Group has assigned a rating of BBB+ with a positive outlook, and Fitch Ratings has assigned a rating of BBB+ with a stable outlook.

Based on our ratings as of December 31, 2016, the facility interest rate as of December 31, 2016 was LIBOR plus 0.90% with a facility commitment fee of 0.15%, for all-in drawn pricing of 1.05% over LIBOR. Our credit facility provides that the interest rate can range between: (i) LIBOR plus 1.55% if our credit rating is lower than BBB-/Baa3 or unrated and (ii) LIBOR plus 0.85% if our credit rating is A-/A3 or higher. In addition, our credit facility provides for a facility commitment fee based on our credit ratings, which range from: (i) 0.30% for a rating lower than BBB-/Baa3 or unrated, and (ii) 0.125% for a credit rating of A-/A3 or higher.

We also issue senior debt securities from time to time and our credit ratings can impact the interest rates charged in those transactions. If our credit ratings or ratings outlook change, our cost to obtain debt financing could increase or decrease. The credit ratings assigned to us could change based upon, among other things, our results of operations and financial condition. These ratings are subject to ongoing evaluation by credit rating agencies and we cannot assure you that our ratings will not be changed or withdrawn by a rating agency in the future if, in its judgment, circumstances warrant. Moreover, a rating is not a recommendation to buy, sell or hold our debt securities, preferred stock or common stock.

**Term Loans**

In June 2015, in conjunction with entering into our credit facility, we entered into a \$250 million senior unsecured term loan maturing June 30, 2020. Borrowing under this term loan bears interest at LIBOR, plus 0.95%. In conjunction with this term loan, we also entered into an interest rate swap which effectively fixes our per annum interest rate on this term loan at 2.67%.

In January 2013, in conjunction with our acquisition of American Realty Capital Trust, ARCT, we entered into a \$70 million senior unsecured term loan maturing in January 2018. Borrowing under the term loan bears interest at LIBOR, plus 1.20%. In conjunction with this term loan, we also acquired an interest rate swap which effectively fixes our per annum interest rate on this term loan at 2.15%.

**Mortgage Debt**

As of December 31, 2016, we had \$460.0 million of mortgages payable, all of which were assumed in connection with our property acquisitions. Additionally, at December 31, 2016, we had net premiums totaling \$6.4 million on these mortgages and deferred financing costs of \$324,000. We expect to pay off the mortgages payable as soon as prepayment penalties have declined to a level that would make it economically feasible to do so. During 2016, we made \$231.7 million of principal payments, including the repayment of 11 mortgages in full for \$201.8 million, and refinanced one of our assumed mortgages whereby we received an additional \$10.0 million in proceeds.

**Notes Outstanding**

As of December 31, 2016, we had \$3.98 billion of senior unsecured note and bond obligations, excluding unamortized original issuance discounts of \$19.8 million and deferred financing costs of \$20.8 million. All of our outstanding notes and bonds have fixed interest rates. Interest on all of our senior note and bond obligations is paid semiannually.

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**No Unconsolidated Investments**

We have no unconsolidated investments, nor do we engage in trading activities involving energy or commodity contracts.

**Corporate Responsibility**

We are committed to providing an engaging, diverse, and safe work environment for our employees, to upholding our corporate responsibilities as a public company operating for the benefit of our stockholders, and to operating our company in an environmentally conscious manner. As The Monthly Dividend Company®, our mission is to provide our stockholders with monthly dividends that increase over time. How we manage and use the physical, financial and talent resources that enable us to achieve this mission, demonstrates our commitment to corporate responsibility.

*Social Responsibility and Ethics.* An extension of our mission is our commitment to being socially responsible and conducting our business according to the highest ethical standards. Our employees are awarded compensation that is in line with those of our peers and competitors, including generous healthcare benefits for employees and their families; participation in a 401(k) plan with a matching contribution by Realty Income; competitive paid time-off benefits; and an infant-at-work program for new parents. Our employees have access to members of our Board of Directors to report anonymously, if desired, any suspicion of misconduct by any member of our senior management or executive team. We also have a longstanding commitment to equal employment opportunity and adhere to all Equal Employer Opportunity Policy guidelines. We apply the principles of full and fair disclosure in all of our business dealings, as outlined in our Corporate Code of Business Ethics. We are also committed to dealing fairly with all of our customers, suppliers, and competitors.

Realty Income and our employees have taken an active role in supporting our communities through civic involvement with charitable organizations, including our partnership with San Diego Habitat for Humanity, and corporate donations. Focusing our impact on social and environmentally sustainable areas our non-profit partnerships have resulted in approximately 700 employee volunteer hours during 2016, employee and corporate donations to fund local affordable housing, educational services to at-risk youth, funding local foodbanks, and toys for under-served children. Our dedication to being a responsible corporate citizen has a direct and positive impact in the communities in which we operate and contributes to the strength of our reputation and our financial performance.

*Corporate Governance.* We believe that a company's reputation for integrity and serving its stockholders responsibly is of utmost importance. We are committed to managing the company for the benefit of our stockholders and are focused on maintaining good corporate governance. Practices that illustrate this commitment include:

- Our Board of Directors is comprised of eight directors, seven of which are independent, non-employee directors;
- Our Board of Directors is elected on an annual basis;
- We employ a majority vote standard for uncontested elections;



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- Our Compensation Committee of the Board of Directors works with independent consultants in conducting annual compensation reviews for our key executives, and compensates each individual primarily based on reaching certain performance metrics that determine the success of our company; and
- We adhere to all other corporate governance principles outlined in our Corporate Governance Guidelines document on our website.

*Environmental Practices.* Our focus on conservationism is demonstrated by how we manage our day-to-day activities at our corporate headquarters. At our headquarters, we promote energy efficiency and encourage practices such as powering down office equipment at the end of the day, implementing file-sharing technology and automatic duplex mode to limit paper use, adopting an electronic approval system, carpooling to our headquarters, and recycling paper waste. In 2016, we sent more than 29,500 pounds of paper to our off-site partner for recycling.

With respect to recycling and reuse practices, we encourage the use of recycled products and the recycling of materials during our operations. Cell phones, wireless devices and office equipment are recycled or donated whenever possible.

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In addition, our headquarters was retrofitted according to the State of California energy efficiency standards (specifically following California Green Building Standards Code and Title 24 of the California Code of Regulations), with features such as an automatic lighting control system with light-harvesting technology, a Building Management System that monitors and controls energy use, an energy-efficient PVC roof and heating and cooling system, LED lighting, and drought-tolerant landscaping with recycled materials.

The properties in our portfolio are net leased to our tenants who are responsible for maintaining the buildings and are in control of their energy usage and environmental sustainability practices. We remain active in working with our tenants to promote environmental responsibility at the properties we own and to promote the importance of energy efficient facilities.

Our Asset Management team has engaged with a renewable energy development company to identify assets that would maximize energy efficiency initiatives throughout our property portfolio. These initiatives include solar energy arrays, battery storage, and charging stations. In addition, we continue to explore regional opportunities with our tenants, bringing our properties into compliance to qualify for city and county programs.

## **PROPERTY PORTFOLIO INFORMATION**

At December 31, 2016, we owned a diversified portfolio:

- Of 4,944 properties;
- With an occupancy rate of 98.3%, or 4,860 properties leased and 84 properties available for lease;
- Leased to 248 different commercial tenants doing business in 47 separate industries;
- Located in 49 states and Puerto Rico;
- With over 83.0 million square feet of leasable space; and
- With an average leasable space per property of approximately 16,800 square feet; approximately 11,520 square feet per retail property and 220,290 square feet per industrial property.

At December 31, 2016, of our 4,944 properties, 4,860 were leased under net lease agreements. A net lease typically requires the tenant to be responsible for monthly rent and certain property operating expenses including property taxes, insurance, and maintenance. In addition, our tenants are typically subject to future rent increases based on increases in the consumer price index (typically subject to ceilings), additional rent calculated as a percentage of the tenants' gross sales above a specified level, or fixed increases.

At December 31, 2016, our 248 commercial tenants, which we define as retailers with over 50 locations and non-retailers with over \$500 million in annual revenues, represented approximately 95% of our annualized revenue. We had 277 additional tenants, representing approximately 5% of our annualized revenue at December 31, 2016, which brings our total tenant count to 525 tenants.



Table of Contents**Industry Diversification**

The following table sets forth certain information regarding our property portfolio classified according to the business of the respective tenants, expressed as a percentage of our total rental revenue:

|                               | Percentage of Rental Revenue(1)                  |                 |                 |  |                 |                 |
|-------------------------------|--|-----------------|-----------------|--|-----------------|-----------------|
|                               | For the<br>Quarter Ended<br>December 31,<br>2016 | Dec 31,<br>2016 | Dec 31,<br>2015 | For the Years Ended<br>Dec 31,<br>2014 | Dec 31,<br>2013 | Dec 31,<br>2012 |
| <u>Retail industries</u>      |  |                 |                 |  |                 |                 |
| Apparel stores                | 1.8%   | 1.9%            | 2.0%            | 2.0%                                   | 1.9%            | 1.7%            |
| Automotive collision services | 1.0  | 1.0             | 1.0             | 0.8                                    | 0.8             | 1.1             |
| Automotive parts              | 1.4  | 1.3             | 1.4             | 1.3                                    | 1.2             | 1.0             |
| Automotive service            | 1.9  | 1.9             | 1.9             | 1.8                                    | 2.1             | 3.1             |
| Automotive tire services      | 2.6  | 2.7             | 2.9             | 3.2                                    | 3.6             | 4.7             |
| Book stores                   | *  | *               | *               | *                                      | *               | 0.1             |
| Child care                    | 1.8  | 1.9             | 2.0             | 2.2                                    | 2.8             | 4.5             |
| Consumer electronics          | 0.3  | 0.3             | 0.3             | 0.3                                    | 0.3             | 0.5             |
| Convenience stores            | 8.5  | 8.7             | 9.2             | 10.1                                   | 11.2            | 16.3            |
| Crafts and novelties          | 0.5  | 0.5             | 0.5             | 0.5                                    | 0.5             | 0.3             |
| Dollar stores                 | 8.3  | 8.6             | 8.9             | 9.6                                    | 6.2             | 2.2             |
| Drug stores                   | 11.4   | 11.2            | 10.6            | 9.5                                    | 8.1             | 3.5             |
| Education                     | 0.3  | 0.3             | 0.3             | 0.4                                    | 0.4             | 0.7             |
| Entertainment                 | 0.5  | 0.5             | 0.5             | 0.5                                    | 0.6             | 0.9             |
| Equipment services            | *  | 0.1             | 0.1             | 0.1                                    | 0.1             | 0.1             |
| Financial services            | 1.8  | 1.4             | 1.3             | 1.4                                    | 1.5             | 0.2             |
| General merchandise           | 1.7  | 1.5             | 1.4             | 1.2                                    | 1.1             | 0.6             |
| Grocery stores                | 3.4  | 3.1             | 3.0             | 3.0                                    | 2.9             | 3.7             |
| Health and fitness            | 7.9  | 8.1             | 7.7             | 7.0                                    | 6.3             | 6.8             |
| Health care                   | 0.9  | 0.9             | 1.0             | 1.1                                    | 1.1             | -               |
| Home furnishings              | 0.8  | 0.7             | 0.7             | 0.7                                    | 0.9             | 1.0             |
| Home improvement              | 2.5  | 2.5             | 2.4             | 1.7                                    | 1.6             | 1.5             |
| Jewelry                       | 0.1  | 0.1             | 0.1             | 0.1                                    | 0.1             | -               |
| Motor vehicle dealerships     | 1.9  | 1.9             | 1.6             | 1.6                                    | 1.6             | 2.1             |
| Office supplies               | 0.3  | 0.3             | 0.3             | 0.4                                    | 0.5             | 0.8             |
| Pet supplies and services     | 0.6  | 0.6             | 0.7             | 0.7                                    | 0.8             | 0.6             |
| Restaurants - casual dining   | 3.9  | 3.9             | 3.8             | 4.3                                    | 5.1             | 7.3             |
| Restaurants - quick service   | 5.2  | 4.9             | 4.2             | 3.7                                    | 4.4             | 5.9             |
| Shoe stores                   | 0.5  | 0.5             | 0.5             | 0.1                                    | 0.1             | 0.1             |
| Sporting goods                | 1.3  | 1.6             | 1.8             | 1.6                                    | 1.7             | 2.5             |
| Telecommunications            | *  | *               | -               | -                                      | -               | -               |
| Theaters                      | 4.7  | 4.9             | 5.1             | 5.3                                    | 6.2             | 9.4             |
| Transportation services       | 0.1  | 0.1             | 0.1             | 0.1                                    | 0.1             | 0.2             |
| Wholesale clubs               | 3.4  | 3.6             | 3.8             | 4.1                                    | 3.9             | 3.2             |
| Other                         | *  | *               | *               | *                                      | 0.1             | 0.1             |
| Retail industries             | 81.3%  | 81.5%           | 81.1%           | 80.4%                                  | 79.8%           | 86.7%           |

Table of Contents**Industry Diversification (continued)**

|                              | For the<br>Quarter Ended<br>December 31,<br>2016 | Percentage of Rental Revenue(1) |                 |                     |                 |        |
|------------------------------|--|---------------------------------|-----------------|---------------------|-----------------|--------|
|                              |  | Dec 31,<br>2016                 | Dec 31,<br>2015 | For the Years Ended |                 |        |
|                              |  |                                 | Dec 31,<br>2014 | Dec 31,<br>2013     | Dec 31,<br>2012 |        |
| <u>Non-retail industries</u> |  |                                 |                 |                     |                 |        |
| Aerospace                    | 1.0  | 1.0                             | 1.1             | 1.2                 | 1.2             | 0.9    |
| Beverages                    | 2.8  | 2.6                             | 2.7             | 2.8                 | 3.3             | 5.1    |
| Consumer appliances          | 0.4  | 0.5                             | 0.6             | 0.5                 | 0.6             | 0.1    |
| Consumer goods               | 0.9  | 0.9                             | 0.9             | 0.9                 | 1.0             | 0.1    |
| Crafts and novelties         | 0.1  | 0.1                             | 0.1             | 0.1                 | 0.1             | -      |
| Diversified industrial       | 0.9  | 0.9                             | 0.8             | 0.5                 | 0.2             | 0.1    |
| Electric utilities           | 0.1  | 0.1                             | 0.1             | 0.1                 | *               | -      |
| Equipment services           | 0.4  | 0.5                             | 0.4             | 0.5                 | 0.4             | 0.3    |
| Financial services           | 0.4  | 0.4                             | 0.4             | 0.4                 | 0.5             | 0.4    |
| Food processing              | 1.1  | 1.1                             | 1.2             | 1.4                 | 1.5             | 1.3    |
| General merchandise          | 0.3  | 0.3                             | 0.3             | 0.3                 | -               | -      |
| Government services          | 1.0  | 1.1                             | 1.2             | 1.3                 | 1.4             | 0.1    |
| Health care                  | 0.6  | 0.6                             | 0.7             | 0.7                 | 0.8             | *      |
| Home furnishings             | 0.1  | 0.1                             | 0.2             | 0.2                 | 0.2             | -      |
| Insurance                    | 0.1  | 0.1                             | 0.1             | 0.1                 | 0.1             | *      |
| Machinery                    | 0.1  | 0.1                             | 0.1             | 0.2                 | 0.2             | 0.1    |
| Other manufacturing          | 0.7  | 0.8                             | 0.7             | 0.7                 | 0.6             | -      |
| Packaging                    | 0.9  | 0.8                             | 0.8             | 0.8                 | 0.9             | 0.7    |
| Paper                        | 0.1  | 0.1                             | 0.1             | 0.1                 | 0.2             | 0.1    |
| Shoe stores                  | 0.2  | 0.2                             | 0.2             | 0.8                 | 0.9             | -      |
| Telecommunications           | 0.7  | 0.6                             | 0.7             | 0.7                 | 0.7             | 0.8    |
| Transportation services      | 5.6  | 5.4                             | 5.3             | 5.1                 | 5.3             | 2.2    |
| Other                        | 0.2  | 0.2                             | 0.2             | 0.2                 | 0.1             | 1.0    |
| Non-retail industries        | 18.7%  | 18.5%                           | 18.9%           | 19.6%               | 20.2%           | 13.3%  |
| Totals                       | 100.0%   | 100.0%                          | 100.0%          | 100.0%              | 100.0%          | 100.0% |

\* Less than 0.1%

(1) Includes rental revenue for all properties owned at the end of each period presented, including revenue from properties reclassified as discontinued operations.

Table of Contents**Property Type Composition**

The following table sets forth certain property type information regarding our property portfolio as of December 31, 2016 (dollars in thousands):

| <b>Property Type</b> | <b>Number of Properties</b> | <b>Approximate Leasable Square Feet</b> | <b>Rental Revenue for the Quarter Ended December 31, 2016(1)</b> | <b>Percentage of Rental Revenue</b> |
|----------------------|-----------------------------|---|--|-------------------------------------|
| Retail               | 4,774                       | 55,005,900                              | \$ 216,904   | 78.9%                               |
| Industrial           | 111                         | 24,452,100                              | 36,383   | 13.2                                |
| Office               | 44                          | 3,403,200                               | 15,111   | 5.5                                 |
| Agriculture          | 15                          | 184,500                                 | 6,503  | 2.4                                 |
| Totals               | 4,944                       | 83,045,700                              | \$ 274,901   | 100.0%                              |

(1) Includes rental revenue for all properties owned at December 31, 2016. Excludes revenue of \$323 from sold properties.

**Tenant Diversification**

The following table sets forth the largest tenants in our property portfolio, expressed as a percentage of total rental revenue at December 31, 2016:

| <b>Tenant</b>                    | <b>Number of Properties</b> | <b>% of Rental Revenue</b> |
|----------------------------------|-----------------------------|----------------------------|
| Walgreens                        | 203                         | 7.0%                       |
| FedEx                            | 43                          | 5.5%                       |
| Dollar General                   | 524                         | 4.2%                       |
| LA Fitness                       | 48                          | 4.0%                       |
| Dollar Tree / Family Dollar      | 457                         | 3.8%                       |
| Circle K (Couche-Tard)           | 299                         | 2.6%                       |
| AMC Theatres                     | 22                          | 2.6%                       |
| BJ's Wholesale Club              | 15                          | 2.4%                       |
| Diageo                           | 17                          | 2.2%                       |
| CVS Pharmacy                     | 70                          | 2.0%                       |
| Super America / Western Refining | 134                         | 2.0%                       |
| Walmart / Sam's Club             | 31                          | 1.9%                       |
| Regal Cinemas                    | 22                          | 1.9%                       |
| GPM Investments / Fas Mart       | 216                         | 1.9%                       |
| Rite Aid                         | 69                          | 1.9%                       |
| 7-Eleven                         | 111                         | 1.8%                       |
| Life Time Fitness                | 9                           | 1.8%                       |
| TBC Corporation (Sumitomo)       | 149                         | 1.6%                       |
| FreedomRoads / Camping World     | 18                          | 1.2%                       |
| Home Depot                       | 10                          | 1.1%                       |

Table of Contents**Service Category Diversification for our Retail Properties**

The following table sets forth certain information regarding the 4,774 retail properties included in our 4,944 total properties owned at December 31, 2016, classified according to the business types and the level of services they provide at the property level (dollars in thousands):

|  | Number of<br>Retail<br>Properties | Retail Rental Revenue<br>for the Quarter Ended<br>December 31, 2016(1) | Percentage of<br>Retail Rental<br>Revenue |
|--|-----------------------------------|--|---|
| <b><u>Tenants Providing Services</u></b>         |                                   |  |   |
| Automotive collision services                    | 54                                | \$ 2,705   | 1.2%                                      |
| Automotive service                               | 241                               | 5,342  | 2.5                                       |
| Child care                                       | 199                               | 4,862  | 2.2                                       |
| Education  | 14                                | 824  | 0.4                                       |
| Entertainment                                    | 11                                | 1,310  | 0.6                                       |
| Equipment services                               | 2                                 | 111  | 0.1                                       |
| Financial services                               | 227                               | 4,930  | 2.3                                       |
| Health and fitness                               | 87                                | 21,608   | 10.0                                      |
| Health care                                      | 27                                | 1,133  | 0.5                                       |
| Telecommunications                               | 1                                 | -  | *   |
| Theaters   | 45                                | 13,080   | 6.0                                       |
| Transportation services                          | 2                                 | 229  | 0.1                                       |
| Other  | 7                                 | 82   | *   |
|  | 917                               | 56,216   | 25.9                                      |
| <b><u>Tenants Selling Goods and Services</u></b> |                                   |  |   |
| Automotive parts (with installation)             | 68                                | 1,589  | 0.7                                       |
| Automotive tire services                         | 184                               | 7,136  | 3.3                                       |
| Convenience stores                               | 866                               | 23,253   | 10.7                                      |
| Motor vehicle dealerships                        | 28                                | 5,304  | 2.5                                       |
| Pet supplies and services                        | 12                                | 722  | 0.3                                       |
| Restaurants - casual dining                      | 323                               | 10,128   | 4.7                                       |
| Restaurants - quick service                      | 566                               | 14,330   | 6.6                                       |
|  | 2,047                             | 62,462   | 28.8                                      |
| <b><u>Tenants Selling Goods</u></b>              |                                   |  |   |
| Apparel stores                                   | 29                                | 5,147  | 2.4                                       |
| Automotive parts                                 | 83                                | 2,363  | 1.1                                       |
| Book stores                                      | 1                                 | 104  | *   |
| Consumer electronics                             | 9                                 | 916  | 0.4                                       |
| Crafts and novelties                             | 13                                | 1,274  | 0.6                                       |
| Dollar stores                                    | 981                               | 22,770   | 10.5                                      |
| Drug stores                                      | 335                               | 29,922   | 13.8                                      |
| General merchandise                              | 76                                | 4,223  | 2.0                                       |
| Grocery stores                                   | 84                                | 9,291  | 4.3                                       |
| Home furnishings                                 | 58                                | 2,065  | 1.0                                       |
| Home improvement                                 | 58                                | 6,142  | 2.8                                       |
| Jewelry  | 4                                 | 175  | 0.1                                       |
| Office supplies                                  | 9                                 | 724  | 0.3                                       |
| Shoe stores                                      | 2                                 | 182  | 0.1                                       |
| Sporting goods                                   | 36                                | 3,503  | 1.6                                       |
| Wholesale clubs                                  | 32                                | 9,425  | 4.3                                       |
|  | 1,810                             | 98,226   | 45.3                                      |
| Total Retail Properties                          | 4,774                             | \$ 216,904   | 100.0%                                    |

\* Less than 0.1%

(1) Includes rental revenue for all retail properties owned at December 31, 2016. Excludes revenue of \$57,997 from non-retail properties and \$323 from sold properties.





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The following table sets forth certain information regarding our property portfolio regarding the timing of the lease term expirations in our portfolio (excluding rights to extend a lease at the option of the tenant) on our 4,836 net leased, single-tenant properties and their contribution to rental revenue for the quarter ended December 31, 2016 (dollars in thousands):

| Year        | Total Portfolio(1)           |            | Approx.<br>Leasable<br>Sq. Feet | Rental<br>Revenue(2) | % of<br>Rental<br>Revenue |
|-------------|------------------------------|------------|---------------------------------|----------------------|---------------------------|
|             | Expiring<br>Leases<br>Retail | Non-Retail |                                 |                      |                           |
| 2017        | 156                          | 2          | 1,752,600                       | \$ 4,239             | 1.6%                      |
| 2018        | 279                          | 9          | 3,661,200                       | 11,542               | 4.3                       |
| 2019        | 264                          | 10         | 3,912,700                       | 13,556               | 5.0                       |
| 2020        | 198                          | 11         | 4,345,800                       | 12,688               | 4.7                       |
| 2021        | 295                          | 13         | 5,355,200                       | 15,227               | 5.6                       |
| 2022        | 280                          | 17         | 7,843,300                       | 16,939               | 6.3                       |
| 2023        | 378                          | 20         | 6,640,300                       | 22,434               | 8.3                       |
| 2024        | 198                          | 12         | 4,360,000                       | 12,533               | 4.6                       |
| 2025        | 326                          | 14         | 5,227,100                       | 20,452               | 7.5                       |
| 2026        | 317                          | 5          | 4,451,500                       | 14,598               | 5.4                       |
| 2027        | 504                          | 3          | 5,698,000                       | 20,861               | 7.7                       |
| 2028        | 289                          | 6          | 6,296,600                       | 16,426               | 6.1                       |
| 2029        | 400                          | 5          | 6,986,800                       | 20,650               | 7.7                       |
| 2030        | 80                           | 13         | 2,439,100                       | 14,568               | 5.3                       |
| 2031        | 269                          | 25         | 5,110,000                       | 18,527               | 6.8                       |
| 2032 - 2043 | 434                          | 4          | 6,869,300                       | 35,456               | 13.1                      |
| Totals      | 4,667                        | 169        | 80,949,500                      | \$ 270,696           | 100.0%                    |

\* Less than 0.1%

(1) Excludes 24 multi-tenant properties and 84 vacant properties. The lease expirations for properties under construction are based on the estimated date of completion of those properties.

(2) Excludes revenue of \$4,205 from 24 multi-tenant properties and from 84 vacant properties at December 31, 2016, and \$323 from sold properties.

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The following table sets forth certain state-by-state information regarding our property portfolio as of December 31, 2016 (dollars in thousands):

| <b>State</b>   | <b>Number of Properties</b> | <b>Percent Leased</b> | <b>Approximate Leasable Square Feet</b> | <b>Rental Revenue for the Quarter Ended December 31, 2016(1)</b> | <b>Percentage of Rental Revenue</b> |
|----------------|-----------------------------|-----------------------|---|--|-------------------------------------|
| Alabama        | 159                         | 97%                   | 1,367,700                               | \$ 5,112   | 1.9%                                |
| Alaska         | 3                           | 67                    | 275,900                                 | 475  | 0.2                                 |
| Arizona        | 109                         | 99                    | 1,626,300                               | 6,422  | 2.3                                 |
| Arkansas       | 55                          | 100                   | 816,500                                 | 1,828  | 0.7                                 |
| California     | 178                         | 99                    | 5,292,400                               | 26,423   | 9.6                                 |
| Colorado       | 81                          | 100                   | 1,097,400                               | 4,375  | 1.6                                 |
| Connecticut    | 24                          | 92                    | 535,300                                 | 2,571  | 0.9                                 |
| Delaware       | 18                          | 100                   | 93,000                                  | 717  | 0.3                                 |
| Florida        | 367                         | 99                    | 4,039,500                               | 14,950   | 5.4                                 |
| Georgia        | 250                         | 98                    | 4,154,400                               | 12,150   | 4.4                                 |
| Idaho          | 12                          | 100                   | 87,000                                  | 419  | 0.1                                 |
| Illinois       | 229                         | 99                    | 5,144,000                               | 14,597   | 5.3                                 |
| Indiana        | 171                         | 99                    | 2,105,400                               | 8,406  | 3.1                                 |
| Iowa           | 40                          | 95                    | 2,970,600                               | 4,089  | 1.5                                 |
| Kansas         | 93                          | 98                    | 1,846,400                               | 4,834  | 1.8                                 |
| Kentucky       | 62                          | 98                    | 1,368,400                               | 4,026  | 1.5                                 |
| Louisiana      | 99                          | 97                    | 1,353,200                               | 3,863  | 1.4                                 |
| Maine          | 16                          | 94                    | 178,500                                 | 928  | 0.3                                 |
| Maryland       | 36                          | 94                    | 864,400                                 | 4,412  | 1.6                                 |
| Massachusetts  | 80                          | 98                    | 751,600                                 | 3,498  | 1.3                                 |
| Michigan       | 163                         | 98                    | 1,651,900                               | 6,398  | 2.3                                 |
| Minnesota      | 158                         | 99                    | 1,951,100                               | 9,772  | 3.5                                 |
| Mississippi    | 134                         | 95                    | 1,623,600                               | 4,552  | 1.7                                 |
| Missouri       | 140                         | 97                    | 2,851,300                               | 8,846  | 3.2                                 |
| Montana        | 11                          | 100                   | 87,000                                  | 483  | 0.2                                 |
| Nebraska       | 38                          | 100                   | 806,500                                 | 2,255  | 0.8                                 |
| Nevada         | 22                          | 100                   | 413,000                                 | 1,309  | 0.5                                 |
| New Hampshire  | 19                          | 100                   | 315,800                                 | 1,481  | 0.5                                 |
| New Jersey     | 71                          | 99                    | 834,400                                 | 4,388  | 1.6                                 |
| New Mexico     | 30                          | 100                   | 293,200                                 | 887  | 0.3                                 |
| New York       | 94                          | 100                   | 2,505,300                               | 12,331   | 4.5                                 |
| North Carolina | 173                         | 98                    | 2,258,100                               | 7,387  | 2.7                                 |
| North Dakota   | 8                           | 88                    | 123,000                                 | 206  | 0.1                                 |
| Ohio           | 247                         | 98                    | 6,247,100                               | 14,936   | 5.4                                 |
| Oklahoma       | 133                         | 99                    | 1,652,200                               | 4,549  | 1.6                                 |
| Oregon         | 28                          | 100                   | 593,300                                 | 2,378  | 0.9                                 |
| Pennsylvania   | 148                         | 99                    | 1,855,000                               | 7,528  | 2.7                                 |
| Rhode Island   | 3                           | 100                   | 153,300                                 | 809  | 0.3                                 |
| South Carolina | 148                         | 99                    | 1,105,100                               | 5,157  | 1.9                                 |
| South Dakota   | 14                          | 100                   | 170,700                                 | 416  | 0.1                                 |
| Tennessee      | 224                         | 97                    | 3,174,400                               | 8,781  | 3.2                                 |
| Texas          | 490                         | 99                    | 9,176,400                               | 25,756   | 9.4                                 |
| Utah           | 22                          | 100                   | 956,400                                 | 2,170  | 0.8                                 |
| Vermont        | 5                           | 100                   | 98,000                                  | 484  | 0.2                                 |
| Virginia       | 153                         | 97                    | 2,991,200                               | 7,597  | 2.8                                 |
| Washington     | 43                          | 98                    | 687,200                                 | 2,941  | 1.1                                 |
| West Virginia  | 15                          | 100                   | 284,300                                 | 1,098  | 0.4                                 |
| Wisconsin      | 118                         | 100                   | 2,136,000                               | 5,473  | 2.0                                 |
| Wyoming        | 6                           | 100                   | 54,700                                  | 289  | 0.1                                 |
| Puerto Rico    | 4                           | 100                   | 28,300                                  | 149  | *                                   |
| Totals/Average | 4,944                       | 98%                   | 83,045,700                              | \$ 274,901   | 100.0%                              |

\* Less than 0.1%

(1) Includes rental revenue for all properties owned at December 31, 2016. Excludes revenue of \$323 from sold properties.

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**FORWARD-LOOKING STATEMENTS**

This Annual Report on Form 10-K, including the documents incorporated by reference, contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Exchange Act of 1934, as amended. When used in this annual report, the words estimated, anticipated, expect, believe, intend and similar expressions are intended to identify forward-looking statements. Forward-looking statements include discussions of strategy, plans, or intentions of management. Forward-looking statements are subject to risks, uncertainties, and assumptions about Realty Income Corporation, including, among other things:

- Our anticipated growth strategies;
- Our intention to acquire additional properties and the timing of these acquisitions;
- Our intention to sell properties and the timing of these property sales;
- Our intention to re-lease vacant properties;
- Anticipated trends in our business, including trends in the market for long-term, net leases of freestanding, single-tenant properties; and
- Future expenditures for development projects.

Future events and actual results, financial and otherwise, may differ materially from the results discussed in the forward-looking statements. In particular, some of the factors that could cause actual results to differ materially are:

- Our continued qualification as a real estate investment trust;
- General business and economic conditions;
- Competition;
- Fluctuating interest rates;
- Access to debt and equity capital markets;
- Continued volatility and uncertainty in the credit markets and broader financial markets;
- 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;
- Impairments in the value of our real estate assets;
- Changes in the tax laws of the United States of America;
- The outcome of any legal proceedings to which we are a party or which may occur in the future; and
- Acts of terrorism and war.

Additional factors that may cause risks and uncertainties include those discussed in the sections entitled Business, Risk Factors and Management's Discussion and Analysis of Financial Condition and Results of Operations in this Annual Report.

Readers are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date that this annual report was filed with the Securities and Exchange Commission, or SEC. While forward-looking statements reflect our good faith beliefs, they are not guarantees of future performance. We undertake no obligation to publicly release the results of any revisions to these forward-looking statements that may be made to reflect events or circumstances after the date of this annual report or to reflect the occurrence of unanticipated events. In light of these risks and uncertainties, the forward-looking events discussed in this annual report might not occur.

Item 1A: **Risk Factors**

This Risk Factors section contains references to our capital stock and to our stockholders. Unless expressly stated otherwise, the references to our capital stock represent our common stock and any class or series of our preferred stock, while the references to our stockholders represent holders of our common stock and any class or series of our preferred stock.

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***In order to grow we need to continue to acquire investment properties. The acquisition of investment properties may be subject to competitive pressures.***

We face competition in the acquisition and operation of our properties. We expect competition from:

- Businesses;
- Individuals;
- Fiduciary accounts and plans; and
- Other entities engaged in real estate investment and financing.

Some of these competitors are larger than we are and have greater financial resources. This competition may result in a higher cost for properties we wish to purchase.

***Negative market conditions or adverse events affecting our existing or potential tenants, or the industries in which they operate, could have an adverse impact on our ability to attract new tenants, re-lease space, collect rent or renew leases, which could adversely affect our cash flow from operations and inhibit growth.***

Cash flow from operations depends in part on our ability to lease space to tenants on economically favorable terms. We could be adversely affected by various facts and events over which we have limited or no control, such as:

- Lack of demand in areas where our properties are located;
- Inability to retain existing tenants and attract new tenants;
- Oversupply of space and changes in market rental rates;
- Declines in our tenants' creditworthiness and ability to pay rent, which may be affected by their operations, economic downturns and competition within their industries from other operators;
- Defaults by and bankruptcies of tenants, failure of tenants to pay rent on a timely basis, or failure of tenants to comply with their contractual obligations;
- Economic or physical decline of the areas where the properties are located; and
- Deterioration of physical condition of our properties.

At any time, any tenant may experience a downturn in its business that may weaken its operating results or overall financial condition. As a result, a tenant may delay lease commencement, fail to make rental payments when due, decline to extend a lease upon its expiration, become insolvent, or declare bankruptcy. Any tenant bankruptcy or insolvency, leasing delay or failure to make rental payments when due could result in the termination of the tenant's lease and material losses to us.

If tenants do not renew their leases as they expire, we may not be able to rent or sell the properties. Furthermore, leases that are renewed, and some new leases for properties that are re-leased, may have terms that are less economically favorable than expiring lease terms, or may require us to incur significant costs, such as renovations, tenant improvements, or lease transaction costs. Negative market conditions may cause us to sell vacant properties for less than their carrying value, which could result in impairments. Any of these events could adversely affect cash flow from operations and our ability to make distributions to stockholders and service indebtedness. A significant portion of the costs of owning property, such as real estate taxes, insurance, and maintenance, are not necessarily reduced when circumstances cause a decrease in rental revenue from the properties. In a weakened financial condition, tenants may not be able to pay these costs of ownership and we may be unable to recover these

operating expenses from them.

Further, the occurrence of a tenant bankruptcy or insolvency could diminish the income we receive from the tenant's lease or leases. In addition, a bankruptcy court might authorize the tenant to terminate its leases with us. If that happens, our claim against the bankrupt tenant for unpaid future rent would be subject to statutory limitations that most likely would result in rent payments that would be substantially less than the remaining rent we are owed under the leases or we may elect not to pursue claims against a tenant for terminated leases. In addition, any claim we have for unpaid past rent, if any, may not be paid in full, or at all. Moreover, in the case of a tenant's leases that are not terminated as the result of its bankruptcy, we may be required or elect to reduce the rent payable under those leases or provide other concessions, reducing amounts we receive under those leases. As a result, tenant bankruptcies may have a material adverse effect on our results of operations. Any of these events could adversely affect our cash flow from operations and our ability to make distributions to stockholders and service our indebtedness.

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Eighty-four of our properties were available for lease or sale at December 31, 2016, all of which were single-tenant properties. At December 31, 2016, 47 of our properties under lease were unoccupied and available for sublease by the tenants, all of which were current with their rent and other obligations. During 2016, each of our tenants accounted for less than 10% of our rental revenue.

For 2016, our tenants in the drug store industry accounted for approximately 11.4% of our rental revenue. A downturn in this industry, whether nationwide or limited to specific sectors of the United States, or a change in legislation relating to prescription drugs, could adversely affect tenants in this industry, which in turn could have a material adverse effect on our financial position, results of operations, our ability to pay the principal of and interest on our debt securities and other indebtedness and to make distributions on our common stock, including the common stock offered hereby, and preferred stock.

Individually, each of the other industries in our property portfolio accounted for less than 10% of our rental revenue for 2016. Nevertheless, downturns in these industries could also adversely affect our tenants, which in turn could also have a material adverse effect on our financial position, results of operations and our ability to pay the principal of and interest on our debt securities and other indebtedness and to make distributions on our common stock, and preferred stock. In addition, we may in the future make additional investments in the drug store industry, which would increase this industry's percentage of our rental revenues, thereby increasing the effect that such a downturn in this industry would have on us.

In addition, some of our properties are leased to tenants that may have limited financial and other resources, and therefore, they are more likely to be adversely affected by a downturn in their respective businesses or in the regional, national, or international economy.

Furthermore, we have made and may continue to make selected acquisitions of properties that fall outside our historical focus on freestanding, single-tenant, net lease locations in the United States. We may be exposed to a variety of new risks by expanding into new property types and/or new jurisdictions outside the United States and properties leased to tenants engaged in non-retail businesses. These risks may include limited experience in managing certain types of new properties, new types of real estate locations and lease structures, and the laws and culture of any non-U.S. jurisdiction.

***As a property owner, we may be subject to unknown environmental liabilities.***

Investments in real property can create a potential for environmental liability. An owner of property can face liability for environmental contamination created by the presence or discharge of hazardous substances on the property. We can face such 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.



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There may be environmental conditions associated with our properties of which we are unaware. In that regard, a number of our properties are leased to operators of convenience stores that sell petroleum-based fuels, as well as to operators of oil change and tune-up facilities and operators that use chemicals and other waste products. These facilities, and some other of our properties, use, or may have used in the past, underground lifts or underground tanks for the storage of petroleum-based or waste products, which could create a potential for the release of hazardous substances.

The presence of hazardous substances on a property may adversely affect our ability to lease or sell that property and we may incur substantial remediation costs or third party liability claims. Although our leases generally require our tenants to operate in compliance with all applicable federal, state, and local environmental laws, ordinances and regulations, and to indemnify us against any environmental liabilities arising from the tenants' activities on the property, we could nevertheless be subject to liability, including strict liability, by virtue of our ownership interest. There also can be no assurance that our tenants could or would satisfy their indemnification obligations under their leases. The discovery of environmental liabilities attached to our properties could have an adverse effect on our results of operations, our financial condition, or our ability to make distributions to stockholders and to pay the principal of and interest on our debt securities and other indebtedness.

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In addition, several of our properties were built during the period when asbestos was commonly used in building construction and we may acquire other buildings with asbestos in the future. Environmental laws govern the presence, maintenance, and removal of asbestos-containing materials, or ACMs, and require that owners or operators of buildings containing asbestos properly manage and maintain the asbestos, that they adequately inform or train those who may come into contact with asbestos and that they undertake special precautions, including removal or other abatement in the event that asbestos is disturbed during renovation or demolition of a building. These laws may impose fines and penalties on building owners or operators for failure to comply with these requirements and may allow third parties to seek recovery from owners or operators for personal injury associated with exposure to asbestos fibers.

It is possible that our insurance could be insufficient to address any particular environmental situation and/or that, in the future, we could be unable to obtain insurance for environmental matters at a reasonable cost, or at all. Our tenants are generally responsible for, and indemnify us against, liabilities for environmental matters that arise during the lease terms as a result of tenants' activities on the properties. For properties that have underground storage tanks, in addition to providing an indemnity in our favor, the tenants generally are required to meet applicable state financial assurance obligations, including maintaining certain minimum net worth requirements, obtaining environmental insurance, or relying upon the state trust funds where available in the states where these properties are located to reimburse responsible parties for costs of environmental remediation. However, it is possible that one or more of our tenants could fail to have sufficient funds to cover any such indemnification or to meet applicable state financial assurance obligations, and thus we may still be obligated to pay for any such environmental liabilities.

**Compliance.** We have not been notified by any governmental authority, and are not otherwise aware, of any material noncompliance, liability, or claim relating to hazardous substances, toxic substances, or petroleum products in connection with any of our properties. In addition, we believe we are in compliance in all material respects with all present federal, state, and local laws relating to ACMs. Nevertheless, if environmental contamination should exist, we could be subject to liability, including strict liability, by virtue of our ownership interest.

**Insurance and Indemnity.** In July 2012, we entered into a ten-year environmental insurance policy that expires in July 2022 and replaced our previous seven-year environmental insurance policy. The limits on our current policy are \$10 million per occurrence and \$60 million in the aggregate. The limits on the excess policy are \$5 million per occurrence and \$10 million in the aggregate. Therefore, the primary and excess ten-year policies together provide a total limit of \$15 million per occurrence and \$70 million in the aggregate.

It is possible that our insurance could be insufficient to address any particular environmental situation and that, in the future, we could be unable to obtain insurance for environmental matters at a reasonable cost, or at all. Our tenants are generally responsible for, and indemnify us against, liabilities for environmental matters that occur on our properties. For properties that have underground storage tanks, in addition to providing an indemnity in our favor, the tenants generally obtain environmental insurance or rely upon the state funds in the states where these properties are located to reimburse tenants for environmental remediation.

***If we fail to qualify as a REIT, the amount of dividends we are able to pay would decrease, which could adversely affect the market price of our capital stock and could adversely affect the value of our debt securities.***

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Commencing with our taxable year ended December 31, 1994, we believe that we have been organized and have operated, and we intend to continue to operate, so as to qualify as a REIT under Sections 856 through 860 of the Code. However, we cannot assure you that we have been organized or have operated in a manner that has satisfied the requirements for qualification as a REIT, or that we will continue to be organized or operate in a manner that will allow us to continue to qualify as a REIT.

Qualification as a REIT involves the satisfaction of numerous requirements under highly technical and complex Code provisions, for which there are only limited judicial and administrative interpretations, as well as the determination of various factual matters and circumstances not entirely within our control.

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For example, in order to qualify as a REIT, at least 95% of our gross income in each year must be derived from qualifying sources, and we must pay distributions to stockholders aggregating annually at least 90% of our taxable income (excluding net capital gains).

In the future, it is possible that legislation, new regulations, administrative interpretations, or court decisions will change the tax laws with respect to qualification as a REIT, or the federal income tax consequences of such qualification. Also, the law relating to the tax treatment of other entities, or an investment in other entities, could change, making an investment in such other entities more attractive relative to an investment in a REIT.

If we fail to satisfy all of the requirements for qualification as a REIT, we may be subject to certain penalty taxes or, in some circumstances, we may fail to qualify as a REIT. If we were to fail to qualify as a REIT in any taxable year:

- We would be required to pay federal income tax (including any applicable alternative minimum tax) on our taxable income at regular corporate rates;
- We would not be allowed a deduction for amounts distributed to our stockholders in computing our taxable income;
- We could be disqualified from treatment as a REIT for the four taxable years following the year during which qualification is lost;
- We would no longer be required to make distributions to stockholders; and
- This treatment would substantially reduce amounts available for investment or distribution to stockholders because of the additional tax liability for the years involved, which could have a material adverse effect on the market price of our capital stock and the value of our debt securities.

Even if we qualify for and maintain our REIT status, we may be subject to certain federal, state, and local taxes on our income and property. For example, if we have net income from a prohibited transaction, that income will be subject to a 100% tax. In addition, our taxable REIT subsidiaries, including Crest, are subject to federal and state taxes at the applicable tax rates on their income and property. Any failure to comply with legal and regulatory tax obligations could adversely affect our ability to conduct business and could adversely affect the market price of our capital stock and the value of our debt securities.

***Distribution requirements imposed by law limit our flexibility.***

To maintain our status as a REIT for federal income tax purposes, we generally are required to distribute to our stockholders at least 90% of our taxable income, excluding net capital gains, each year. We also are subject to tax at regular corporate rates to the extent that we distribute less than 100% of our taxable income (including net capital gains) each year.

In addition, we are subject to a 4% nondeductible excise tax to the extent that we fail to distribute during any calendar year at least the sum of 85% of our ordinary income for that calendar year, 95% of our capital gain net income for the calendar year, and any amount of that income that was not distributed in prior years.

We intend to continue to make distributions to our stockholders to comply with the distribution requirements of the Code as well as to reduce our exposure to federal income taxes and the nondeductible excise tax. Differences in timing between the receipt of

income and the payment of expenses to arrive at taxable income, along with the effect of required debt amortization payments, could require us to borrow funds on a short-term basis to meet the distribution requirements that are necessary to achieve the tax benefits associated with qualifying as a REIT.

***Future issuances of equity securities could dilute the interest of holders of our common stock.***

Our future growth will depend, in large part, upon our ability to raise additional capital. If we were to raise additional capital through the issuance of equity securities, we could dilute the interests of holders of our common stock. The interests of our common stockholders could also be diluted by the issuance of shares of common stock pursuant to stock incentive plans. Likewise, our Board of Directors is authorized to cause us to issue preferred stock of any class or series (with dividend, voting and other rights as determined by our Board of Directors). Accordingly, our Board of Directors may authorize the issuance of preferred stock with voting, dividend and other similar rights that could dilute, or otherwise adversely affect, the interest of holders of our common stock.

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***We may acquire properties or portfolios of properties through tax deferred contribution transactions, which could result in stockholder dilution and limit our ability to sell or refinance such assets.***

We have in the past and may in the future acquire properties or portfolios of properties through tax deferred contribution transactions in exchange for partnership units in an operating partnership, which could result in stockholder dilution through the issuance of operating partnership units that, under certain circumstances, may be exchanged for shares of our common stock. 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 restrictions on our ability to dispose of, or refinance the debt on, the acquired properties in order to protect the contributors' ability to defer recognition of taxable gain. Similarly, we may be required to incur or maintain debt we would otherwise not incur so we can allocate the debt to the contributors to maintain their tax bases. These restrictions could limit our ability to sell or refinance an asset at a time, or on terms, that would be favorable absent such restrictions.

***We are subject to risks associated with debt and capital stock financing.***

We intend to incur additional indebtedness in the future, including borrowings under our \$2.0 billion unsecured revolving credit facility. At December 31, 2016, we had \$1.12 billion of outstanding borrowings under our revolving credit facility, a total of \$3.98 billion of outstanding unsecured senior debt securities (excluding unamortized original issuance discounts of \$19.8 million and deferred financing costs of \$20.8 million), \$320.0 million of borrowings outstanding under our senior unsecured term loans (excluding deferred financing costs of \$873,000) and approximately \$460.0 million of outstanding mortgage debt (excluding net unamortized premiums totaling \$6.4 million and deferred financing costs of \$324,000 on this mortgage debt). To the extent that new indebtedness is added to our current debt levels, the related risks that we now face would increase. As a result, we are and will be subject to risks associated with debt financing, including the risk that our cash flow could be insufficient to make required payments on our debt. We also face variable interest rate risk as the interest rates on our revolving credit facility, our term loans and some of our mortgage debt are variable and could therefore increase over time. We also face the risk that we may be unable to refinance or repay our debt as it comes due. Given past disruptions in the financial markets and the ongoing global financial crisis and related uncertainties, including the impact of the United Kingdom's advisory referendum to withdraw from the European Union (referred to as Brexit), we also face the risk that one or more of the participants in our revolving credit facility may not be able to lend us money.

In addition, our revolving credit facility, our term loan facilities and mortgage loan documents contain provisions that could limit or, in certain cases, prohibit the payment of dividends and other distributions on our common stock and preferred stock. In particular, our revolving credit facility and our \$250.0 million term loan facility, both of which are governed by the same credit agreement, provide that, if an event of default (as defined in the credit agreement) exists, neither we nor any of our subsidiaries (other than our wholly-owned subsidiaries) may make any dividends or other distributions on (except distributions payable in shares of a given class of our stock to the stockholders of that class), or repurchase or redeem, among other things, any shares of our common stock or preferred stock, during any period of four consecutive fiscal quarters in an aggregate amount in excess of the greater of:

- The sum of (a) 95% of our adjusted funds from operations (as defined in the credit agreement) for that period plus (b) the aggregate amount of cash distributions on our preferred stock for that period, and
- The minimum amount of cash distributions required to be made to our stockholders in order to maintain our status as a REIT for federal income tax purposes and to avoid the payment of any income or excise taxes that would otherwise be imposed under specified sections of the Code on income we do not distribute to our stockholders,

except that we may repurchase or redeem shares of our preferred stock with the net proceeds from the issuance of shares of our common stock or preferred stock. The credit agreement further provides that, in the event of a failure to pay principal, interest or any other amount payable thereunder when due or upon the occurrence of certain events of bankruptcy, insolvency or

reorganization with respect to us or with respect to one or more of our subsidiaries that in the aggregate meet a significance test set forth in the credit agreement, we and our subsidiaries (other than our wholly-owned subsidiaries) may not pay any dividends or other distributions on (except for (a) distributions payable in shares of a given class of our stock to the stockholders of that class and (b) dividends and distributions described in the second bullet point above), or repurchase or redeem, among other things, any shares of our common stock or preferred stock. If any such event of default

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under the credit agreement were to occur, it would likely have a material adverse effect on the market price of our outstanding common and preferred stock and on the market value of our debt securities, could limit the amount of dividends or other distributions payable on our common stock and preferred stock or the amount of interest and principal we are able to pay on our indebtedness, or prevent us from paying those dividends, other distributions, interest or principal altogether, and may adversely affect our ability to qualify, or prevent us from qualifying, as a REIT. Likewise, one of our subsidiaries is the borrower under our \$70.0 million term loan facility and that facility requires that this subsidiary maintain its consolidated tangible net worth (as defined in the term loan facility) above a certain minimum dollar amount and comply with certain other financial covenants. This minimum consolidated tangible net worth covenant may limit the ability of this subsidiary, as well as other subsidiaries that are owned by this subsidiary, to provide funds to us in order to pay dividends and other distributions on our common stock and preferred stock and amounts due on our indebtedness. Any failure by this subsidiary to comply with these financial covenants will, and any failure by this subsidiary to comply with other covenants in our \$70.0 million term loan facility may, result in an event of default under that facility, which could have adverse consequences similar to those that may result from an event of default under our revolving credit facility or \$250.0 million term loan facility as described above.

Our indebtedness could also have other important consequences to holders of our common stock, preferred stock, and debt securities, including:

- Increasing our vulnerability to general adverse economic and industry conditions;
- Limiting our ability to obtain additional financing to fund future working capital, acquisitions, capital expenditures and other general corporate requirements;
- Requiring the use of a substantial portion of our cash flow from operations for the payment of principal and interest on our indebtedness, thereby reducing our ability to use our cash flow to fund working capital, acquisitions, capital expenditures, and general corporate requirements;
- Limiting our flexibility in planning for, or reacting to, changes in our business and our industry; and
- Putting us at a disadvantage compared to our competitors with less indebtedness.

If we default under a credit facility, loan agreement or other debt instrument, the lenders will generally have the right to demand immediate repayment of the principal and interest on all of their loans and, in the case of secured indebtedness, to exercise their rights to seize and sell the collateral.

In addition, we have 16,350,000 shares of Class F preferred stock outstanding, the holders of which are entitled to receive, before any dividends are paid on our common stock, monthly dividends, when, as and if authorized by our board of directors and declared by us, at the rate of \$1.65625 per annum per share. As a result, we are subject to risks associated with preferred stock financing, including the risk that our cash flow will be insufficient to pay dividends on our preferred stock.

***Our business operations may not generate the cash needed to make distributions on our capital stock or to service our indebtedness.***

Our ability to make distributions on our common stock and preferred stock and payments on our indebtedness, and to fund planned acquisitions and capital expenditures will depend on our ability to generate cash in the future. We cannot assure you that our business will generate sufficient cash flow from operations or that future borrowings will be available to us in an amount sufficient to enable us to make distributions on our common stock and preferred stock, to pay our indebtedness, or to fund our other liquidity needs.



***The market value of our capital stock and debt securities could be substantially affected by various factors.***

The market value of our capital stock and debt securities will depend on many factors, which may change from time to time and may be outside of our control, including:

- Prevailing interest rates, increases in which may have an adverse effect on the market value of our capital stock and debt securities;
- The market for similar securities issued by other REITs;
- General economic, political and financial market conditions;
- The financial condition, performance and prospects of us, our tenants and our competitors;
- Changes in legal and regulatory taxation obligations;
- Litigation and regulatory proceedings;
- Changes in financial estimates or recommendations by securities analysts with respect to us, our competitors or our industry;
- Changes in our credit ratings; and
- Actual or anticipated variations in quarterly operating results of us and our competitors.

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In addition, over the last several years, prices of common stock and debt securities in the United States, or U.S., trading markets have been experiencing extreme price fluctuations, and the market values of our common stock and debt securities have also fluctuated significantly during this period. As a result of these and other factors, investors who purchase our capital stock and debt securities may experience a decrease, which could be substantial and rapid, in the market value of our capital stock and debt securities, including decreases unrelated to our operating performance or prospects.

***Real estate ownership is subject to particular conditions that may have a negative impact on our revenue.***

We are subject to all of the inherent risks associated with the ownership of real estate. In particular, we face the risk that rental revenue from our properties may be insufficient to cover all corporate operating expenses, debt service payments on indebtedness we incur, and distributions on our capital stock. Additional real estate ownership risks include:

- Adverse changes in general or local economic conditions;
- Changes in supply of, or demand for, similar or competing properties;
- Changes in interest rates and operating expenses;
- Competition for tenants;
- Changes in market rental rates;
- Inability to lease properties upon termination of existing leases;
- Renewal of leases at lower rental rates;
- Inability to collect rents from tenants due to financial hardship, including bankruptcy;
- Changes in tax, real estate, zoning and environmental laws that may have an adverse impact upon the value of real estate;
- Uninsured property liability;
- Property damage or casualty losses;
- Unexpected expenditures for capital improvements, including requirements to bring properties into compliance with applicable federal, state and local laws;
- The need to periodically renovate and repair our properties;
- Development oriented activities;
- Physical or weather-related damage to properties;
- The potential risk of functional obsolescence of properties over time;
- Acts of terrorism and war; and
- Acts of God and other factors beyond the control of our management.

***Real estate property investments are illiquid; therefore, the company may not be able to dispose of properties when desired or on favorable terms.***

Real estate investments are relatively illiquid. Our ability to quickly sell or exchange any of our properties in response to changes in economic and other conditions will be limited. No assurances can be given that we will recognize full value, at a price and at terms that are acceptable to us, for any property that we are required to sell for liquidity reasons. Our inability to respond rapidly to changes in the performance of our investments could adversely affect our financial condition and results of operations.

***Our acquisition of additional properties may have a significant effect on our business, liquidity, financial position and/or results of operations.***

We are engaged in the process of identifying, analyzing, underwriting, and negotiating possible acquisition transactions. We cannot provide any assurances that we will be successful in consummating future acquisitions on favorable terms or that we will realize the benefits that we anticipate from such acquisitions. Our inability to consummate one or more acquisitions on such terms, our failure

to adequately underwrite and identify risks and obligations when acquiring properties, or our failure to realize the intended benefits from one or more acquisitions, could have a significant adverse effect on our business, liquidity, financial position and/or results of operations, including as a result of our incurrence of additional indebtedness and related interest expense and our assumption of unforeseen contingent liabilities in connection with completed acquisitions.

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***An uninsured loss or a loss that exceeds the policy limits on our properties could subject us to lost capital or revenue on those properties.***

Under the terms and conditions of the leases currently in force on our properties, tenants generally are required to indemnify and hold us harmless from liabilities resulting from injury to persons, air, water, land or property, due to activities conducted on the properties, except for claims arising from the negligence or intentional misconduct of us or our agents. Additionally, tenants are generally required, at the tenant's expense, to obtain and keep in full force during the term of the lease, liability and property damage insurance policies. The insurance policies our tenants are required to maintain for property damage are generally in amounts not less than the full replacement cost of the improvements less slab, foundations, supports and other customarily excluded improvements. Our tenants are generally required to maintain general liability coverage depending on the tenant and the industry in which the tenant operates.

In addition to the indemnities and required insurance policies identified above, many of our properties are also covered by flood and earthquake insurance policies (subject to substantial deductibles) obtained and paid for by the tenants as part of their risk management programs. Additionally, we have obtained blanket liability, flood and earthquake (subject to substantial deductibles) and property damage insurance policies to protect us and our properties against loss should the indemnities and insurance policies provided by the tenants fail to restore the properties to their condition prior to a loss. However, should a loss occur that is uninsured or in an amount exceeding the combined aggregate limits for the policies noted above, or in the event of a loss that is subject to a substantial deductible under an insurance policy, we could lose all or part of our capital invested in, and anticipated revenue from, one or more of the properties, which could have a material adverse effect on our results of operations or financial condition and on our ability to pay the principal of and interest on our debt securities and other indebtedness and to make distributions to our stockholders. We also face the risk that our insurance carriers may not be able to provide payment under any potential claims that might arise under the terms of our insurance policies, and we may not have the ability to purchase insurance policies we desire.

In addition, although we obtain title insurance policies of our properties to protect us and our properties against unknown title defects (such as claims of ownership, liens or other encumbrances), there may be certain title defects that our title insurance will not cover. If a material title defect related to any of our properties is not adequately covered by a title insurance policy, we could lose some or all of our capital invested in and our anticipated profits from such property, cause a financial misstatement or lead to reputational damage to the company.

***Compliance with the Americans with Disabilities Act of 1990 and fire, safety, and other regulations may require us to make unintended expenditures that could adversely impact our results of operations.***

Our properties are generally required to comply with the Americans with Disabilities Act of 1990, or the ADA. The ADA has separate compliance requirements for public accommodations and commercial facilities, but generally requires that buildings be made accessible to people with disabilities. Compliance with the ADA requirements could require removal of access barriers and non-compliance could result in imposition of fines by the U.S. government or an award of damages to private litigants. The retailers to whom we lease properties are obligated by law to comply with the ADA provisions, and we believe that these retailers may be obligated 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 these retailers to cover costs could be adversely affected and we could be required to expend our own funds to comply with the provisions of the ADA, which could materially adversely affect our results of operations or financial condition and our ability to pay the principal of and interest on our debt securities and other indebtedness and to make distributions to our stockholders. 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 these expenditures could have a material adverse effect on our results of operations or financial condition and our ability to pay the principal of and interest on our debt securities and other indebtedness and to make distributions to our stockholders.



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***Litigation risks could affect our business.***

From time to time, we are involved in legal proceedings, lawsuits, and other claims. An unfavorable resolution of litigation may have a material adverse effect on our business, results of operations and financial condition. Regardless of its outcome, litigation may result in substantial costs and expenses and significantly divert the attention of management.

***Property taxes may increase without notice.***

The real property taxes on our properties and any other properties that we develop or acquire in the future may increase as property tax rates change and as those properties are assessed or reassessed by tax authorities.

***We depend on key personnel.***

We depend on the efforts of our executive officers and key employees. The loss of the services of our executive officers and key employees could have a material adverse effect on our results of operations or financial condition and on our ability to pay the principal and interest on our debt securities and other indebtedness and to make distributions to our stockholders. It is possible that we will not be able to recruit additional personnel with equivalent experience in the net lease industry.

***Natural disasters, terrorist attacks, other acts of violence or war, or other unexpected events may affect the value of our debt and equity securities, the markets in which we operate and our results of operations.***

Natural disasters, terrorist attacks, other acts of violence or war, or other unexpected events may negatively affect our operations, the market price of our capital stock and the value of our debt securities. There can be no assurance that events like these will not occur or have a direct impact on our tenants, our business or the United States generally.

If events like these were to occur, they could materially interrupt our business operations, cause consumer confidence and spending to decrease or result in increased volatility in the U.S. and worldwide financial markets and economy. They also could result in or prolong an economic recession in the U.S. or abroad. Any of these occurrences could have a significant adverse impact on our operating results and revenues and on the market price of our capital stock and on the value of our debt securities. It could also have an adverse effect on our ability to pay principal and interest on our debt securities or other indebtedness and to make distributions to our stockholders.

***We rely on information technology in our operations, and any material failure, inadequacy, interruption or security failure of that technology could harm our business.***

We rely on information technology networks and systems, including the Internet, to process, transmit and store electronic information and to manage or support a variety of our business processes, including financial transactions and maintenance of records, which may include personal identifying information. Although we have taken steps to protect the security of the data maintained in our information systems, our security measures may not be able to prevent the systems' improper functioning, or the theft of intellectual property, personal information, or personal property, such as in the event of cyber-attacks. Any failure to maintain proper function, security and availability of our information systems could interrupt our operations, result in theft of company assets, damage our reputation, subject us to liability claims and could adversely affect our business, financial condition and results of operations.

In addition, we may experience difficulties implementing or maintaining our new enterprise resource planning system, which we intend to implement during 2017, which could potentially result in disruption to our normal accounting procedures and internal control over financial reporting, inaccuracies in the conversion of electronic data, difficulties integrating the systems and processes, additional costs to continue to refine the system's functionality, and disruption of our financial reporting process.

***Disruptions in the financial markets could affect our ability to obtain financing on reasonable terms and have other adverse effects on us and the market price of our common stock.***

Over the last several years, the United States stock and credit markets have experienced significant price volatility, dislocations and liquidity disruptions, which have caused market prices of many stocks and debt securities to fluctuate substantially and the spreads on prospective debt financings to widen considerably. In addition, the ongoing global financial crisis (which includes concerns that certain European countries may be unable to pay their national debt) has had a similar effect. These circumstances have materially impacted

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liquidity in the financial markets, making terms for certain financings less attractive, and in certain cases have resulted in the unavailability of certain types of financing. Unrest in certain Middle Eastern countries and resultant fluctuation in petroleum prices have added to the uncertainty in the capital markets. Continued uncertainty in the stock and credit markets may negatively impact our ability to access additional financing at reasonable terms, which may negatively affect our ability to make acquisitions. A prolonged downturn in the stock or credit markets may cause us to seek alternative sources of potentially less attractive financing, and may require us to adjust our business plan accordingly. In addition, these factors may make it more difficult for us to sell properties or may adversely affect the price we receive for properties that we do sell, as prospective buyers may experience increased costs of financing or difficulties in obtaining financing. These events in the stock and credit markets may make it more difficult or costly for us to raise capital through the issuance of our common stock or preferred stock or debt securities. These disruptions in the financial markets also may have a material adverse effect on the market value of our common stock, preferred stock and debt securities, the income we receive from our properties and the lease rates we can charge for our properties, as well as other unknown adverse effects on us or the economy in general.

***Inflation may adversely affect our financial condition and results of operations.***

Although inflation has not materially impacted our results of operations in the recent past, increased inflation could have a more pronounced negative impact on any variable rate debt we incur in the future and on our results of operations. During times when inflation is greater than increases in rent, as provided for in our leases, rent increases may not keep up with the rate of inflation. Likewise, even though net leases reduce our exposure to rising property expenses due to inflation, substantial inflationary pressures and increased costs may 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.

***Current volatility in market and economic conditions may impact the accuracy of the various estimates used in the preparation of our financial statements and footnotes to the financial statements.***

Various estimates are used in the preparation of our financial statements, including estimates related to asset and liability valuations (or potential impairments), and various receivables. Often these estimates require the use of market data values that are currently difficult to assess, as well as estimates of future performance or receivables collectability that can also be difficult to accurately predict. Although management believes it has been prudent and used reasonable judgment in making these estimates, it is possible that actual results may differ from these estimates.

***Inherent limitations of internal controls over financial statements and safeguarding of assets may adversely impact our financial condition and results of operations.***

Our internal controls over financial reporting and our operating internal controls may not prevent or detect financial misstatements or loss of assets because of inherent limitations, including the possibility of human error, the circumvention or overriding of controls, or fraud. Effective internal controls can provide only reasonable assurance with respect to financial statement accuracy and safeguarding of assets. Any failure of these internal controls could result in decreased investor confidence in the accuracy and completeness of our financial reports, civil litigation or investigations by the NYSE, the SEC or other regulatory authorities, which may adversely impact our financial condition and results of operations.

***Changes in accounting standards may adversely impact our financial condition and results of operations.***

The Financial Accounting Standards Board, or FASB, in conjunction with the SEC, has several key projects on their agenda that could impact how we currently account for our material transactions. At this time, we are unable to predict with certainty which, if any, proposals may be passed or what level of impact any such proposal could have on the presentation of our consolidated



financial statements, our results of operations and our financial ratios required by our debt covenants.

***Our business could be negatively affected as a result of actions of activist stockholders and shareholder advisory firms.***

Campaigns by stockholders to effect changes at publicly traded companies are sometimes led by investors seeking to increase short-term stockholder value through actions such as financial restructuring, increased debt, special dividends, stock repurchases or sales of assets or the entire company. If we become engaged in a process or proxy contest with an activist stockholder in the future, our business could be adversely affected, as such activities could be costly and time-consuming, disrupt our operations and divert the attention of

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management and our employees from executing our business plan. Additionally, perceived uncertainties as to our future direction as a result of stockholder activism or actual or potential changes to the composition of our Board of Directors or management team may lead to the perception of a change in the direction of our business, instability or lack of continuity, which may be exploited by our competitors, cause concern to current or potential sellers of properties, tenants and financing sources, and make it more difficult to attract and retain qualified personnel. If potential or existing sellers of properties, tenants or financing sources choose to delay, defer or reduce transactions with us or transact with our competitors instead of us because of any such issues, then our results of operations could be adversely affected. Similarly, we may suffer damage to our reputation (for example, regarding our corporate governance or stockholder relations) or brand by way of actions taken or statements made by outside constituents, including activist investors and shareholder advisory firms, which could adversely affect the market price of our common stock and preferred stock and the value of our debt securities, including the notes, resulting in significant loss of value, which could impact our ability to access capital, increase our cost of capital, and decrease our ability to acquire properties on attractive terms.

***Our charter contains restrictions upon ownership of our common stock.***

Our charter contains restrictions on ownership and transfer of our common stock intended to, among other purposes, assist us in maintaining our status as a REIT for United States federal and/or state income tax purposes. For example, our charter restricts any person from acquiring actual or constructive ownership of more than 9.8% (in value or number of shares, whichever is more restrictive) of our outstanding common stock. These restrictions could have anti-takeover effects and could reduce the possibility that a third party will attempt to acquire control of us, which could adversely affect the market price of our common stock.

**Item 1B: Unresolved Staff comments**

There are no unresolved staff comments.

**Item 2: Properties**

Information pertaining to our properties can be found under Item 1.

**Item 3: Legal Proceedings**

We are 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 Disclosures**

None.

Table of Contents**PART II****Item 5: Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities**

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

|                | Price Per Share<br>of Common Stock |          | Distributions<br>Declared (1) |
|----------------|------------------------------------|----------|-------------------------------|
|                | High                               | Low      |                               |
| <b>2016</b>    |                                    |          |                               |
| First Quarter  | \$ 62.89                           | \$ 50.47 | \$ 0.5960000                  |
| Second Quarter | 69.36                              | 58.30    | 0.5975000                     |
| Third Quarter  | 72.30                              | 63.33    | 0.6030000                     |
| Fourth Quarter | 66.75                              | 52.72    | 0.6065000                     |
| Total          |                                    |          | \$ 2.4030000                  |
| <b>2015</b>    |                                    |          |                               |
| First Quarter  | \$ 55.54                           | \$ 47.95 | \$ 0.5675000                  |
| Second Quarter | 52.66                              | 44.23    | 0.5690000                     |
| Third Quarter  | 48.88                              | 43.15    | 0.5705000                     |
| Fourth Quarter | 52.41                              | 45.65    | 0.5720000                     |
| Total          |                                    |          | \$ 2.2790000                  |

(1) Common stock cash distributions are declared monthly by us based on financial results for the prior months. At December 31, 2016, a distribution of \$0.2025 per common share had been declared and was paid in January 2017.

B. There were 9,896 registered holders of record of our common stock as of December 31, 2016. We estimate that our total number of stockholders is over 421,000 when we include both registered and beneficial holders of our common stock.

C. During the fourth quarter of 2016, the following shares of stock were withheld for state and federal payroll taxes on the vesting of employee stock awards, as permitted under the 2012 Incentive Award Plan of Realty Income Corporation:

- 17 shares of stock, at a weighted average price of \$66.93, in October 2016;

- 69 shares of stock, at a weighted average price of \$57.74, in November 2016; and
- 16,922 shares of stock, at a weighted average price of \$57.45, in December 2016.

Table of Contents**Item 6: Selected Financial Data***(not covered by Report of Independent Registered Public Accounting Firm)**(dollars in thousands, except for per share data)*

The following table sets forth our selected historical consolidated financial information for each of the five years in the period ended December 31, 2016. The statements of income data, the statements of equity data, the statements of cash flows data and the other data for the years ended December 31, 2016, 2015 and 2014 and the balance sheet data as of December 31, 2016 and 2015 were derived from our audited consolidated financial statements included elsewhere in this Form 10-K. The statements of income data, the statements of equity data, the statement of cash flows data and the other data for the years ended December 31, 2013 and 2012, and the balance sheet data as of December 31, 2014, 2013 and 2012 were derived from our audited consolidated financial statements that are not included in this Form 10-K.

The selected financial data presented below is not necessarily indicative of results of future operations and should be read in conjunction with our consolidated financial statements and the information included under the headings "Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere in this Form 10-K.

| <b>As of or for the years ended<br/>December 31,</b>                        | <b>2016</b>   | <b>2015</b>   | <b>2014</b>   | <b>2013</b>  | <b>2012</b>  |
|---|---------------|---------------|---------------|--------------|--------------|
| Total assets (book value)   | \$ 13,152,871 | \$ 11,845,379 | \$ 10,989,349 | \$ 9,903,118 | \$ 5,412,135 |
| Cash and cash equivalents   | 9,420         | 40,294        | 3,852         | 10,257       | 5,248        |
| Total debt  | 5,839,605     | 4,820,995     | 4,907,673     | 4,145,517    | 2,852,640    |
| Total liabilities   | 6,365,818     | 5,292,046     | 5,348,249     | 4,481,760    | 2,999,340    |
| Total equity  | 6,787,053     | 6,553,333     | 5,641,099     | 5,421,358    | 2,412,794    |
| Net cash provided by operating activities                                   | 804,045       | 692,303       | 627,692       | 518,906      | 326,469      |
| Net change in cash and cash equivalents                                     | (30,874)      | 36,442        | (6,405)       | 5,009        | 1,083        |
| Total revenue   | 1,103,172     | 1,023,285     | 933,505       | 780,209      | 484,581      |
| Income from continuing operations   | 316,477       | 284,855       | 269,140       | 180,613      | 141,895      |
| Income from discontinued operations   | -             | -             | 2,800         | 65,670       | 17,257       |
| Net income  | 316,477       | 284,855       | 271,940       | 246,283      | 159,152      |
| Preferred stock dividends   | (27,080)      | (27,080)      | (37,062)      | (41,930)     | (40,918)     |
| Excess of redemption value over carrying value of preferred shares redeemed | -             | -             | (6,015)       | -            | (3,696)      |
| Net income available to common stockholders                                 | 288,491       | 256,686       | 227,558       | 203,634      | 114,538      |
| Cash distributions paid to common stockholders                              | 610,516       | 533,238       | 479,256       | 409,222      | 236,348      |
| Basic and diluted net income per common share                               | 1.13          | 1.09          | 1.04          | 1.06         | 0.86         |
| Cash distributions paid per common share                                    | 2.391500      | 2.271417      | 2.191625      | 2.147459     | 1.771625     |
| Cash distributions declared per common share                                | 2.403000      | 2.279000      | 2.192875      | 2.177875     | 1.777875     |
| Basic weighted average number of common shares outstanding                  | 255,066,500   | 235,767,932   | 218,390,885   | 191,754,857  | 132,817,472  |
| Diluted weighted average number of common shares outstanding                | 255,624,250   | 236,208,390   | 218,767,885   | 191,781,622  | 132,884,933  |



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Item 7: **Management's Discussion and Analysis of Financial Condition and Results of Operations**

**GENERAL**

Realty Income, The Monthly Dividend Company®, is an S&P 500 company dedicated to providing stockholders with dependable monthly dividends that increase over time. The company is structured as a real estate investment trust, or REIT, requiring it annually to distribute at least 90% of its taxable income (excluding net capital gains) in the form of dividends to its stockholders. The monthly dividends are supported by the cash flow generated from real estate owned under long-term, net lease agreements with regional and national commercial tenants. The company has in-house acquisition, portfolio management, asset management, real estate research, credit research, legal, finance and accounting, information technology and capital markets capabilities.

Realty Income was founded in 1969, and listed on the New York Stock Exchange (NYSE: O) in 1994. Over the past 48 years, Realty Income has been acquiring and managing freestanding commercial properties that generate rental revenue under long-term net lease agreements. The company is a member of the S&P High Yield Dividend Aristocrats® index for having increased its dividend every year for more than 20 consecutive years.

At December 31, 2016, we owned a diversified portfolio:

- Of 4,944 properties;
- With an occupancy rate of 98.3%, or 4,860 properties leased and 84 properties available for lease;
- Leased to 248 different commercial tenants doing business in 47 separate industries;
- Located in 49 states and Puerto Rico;
- With over 83.0 million square feet of leasable space; and
- With an average leasable space per property of approximately 16,800 square feet; approximately 11,520 square feet per retail property and 220,290 square feet per industrial property.

Of the 4,944 properties in the portfolio, 4,920, or 99.5%, are single-tenant properties, and the remaining are multi-tenant properties. At December 31, 2016, of the 4,920 single-tenant properties, 4,836 were leased with a weighted average remaining lease term



(excluding rights to extend a lease at the option of the tenant) of approximately 9.8 years.

## LIQUIDITY AND CAPITAL RESOURCES

### Capital Philosophy

Historically, we have met our long-term capital needs by issuing common stock, preferred stock and long-term unsecured notes and bonds. Over the long term, we believe that common stock should be the majority of our capital structure; however, we may issue additional preferred stock or debt securities. We may 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 initially financed by our credit facility or debt securities. However, we cannot assure you that we will have access to the capital markets at all times and at terms that are acceptable to us.

Our primary cash obligations, for the current year and subsequent years, are included in the Table of Obligations, which is presented later in this section. We expect to fund our operating expenses and other short-term liquidity requirements, including property acquisitions and development costs, payment of principal and interest on our outstanding indebtedness, property improvements, re-leasing costs and cash distributions to common and preferred stockholders, primarily through cash provided by operating activities, borrowing on our credit facility and periodically through public securities offerings.

### Conservative Capital Structure

We believe that our stockholders are best served by a conservative capital structure. Therefore, we seek to maintain a conservative debt level on our balance sheet and solid interest and fixed charge coverage ratios. At December 31, 2016, our total outstanding borrowings of senior unsecured notes and bonds, term loans, mortgages payable and credit facility borrowings were \$5.875 billion, or approximately 27.6% of our total market capitalization of \$21.26 billion.

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We define our total market capitalization at December 31, 2016 as the sum of:

- Shares of our common stock outstanding of 260,168,259, plus total common units outstanding of 405,204, multiplied by the last reported sales price of our common stock on the NYSE of \$57.48 per share on December 31, 2016, or \$14.98 billion;
- Aggregate liquidation value (par value of \$25.00 per share) of the Class F preferred stock of \$408.8 million;
- Outstanding borrowings of \$1.12 billion on our credit facility;
- Outstanding mortgages payable of \$460.0 million, excluding net mortgage premiums of \$6.4 million and deferred financing costs of \$324,000;
- Outstanding borrowings of \$320.0 million on our term loans, excluding deferred financing costs of \$873,000; and
- Outstanding senior unsecured notes and bonds of \$3.98 billion, excluding unamortized original issuance discounts of \$19.8 million and deferred financing costs of \$20.8 million.

**Universal Shelf Registration**

In December 2015, we filed a shelf registration statement with the SEC, which is effective for a term of three years and will expire in December 2018. In accordance with SEC rules, the amount of securities to be issued pursuant to this shelf registration statement was not specified when it was filed and there is no specific dollar limit. The securities covered by this registration statement include (1) common stock, (2) preferred stock, (3) debt securities, (4) depositary shares representing fractional interests in shares of preferred stock, (5) warrants to purchase debt securities, common stock, preferred stock, or depositary shares, and (6) any combination of these securities. 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 of any securities offered, will be described in detail in a prospectus supplement, or other offering materials, at the time of any offering.

**At-the-Market (ATM) Program**

In September 2015, we established an at-the-market equity distribution program, or our ATM program, pursuant to which we can offer and sell up to 12,000,000 shares of common stock to, or through, a consortium of banks acting as our sales agents by means of ordinary brokers transactions on the NYSE at prevailing market prices or at negotiated prices. During 2016, we issued 2,779,140 shares and raised gross proceeds of \$166.8 million under the ATM program.

**Issuance of Common Stock**

In May 2016, we issued 6,500,000 shares of common stock. After underwriting discounts and other offering costs of \$12.1 million, the net proceeds of \$383.6 million were used to repay borrowings under our credit facility.

### **Dividend Reinvestment and Stock Purchase Plan**

Our Dividend Reinvestment and Stock Purchase Plan, or our DRSP, provides our common stockholders, as well as new investors, with a convenient and economical method of purchasing our common stock and reinvesting their distributions. Our DRSP also allows our current stockholders to buy additional shares of common stock by reinvesting all or a portion of their distributions. Our DRSP authorizes up to 26,000,000 common shares to be issued. In 2013, we revised our DRSP so that we would pay for a majority of the plan-related fees, which were previously paid by investors, and to institute a waiver approval process, allowing larger investors or institutions, per a formal approval process, to purchase shares at a small discount, if approved by us. During 2016, we issued 170,027 shares and raised approximately \$10.3 million under our DRSP. During 2016, we did not issue shares under the waiver approval process.

### **Preferred Stock**

In February 2012, we issued 14,950,000 shares of our Class F preferred stock at \$25.00 per share. In April 2012, we issued an additional 1,400,000 shares of Class F preferred stock at \$25.2863 per share. Beginning February 15, 2017, shares of our Class F preferred stock are redeemable at our option for \$25.00 per share, plus any accrued and unpaid dividends. Dividends on the shares of our Class F preferred stock are paid monthly in arrears. We are current on our obligations to pay dividends on our Class F preferred stock.

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**\$2.0 Billion Revolving Credit Facility**

In June 2015, we entered into a \$2.0 billion unsecured revolving credit facility, or our credit facility, that expires in June 2019 and includes, at our option, two six-month extensions. Our credit facility has a \$1.0 billion accordion expansion option. Under our credit facility, our investment grade credit ratings as of December 31, 2016 provide for financing at the London Interbank Offered Rate, commonly referred to as LIBOR, plus 0.90%, with a facility commitment fee of 0.15%, for all-in drawn pricing of 1.05% over LIBOR. The borrowing rate is subject to an interest rate floor and may change if our investment grade credit ratings were to change. We also have other interest rate options available to us under our credit facility. Our credit facility is unsecured and, accordingly, we have not pledged any assets as collateral for this obligation.

At December 31, 2016, we had a borrowing capacity of \$880.0 million available on our credit facility and an outstanding balance of \$1.12 billion. The weighted average interest rate on borrowings outstanding under our credit facility, at December 31, 2016, was 1.7% per annum. We must comply with various financial and other covenants in our credit facility. At December 31, 2016, we were in compliance with these covenants. We expect to use our credit facility to acquire additional properties and for other general corporate purposes. Any additional borrowings will increase our exposure to interest rate risk.

We generally use our credit facility for the short-term financing of new property acquisitions. Thereafter, we generally seek to refinance those borrowings with the net proceeds of long-term or permanent financing, which may include the issuance of common stock, preferred stock or debt securities. We cannot assure you, however, that we will be able to obtain any such refinancing, or that market conditions prevailing at the time of the refinancing will enable us to issue equity or debt securities at acceptable terms.

**Term Loans**

In June 2015, in conjunction with entering into our credit facility, we entered into a \$250 million senior unsecured term loan maturing June 30, 2020. Borrowing under this term loan bears interest at LIBOR, plus 0.95%. In conjunction with this term loan, we also entered into an interest rate swap which effectively fixes our per annum interest rate on this term loan at 2.67%.

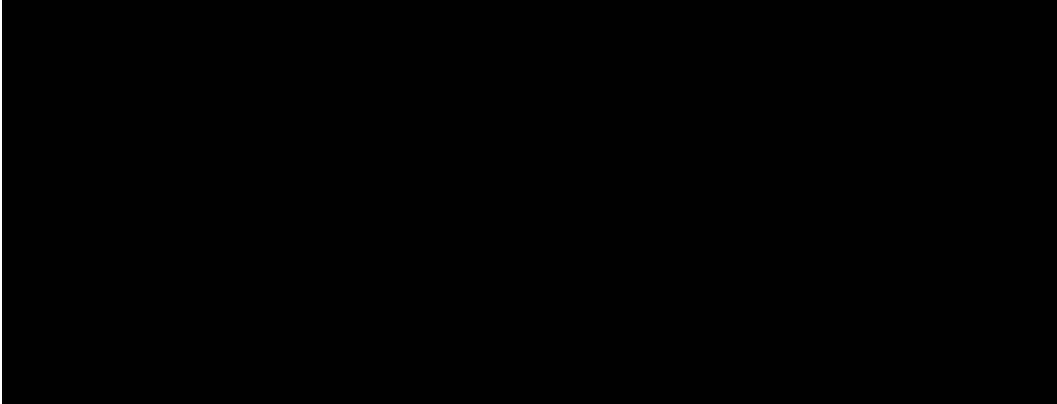
In January 2013, in conjunction with our acquisition of American Realty Capital Trust, or ARCT, we entered into a \$70 million senior unsecured term loan maturing in January 2018. Borrowing under the term loan bears interest at LIBOR, plus 1.20%. In conjunction with this term loan, we also acquired an interest rate swap which effectively fixes our per annum interest rate on this term loan at 2.15%.

**Mortgage Debt**

As of December 31, 2016, we had \$460.0 million of mortgages payable, all of which were assumed in connection with our property acquisitions. Additionally, at December 31, 2016, we had net premiums totaling \$6.4 million on these mortgages and deferred financing costs of \$324,000. We expect to pay off the mortgages payable as soon as prepayment penalties have declined to a level that would make it economically feasible to do so. During 2016, we made \$231.7 million of principal payments, including the repayment of 11 mortgages in full for \$201.8 million, and refinanced one of our assumed mortgages whereby we received an additional \$10.0 million in proceeds.

**Notes Outstanding**

Our senior unsecured note and bond obligations consist of the following as of December 31, 2016, sorted by maturity date (dollars in millions):



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In October 2016, we issued \$600 million of 3.000% senior unsecured notes due January 2027. The public offering price for the notes was 98.671% of the principal amount for an effective yield to maturity of 3.153%. The net proceeds of approximately \$586.7 million from the offering were used to repay borrowings outstanding under our credit facility.

In September 2016, we repaid \$275 million of outstanding 5.950% notes, plus accrued and unpaid interest.

All of our outstanding notes and bonds have fixed interest rates and contain various covenants, with which we remained in compliance as of December 31, 2016. Additionally, interest on all of our senior note and bond obligations is paid semiannually.

The following is a summary of the key financial covenants for our senior unsecured notes, as defined and calculated per the terms of our senior notes and bonds. These calculations, which are not based on U.S. GAAP measurements, are presented to investors to show our ability to incur additional debt under the terms of our senior notes and bonds as well as to disclose our current compliance with such covenants, and are not measures of our liquidity or performance. The actual amounts as of December 31, 2016 are:

| Note Covenants                                | Required                 | Actual |
|---|--------------------------|--------|
| Limitation on incurrence of total debt        | ≤ 60% of adjusted assets | 41.9%  |
| Limitation on incurrence of secured debt      | ≤ 40% of adjusted assets | 3.4%   |
| Debt service coverage (trailing 12 months)(1) | ≥ 1.5 x                  | 4.8x   |
| Maintenance of total unencumbered assets      | ≥ 150% of unsecured debt | 243.7% |

(1) This covenant is calculated on a pro forma basis for the preceding four-quarter period on the assumptions that: (i) the incurrence of any Debt (as defined in the covenants) incurred by us since the first day of such four-quarter period and the application of the proceeds therefrom (including to refinance other Debt since the first day of such four-quarter period), (ii) the repayment or retirement of any of our Debt since the first day of such four-quarter period, and (iii) any acquisition or disposition by us of any asset or group since the first day of such four quarters had in each case occurred on January 1, 2016, and subject to certain additional adjustments. Such pro forma ratio has been prepared on the basis required by that debt service covenant, reflects various estimates and assumptions and is subject to other uncertainties, and therefore does not purport to reflect what our actual debt service coverage ratio would have been had transactions referred to in clauses (i), (ii) and (iii) of the preceding sentence occurred as of January 1, 2016, nor does it purport to reflect our debt service coverage ratio for any future period. The following is our calculation of debt service coverage at December 31, 2016 (in thousands, for trailing twelve months):

|   |    |           |
|---|----|-----------|
| Net income attributable to the Company        | \$ | 315,571   |
| Plus: interest expense                        |    | 211,379   |
| Plus: provision for taxes                     |    | 3,262     |
| Plus: depreciation and amortization           |    | 449,943   |
| Plus: provisions for impairment               |    | 20,664    |
| Plus: pro forma adjustments                   |    | 71,979    |
| Less: gain on sales of real estate            |    | (21,979)  |
| Income available for debt service, as defined | \$ | 1,050,819 |
| Total pro forma debt service charge           | \$ | 220,921   |
| Debt service coverage ratio                   |    | 4.8       |

*Fixed Charge Coverage Ratio*

Fixed charge coverage ratio is calculated in exactly the same manner as the debt service coverage ratio, except that preferred stock dividends are also added to the denominator. Similar to debt service coverage ratio, we consider fixed charge coverage ratio to be an appropriate supplemental measure of a company's ability to make its interest and preferred stock dividend payments. Our calculations of both debt service and fixed charge coverage ratios may be different from the calculations used by other companies and, therefore, comparability may be limited. The presentation of debt service and fixed charge coverage ratios should not be considered as alternatives to any U.S. GAAP operating performance measures. Below is our calculation of fixed charges at December 31, 2016 (in thousands, for the trailing twelve months):

|  |    |           |
|--|----|-----------|
| Income available for debt service, as defined                | \$ | 1,050,819 |
| Pro forma debt service charge plus preferred stock dividends | \$ | 248,001   |
| Fixed charge coverage ratio                                  |    | 4.2       |

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**Cash Reserves**

We are organized to operate as an equity REIT that acquires and leases properties and distributes to stockholders, in the form of monthly cash distributions, a substantial portion of our net cash flow generated from leases on our properties. We intend to retain an appropriate amount of cash as working capital. At December 31, 2016, we had cash and cash equivalents totaling \$9.4 million.

We believe that our cash and cash equivalents on hand, cash provided from operating activities, and borrowing capacity is sufficient to meet our liquidity needs for the next twelve months. We intend, however, to use permanent or long-term capital to fund property acquisitions and to repay future borrowings under our credit facility.

**Credit Agency Ratings**

The borrowing interest rates under our credit facility are based upon our ratings assigned by credit rating agencies. As of December 31, 2016, we were assigned the following investment grade corporate credit ratings on our senior unsecured notes and bonds: Moody's Investors Service has assigned a rating of Baa1 with a positive outlook, Standard & Poor's Ratings Group has assigned a rating of BBB+ with a positive outlook, and Fitch Ratings has assigned a rating of BBB+ with a stable outlook.

Based on our ratings as of December 31, 2016, the facility interest rate as of December 31, 2016 was LIBOR plus 0.90% with a facility commitment fee of 0.15%, for all-in drawn pricing of 1.05% over LIBOR. Our credit facility provides that the interest rate can range between: (i) LIBOR plus 1.55% if our credit rating is lower than BBB-/Baa3 or unrated and (ii) LIBOR plus 0.85% if our credit rating is A-/A3 or higher. In addition, our credit facility provides for a facility commitment fee based on our credit ratings, which range from: (i) 0.30% for a rating lower than BBB-/Baa3 or unrated, and (ii) 0.125% for a credit rating of A-/A3 or higher.

We also issue senior debt securities from time to time and our credit ratings can impact the interest rates charged in those transactions. If our credit ratings or ratings outlook change, our cost to obtain debt financing could increase or decrease. The credit ratings assigned to us could change based upon, among other things, our results of operations and financial condition. These ratings are subject to ongoing evaluation by credit rating agencies and we cannot assure you that our ratings will not be changed or withdrawn by a rating agency in the future if, in its judgment, circumstances warrant. Moreover, a rating is not a recommendation to buy, sell or hold our debt securities, preferred stock or common stock.

**Table of Obligations**

The following table summarizes the maturity of each of our obligations as of December 31, 2016 (dollars in millions):

| Year of Maturity | Credit Facility(1) | Notes and Bonds(2) | Term Loan(3) | Mortgages Payable(4) | Interest(5) | Ground Leases Paid by Realty Income(6) | Ground Leases Paid by Our Tenants(7) | Other(8) | Totals   |
|------------------|--------------------|--------------------|--------------|----------------------|-------------|--|--------------------------------------|----------|----------|
| 2017             | \$ -               | \$ 175.0           | \$ -         | \$ 103.2             | \$ 218.6    | \$ 1.6                                 | \$ 13.4                              | \$ 28.9  | \$ 540.7 |



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|            |            |            |          |          |            |         |          |         |            |
|------------|------------|------------|----------|----------|------------|---------|----------|---------|------------|
| 2018       | -          | 350.0      | 70.0     | 21.9     | 197.2      | 1.6     | 13.5     | -       | 654.2      |
| 2019       | 1,120.0    | 550.0      | -        | 42.3     | 172.6      | 1.5     | 13.3     | -       | 1,899.7    |
| 2020       | -          | -          | 250.0    | 82.4     | 136.7      | 1.4     | 13.1     | -       | 483.6      |
| 2021       | -          | 250.0      | -        | 66.9     | 115.2      | 1.2     | 12.8     | -       | 446.1      |
| Thereafter | -          | 2,650.0    | -        | 143.3    | 445.8      | 22.1    | 106.6    | -       | 3,367.8    |
| Totals     | \$ 1,120.0 | \$ 3,975.0 | \$ 320.0 | \$ 460.0 | \$ 1,286.1 | \$ 29.4 | \$ 172.7 | \$ 28.9 | \$ 7,392.1 |

- (1) The initial term of the credit facility expires in June 2019 and includes, at our option, two six-month extensions.
- (2) Excludes non-cash original issuance discounts recorded on notes payable. The unamortized balance of the original issuance discounts at December 31, 2016 is \$19.8 million. Also excludes deferred financing costs of \$20.8 million.
- (3) Excludes deferred financing costs of \$873,000.
- (4) Excludes non-cash net premiums recorded on the mortgages payable. The unamortized balance of these net premiums at December 31, 2016, is \$6.4 million. Also excludes deferred financing costs of \$324,000.
- (5) Interest on the term loans, notes, bonds, mortgages payable, and credit facility has been calculated based on outstanding balances as of December 31, 2016 through their respective maturity dates.
- (6) Realty Income currently pays the ground lessors directly for the rent under the ground leases.
- (7) Our tenants, who are generally sub-tenants under ground leases, are responsible for paying the rent under these ground leases. In the event a tenant fails to pay the ground lease rent, we are primarily responsible.
- (8) Other consists of \$21.9 million of commitments under construction contracts and \$7.0 million of commitments for tenant improvements and leasing costs.

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Our credit facility, term loans, and notes payable obligations are unsecured. Accordingly, we have not pledged any assets as collateral for these obligations.

### **No Unconsolidated Investments**

We have no unconsolidated investments, nor do we engage in trading activities involving energy or commodity contracts.

### **Impact of Real Estate and Credit Markets**

In the commercial real estate market, property prices generally continue to fluctuate. Likewise, during certain periods, the U.S. credit markets have experienced significant price volatility, dislocations, and liquidity disruptions, which may impact our access to and cost of capital. We continually monitor the commercial real estate and U.S. credit markets carefully and, if required, will make decisions to adjust our business strategy accordingly.

### **Acquisitions During 2016**

During 2016, we invested \$1.86 billion in 505 new properties and properties under development or expansion, with an initial weighted average contractual lease rate of 6.3%. The 505 new properties and properties under development or expansion are located in 40 states, will contain approximately 8.2 million leasable square feet, and are 100% leased with a weighted average lease term of 14.7 years. The tenants occupying the new properties operate in 28 industries and the property types are 86.4% retail and 13.6% industrial, based on rental revenue. During 2016, none of our real estate investments caused any one tenant to be 10% or more of our total assets at December 31, 2016.

The estimated initial weighted average contractual lease rate for a property is generally computed as estimated contractual net operating income, which, in the case of a net leased property, is equal to the aggregate base rent for the first full year of each lease, divided by the total cost of the property. Since it is possible that a tenant could default on the payment of contractual rent, we cannot provide assurance that the actual return on the funds invested will remain at the percentages listed above.

In the case of a property under development or expansion, the contractual lease rate is generally fixed such that rent varies based on the actual total investment in order to provide a fixed rate of return. When the lease does not provide for a fixed rate of return on a property under development or expansion, the estimated initial weighted average contractual lease rate is computed as follows: estimated net operating income (determined by the lease) for the first full year of each lease, divided by our projected total investment in the property, including land, construction and capitalized interest costs. Of the \$1.86 billion we invested during 2016, \$103.8 million was invested in 33 properties under development or expansion with an estimated initial weighted average contractual lease rate of 7.1%. We may continue to pursue development or expansion opportunities under similar arrangements in the future.

### **Portfolio Discussion**

Leasing Results

At December 31, 2016, we had 84 properties available for lease out of 4,944 properties in our portfolio, which represents a 98.3% occupancy rate based on the number of properties in our portfolio. Since December 31, 2015, when we reported 71 properties available for lease out of 4,538 and a 98.4% occupancy rate, we:

- Had 256 lease expirations (including leases rejected in bankruptcy);
- Re-leased 186 properties; and
- Sold 57 vacant properties.

Of the 186 properties re-leased during 2016, 144 properties were re-leased to existing tenants, 21 were re-leased to new tenants without vacancy, and 21 were re-leased to new tenants after a period of vacancy. The annual rent on these 186 leases was \$28.57 million, as compared to the previous rent on these same properties of \$27.33 million, which represents a rent recapture rate of 104.5% on the properties re-leased during 2016.

As part of our re-leasing costs, we pay leasing commissions to unrelated, 3rd party real estate brokers consistent with the commercial real estate industry standard, and sometimes provide tenant rent concessions. We do not consider the collective impact of the leasing commissions or tenant rent concessions to be material to our financial position or results of operations.

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At December 31, 2016, our average annualized rental revenue was approximately \$13.64 per square foot on the 4,860 leased properties in our portfolio. At December 31, 2016, we classified 15 properties with a carrying amount of \$26.6 million as held for sale on our balance sheet. The expected sale of these properties does not represent a strategic shift that will have a major effect on our operations and financial results. The expected sale of these properties is consistent with our active disposition efforts to further enhance our real estate portfolio and maximize portfolio returns.

Investments in Existing Properties

In 2016, we capitalized costs of \$16.3 million on existing properties in our portfolio, consisting of \$797,000 for re-leasing costs, \$679,000 for recurring capital expenditures and \$14.9 million for non-recurring building improvements. In 2015, we capitalized costs of \$11.5 million on existing properties in our portfolio, consisting of \$748,000 for re-leasing costs, \$7.6 million for recurring capital expenditures and \$3.2 million for non-recurring building improvements.

The majority of our building improvements relate to roof repairs, HVAC improvements, and parking lot resurfacing and replacements. The amounts of our capital expenditures can vary significantly, depending on the rental market, tenant credit worthiness, the lease term and the willingness of tenants to pay higher rents over the terms of the leases.

With the increasing size and aging of our portfolio, overall investments in existing properties increased in 2016 and we refined our definition of recurring versus non-recurring capital expenditures. We define recurring capital expenditures as mandatory and repetitive landlord capital expenditure obligations that have a limited useful life. We define non-recurring capital expenditures as property improvements where we invest additional capital that extend the useful life of the property.

**Increases in Monthly Dividends to Common Stockholders**

We have continued our 48-year policy of paying monthly dividends. In addition, we increased the dividend six times during 2016 and twice in 2017. As of February 2017, we have paid 77 consecutive quarterly dividend increases and increased the dividend 90 times since our listing on the NYSE in 1994.

| 2016 Dividend increases | Month Declared | Month Paid | Dividend per share | Increase per share |
|-------------------------|----------------|------------|--------------------|--------------------|
|-------------------------|----------------|------------|--------------------|--------------------|

The dividends paid per share during 2016 totaled approximately \$2.392, as compared to approximately \$2.271 during 2015, an increase of \$0.121, or 5.3%.

The monthly dividend of \$0.2105 per share represents a current annualized dividend of \$2.526 per share, and an annualized dividend yield of approximately 4.2% based on the last reported sale price of our common stock on the NYSE of \$59.63 on January 31, 2017. Although we expect to continue our policy of paying monthly dividends, we cannot guarantee that we will maintain our current level of dividends, that we will continue our pattern of increasing dividends per share, or what our actual dividend yield will be in any future period.

## RESULTS OF OPERATIONS

### Critical Accounting Policies

Our consolidated financial statements have been prepared in accordance with GAAP, and are the basis for our discussion and analysis of financial condition and results of operations. Preparing our consolidated financial statements requires us to make a number of estimates and assumptions that affect the reported amounts and disclosures in the consolidated financial statements. We believe that we have made these estimates and assumptions in an appropriate manner and in a way that accurately reflects our financial condition. We continually test and evaluate these estimates and assumptions using our historical knowledge of the business, as well as other factors, to ensure that they are reasonable for reporting purposes. However, actual results may differ from these estimates and assumptions. This summary should be read in conjunction with the more complete discussion of our accounting policies and procedures included in note 2 to our consolidated financial statements.

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In order to prepare our consolidated financial statements according to the rules and guidelines set forth by GAAP, many subjective judgments must be made with regard to critical accounting policies. One of these judgments is our estimate for useful lives in determining depreciation expense for our properties. Depreciation on a majority of our buildings and improvements is computed using the straight-line method over an estimated useful life of 25 to 35 years for buildings and 4 to 20 years for improvements, which we believe are appropriate estimates of useful life. If we use a shorter or longer estimated useful life, it could have a material impact on our results of operations.

Management must make significant assumptions in determining the fair value of assets acquired and liabilities assumed. When acquiring a property for investment purposes, we typically allocate the fair value of real estate acquired to: (1) land, (2) building and improvements, and (3) identified intangible assets and liabilities, based in each case on their estimated fair values. Intangible assets and liabilities consist of above-market or below-market lease value of in-place leases, the value of in-place leases, and tenant relationships, as applicable. In an acquisition of multiple properties, we must also allocate the purchase price among the properties. The allocation of the purchase price is based on our assessment of estimated fair value and is often based upon the expected future cash flows of the property and various characteristics of the market where the property is located. In addition, any assumed mortgages receivable or payable and any assumed or issued noncontrolling interests are recorded at their estimated fair values. The estimated fair values of our mortgages payable have been calculated by discounting the future cash flows using applicable interest rates that have been adjusted for factors, such as industry type, tenant investment grade, maturity date, and comparable borrowings for similar assets. The initial allocation of the purchase price is based on management's preliminary assessment, which may differ when final information becomes available. Subsequent adjustments made to the initial purchase price allocation are made within the allocation period, which does not exceed one year. The use of different assumptions in the allocation of the purchase price of the acquired properties and liabilities assumed could affect the timing of recognition of the related revenue and expenses.

Another significant judgment must be made as to if, and when, impairment losses should be taken on our properties when events or a change in circumstances indicate that the carrying amount of the asset may not be recoverable. A provision is made for impairment if estimated future operating cash flows (undiscounted and without interest charges) plus estimated disposition proceeds (undiscounted) are less than the current book value of the property. Key inputs that we utilize in this analysis include projected rental rates, estimated holding periods, historical sales and releases, capital expenditures, and property sales capitalization rates. If a property is held for sale, it is carried at the lower of carrying cost or estimated fair value, less estimated cost to sell. The carrying value of our real estate is the largest component of our consolidated balance sheets. Our strategy of primarily holding properties, long-term, directly decreases the likelihood of their carrying values not being recoverable, thus requiring the recognition of an impairment. However, if our strategy, or one or more of the above assumptions were to change in the future, an impairment may need to be recognized. If events should occur that require us to reduce the carrying value of our real estate by recording provisions for impairment, they could have a material impact on our results of operations.

***The following is a comparison of our results of operations for the years ended December 31, 2016, 2015 and 2014.***

**Rental Revenue**

Rental revenue was \$1.057 billion for 2016, as compared to \$976.9 million for 2015, an increase of \$80.5 million, or 8.2%. Rental revenue was \$893.5 million for 2014. The increase in rental revenue in 2016 compared to 2015 is primarily attributable to:

- The 475 properties (7.6 million square feet) we acquired in 2016, which generated \$39.7 million of rent in 2016;

- The 254 properties (5.6 million square feet) we acquired in 2015, which generated \$80.3 million of rent in 2016, compared to \$41.9 million in 2015, an increase of \$38.4 million;
- Same store rents generated on 4,045 properties (66.5 million square feet) during 2016 and 2015, increased by \$10.15 million, or 1.2%, to \$888.51 million from \$878.36 million; and

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- A net increase in straight-line rent and other non-cash adjustments to rent of \$959,000 in 2016 as compared to 2015; partially offset by
- A net decrease of \$7.1 million relating to properties sold in 2016 and during 2015; and
- A net decrease of \$1.6 million relating to the aggregate of (i) rental revenue from properties (131 properties comprising 1.5 million square feet) that were available for lease during part of 2016 or 2015, (ii) rental revenue for 24 properties under development, and (iii) lease termination settlements. In aggregate, the revenues for these items totaled \$33.3 million in 2016, compared to \$34.9 million in 2015.

For purposes of determining the same store rent property pool, we include all properties that were owned for the entire year-to-date period, for both the current and prior year, except for properties during the current or prior year that: (i) were vacant at any time, (ii) were under development or redevelopment, and (iii) were involved in eminent domain and rent was reduced. Each of the exclusions from the same store pool are separately addressed within the applicable sentences above, explaining the changes in rental revenue for the period.

Of the 4,944 properties in the portfolio at December 31, 2016, 4,920, or 99.5%, are single-tenant properties and the remaining are multi-tenant properties. Of the 4,920 single-tenant properties, 4,836, or 98.3%, were net leased with a weighted average remaining lease term (excluding rights to extend a lease at the option of the tenant) of approximately 9.8 years at December 31, 2016. Of our 4,836 leased single-tenant properties, 4,310 or 89.1% were under leases that provide for increases in rents through:

- Base rent increases tied to a consumer price index (typically subject to ceilings);
- Percentage rent based on a percentage of the tenants gross sales;
- Fixed increases; or
- A combination of two or more of the above rent provisions.

Percentage rent, which is included in rental revenue, was \$5.3 million in 2016, \$4.5 million in 2015, and \$3.6 million in 2014. Percentage rent in 2016 was less than 1% of rental revenue and we anticipate percentage rent to be less than 1% of rental revenue in 2017.

Our portfolio of real estate, leased primarily to regional and national tenants under net leases, continues to perform well and provides dependable lease revenue supporting the payment of monthly dividends to our stockholders. At December 31, 2016, our portfolio of 4,944 properties was 98.3% leased with 84 properties available for lease, as compared to 98.4% leased, with 71 properties available for lease at December 31, 2015. It has been our experience that approximately 1% to 4% of our property portfolio will be unleased at any given time; however, it is possible that the number of properties available for lease could exceed



these levels in the future.

### **Tenant Reimbursements**

Contractually obligated reimbursements from tenants for recoverable real estate taxes and operating expenses were \$43.1 million in 2016, compared to \$42.0 million in 2015 and \$37.1 million in 2014. The increase in tenant reimbursements is primarily due to our increase in acquisitions.

### **Other Revenue**

Other revenue, which comprises property-related revenue not included in rental revenue or tenant reimbursements, was \$2.7 million in 2016, compared to \$4.4 million in 2015 and \$2.9 million in 2014.

### **Depreciation and Amortization**

Depreciation and amortization was \$449.9 million for 2016, compared to \$409.2 million for 2015 and \$374.7 million for 2014. The increase in depreciation and amortization in 2016 and 2015 was primarily due to the acquisition of properties in 2015 and 2016, which was partially offset by property sales in those same periods. As discussed in the sections entitled Funds from Operations Available to Common Stockholders (FFO) and Adjusted Funds from Operations Available to Common Stockholders (AFFO), depreciation and amortization is a non-cash item that is added back to net income available to common stockholders for our calculation of FFO and AFFO.

Table of Contents**Interest Expense**

The following is a summary of the components of our interest expense (dollars in thousands):

|   | <b>2016</b> |    | <b>2015</b> |    | <b>2014</b> |
|---|-------------|----|-------------|----|-------------|
| Interest on our credit facility, term loans, notes, mortgages and interest rate swaps | \$ 213,540  | \$ | 226,207     | \$ | 215,830     |
| Credit facility commitment fees   | 3,050       |    | 2,854       |    | 2,661       |
| Amortization of credit facility origination costs and deferred financing costs        | 8,596       |    | 8,741       |    | 8,219       |
| (Gain) loss on interest rate swaps  | (1,639)     |    | 3,043       |    | 1,349       |
| Dividend on preferred shares subject to redemption                                    | -           |    | -           |    | 1,526       |
| Amortization of net mortgage premiums   | (3,414)     |    | (7,482)     |    | (12,891)    |
| Capital lease obligation  | 310         |    | 310         |    | 116         |
| Interest capitalized  | (469)       |    | (594)       |    | (444)       |
| Interest expense  | \$ 219,974  | \$ | 233,079     | \$ | 216,366     |

**Credit facility, term loans, mortgages and notes**

|   |              |    |           |    |           |
|---|--------------|----|-----------|----|-----------|
| Average outstanding balances (dollars in thousands) | \$ 5,081,663 | \$ | 5,030,532 | \$ | 4,628,438 |
| Average interest rates                              | 4.11%        |    | 4.43%     |    | 4.62%     |

The decrease in interest expense from 2015 to 2016 was primarily due to lower outstanding debt balances on our notes payable and mortgages payable, resulting from the payoff of \$150.0 million of notes during November 2015 and \$275.0 million of notes during September 2016, as well as the payoff of mortgages throughout 2015 and 2016. This decrease was slightly offset by an increase in interest expense related to the issuance of a \$600 million note in October 2016.

The increase in interest expense from 2014 to 2015 was primarily due to the June 2014 issuance of our 3.88% senior unsecured notes due July 2024, the September 2014 issuance of our 4.125% senior unsecured notes due October 2026, the interest expense on the \$250 million term loan that was entered into during June 2015, and the payoff of mortgages during 2015 which reduced the amortization of net mortgage premiums.

Additionally, each quarter we adjust the carrying value of our interest rate swaps to fair value. Changes in the fair value of our interest rate swaps are recorded directly to interest expense. We recorded a gain on interest rate swaps of \$1.6 million during 2016 and a loss on interest rate swaps of \$3.0 million and \$1.3 million during 2015 and 2014, respectively.

At December 31, 2016, the weighted average interest rate on our:

- Credit facility outstanding borrowings of \$1.12 billion was 1.7%;
- Term loans outstanding of \$320.0 million (excluding deferred financing costs of \$873,000) was 1.7%;

- Mortgages payable of \$460.0 million (excluding net premiums totaling \$6.4 million and deferred financing costs of \$324,000 on these mortgages) was 4.9%;
- Notes and bonds payable of \$3.98 billion (excluding unamortized original issue discounts of \$19.8 million and deferred financing costs of \$20.8 million) was 4.4%; and
- Combined outstanding notes, bonds, mortgages, term loan and credit facility borrowings of \$5.88 billion was 3.8%.

Table of Contents**General and Administrative Expenses**

General and administrative expenses increased by \$2.7 million to \$52.0 million for 2016, compared to \$49.3 million in 2015 and \$51.1 million in 2014. Included in general and administrative expenses are acquisition transaction costs of \$346,000 for 2016, \$913,000 for 2015, and \$453,000 for 2014. General and administrative costs increased during 2016 primarily due to higher compensation costs. General and administrative expenses decreased during 2015 primarily due to lower compensation costs, lower corporate insurance premiums, and lower proxy costs. In January 2017, we had 146 employees, as compared to 132 employees in January 2016 and 125 employees in January 2015.

| Dollars in thousands   |    | 2016      |    | 2015    |    | 2014    |
|--|----|-----------|----|---------|----|---------|
| General and administrative expenses                                  | \$ | 51,966    | \$ | 49,298  | \$ | 51,085  |
| Total revenue(1)   |    | 1,060,068 |    | 981,270 |    | 896,499 |
| General and administrative expenses as a percentage of total revenue |    | 4.9%      |    | 5.0%    |    | 5.7%    |

(1) Excludes tenant reimbursements revenue, as well as revenue included in discontinued operations and gain on sales.

**Property Expenses (including tenant reimbursable expenses)**

Property expenses consist of costs associated with unleased properties, non-net-leased properties and general portfolio expenses, as well as contractually obligated reimbursable costs from tenants for recoverable real estate taxes and operating expenses. Expenses related to unleased properties and non-net-leased properties include, but are not limited to, property taxes, maintenance, insurance, utilities, property inspections, bad debt expense and legal fees. General portfolio costs include, but are not limited to, insurance, legal, property inspections, and title search fees. At December 31, 2016, 84 properties were available for lease, as compared to 71 at December 31, 2015 and 70 at December 31, 2014.

Property expenses were \$62.9 million (including \$43.1 million in reimbursable expenses) in 2016, \$55.4 million (including \$42.0 million in reimbursable expenses) in 2015 and \$53.9 million (including \$37.1 million in reimbursable expenses) in 2014. The increase in gross property expenses in 2016 is primarily attributable to the increased portfolio size, which contributed to higher contractually obligated reimbursements primarily due to our acquisitions during 2015 and 2016. We also incurred higher gross property expenses as a result of maintenance and utilities, property taxes, ground rent expenses, legal costs, and bad debt expense on vacant properties.

| Dollars in thousands  |    | 2016      |    | 2015    |    | 2014    |
|---|----|-----------|----|---------|----|---------|
| Property expenses net of tenant reimbursements                                  | \$ | 19,761    | \$ | 13,337  | \$ | 16,753  |
| Total revenue(1)  |    | 1,060,068 |    | 981,270 |    | 896,499 |
| Property expenses net of tenant reimbursements as a percentage of total revenue |    | 1.9%      |    | 1.4%    |    | 1.9%    |

(1) Excludes tenant reimbursements revenue, as well as revenue included in discontinued operations and gain on sales.

### **Income Taxes**

Income taxes were \$3.3 million in 2016, compared to \$3.2 million in 2015 and \$3.5 million in 2014. These amounts are for city and state income and franchise taxes paid by us and our subsidiaries.

### **Provisions for Impairment**

In 2016, we recorded total provisions for impairment of \$20.7 million on six properties classified as held for sale, two properties classified as held for investment, and 31 sold properties. These properties were not previously classified as held for sale in financial statements issued prior to the date of adoption of ASU 2014-08; accordingly, these provisions for impairment are included in income from continuing operations on our consolidated statements of income.

In 2015, we recorded total provisions for impairment of \$10.6 million on three properties classified as held for investment, 11 sold properties, and one property disposed of other than by sale. These properties were not previously classified as held for sale in financial statements issued prior to the date of adoption of ASU 2014-08; accordingly, these provisions for impairment are included in income from continuing operations on our consolidated statements of income.

In 2014, we recorded total provisions for impairment of \$4.6 million. Provisions for impairment of \$4.1 million are included in income from continuing operations on 10 sold properties and one property classified as held for sale. These properties were not previously classified as held for sale in financial statements issued prior to the

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date of adoption of Accounting Standards Update (ASU) 2014-08 which amends Topic 205, *Presentation of Financial Statements*, and Topic 360, *Property, Plant, and Equipment*; accordingly, these provisions for impairment are included in income from continuing operations on our consolidated statements of income. Additionally, a provision for impairment of \$510,000 is included in income from discontinued operations on one sold property that was classified as held for sale as of December 31, 2013.

**Gain on Sales of Real Estate**

During 2016, we sold 77 properties for \$90.5 million, which resulted in a gain of \$22.0 million. Additionally, during 2016 we sold our former corporate headquarters building for \$8.6 million.

During 2015, we sold 38 properties for \$65.8 million, which resulted in a gain of \$22.2 million.

These property sales in 2016 and 2015 do not represent a strategic shift that will have a major effect on our operations and financial results, and therefore do not require presentation as discontinued operations.

During 2014, we sold 47 properties for \$108.1 million, which resulted in a gain of \$42.1 million. Only the results of operations specifically related to the properties classified as held for sale at December 31, 2013 and sold during 2014 were reclassified as discontinued operations.

At December 31, 2016, we classified real estate with a carrying amount of \$26.6 million as held for sale on our balance sheet. In 2017, we intend to continue our active disposition efforts to further enhance our real estate portfolio and anticipate approximately \$75 to \$100 million in yet to be identified property sales for all of 2017. We intend to invest these proceeds into new property acquisitions, if there are attractive opportunities available. However, we cannot guarantee that we will sell properties during the next 12 months at our estimated values or be able to invest the property sale proceeds in new properties.

**Preferred Stock Dividends**

Preferred stock dividends totaled \$27.1 million in 2016 and 2015, and \$37.1 million in 2014.

**Excess of Redemption Value over Carrying Value of Preferred Shares Redeemed**

In October 2014, we redeemed all 8,800,000 shares of our 6.75% Monthly Income Class E Cumulative Redeemable Preferred Stock, or the Class E preferred stock, for \$25.00 per share, plus accrued dividends. We incurred a non-cash charge of \$6.0 million. This charge is for the excess of redemption value over the carrying value of the Class E preferred stock and represents the original issuance cost that was paid in 2006.

**Net Income Available to Common Stockholders**

Net income available to common stockholders was \$288.5 million in 2016, compared to \$256.7 million in 2015, an increase of \$31.8 million. On a diluted per common share basis, net income was \$1.13 in 2016, as compared to \$1.09 in 2015, an increase of \$0.04, or 3.7%. Net income available to common stockholders was \$227.6 million in 2014, or \$1.04 on a diluted per common share basis. Net income available to common stockholders for 2014 includes a non-cash redemption charge of \$6.0 million on the shares of Class E preferred stock that were redeemed in October 2014, which represents \$0.03 on a diluted per common share basis. This charge is for the excess of redemption value over the carrying value of the Class E preferred stock and represents the original issuance cost that was paid in 2006.

The calculation to determine net income available to common stockholders includes impairments, gains from the sale of properties and/or fair value adjustments on our interest rate swaps. These items vary from period to period based on the timing of property sales and the interest rate environment, and can significantly impact net income available to common stockholders.

Gains from the sale of properties during 2016 were \$22.0 million, as compared to gains from the sale of properties of \$22.2 million during 2015, and \$42.1 million during 2014.

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**Discontinued Operations**

During the first quarter of 2014, the Financial Accounting Standards Board issued guidance that changed the definition of discontinued operations by limiting discontinued operations reporting to disposals of components of an entity that represent strategic shifts that have, or will have, a major effect on an entity's operations and financial results. We early adopted the requirements of this accounting pronouncement in the first quarter of 2014. Starting with the first quarter of 2014, the results of operations for all qualifying disposals and properties classified as held for sale that were not previously reported in discontinued operations in our 2013 Annual Report on Form 10-K are presented within income from continuing operations on our consolidated statements of income. For 2014, we recorded income from discontinued operations of \$2.8 million, or \$0.01 per common share, basic and diluted.

**Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA)**

EBITDA, a non-GAAP financial measure, means, for the most recent quarter, earnings (net income) before (i) interest expense, including non-cash loss (gain) on swaps, (ii) income and franchise taxes, (iii) real estate depreciation and amortization, (iv) impairment losses, and (v) gain on sales of real estate. Our EBITDA may not be comparable to EBITDA reported by other companies that interpret the definitions of EBITDA differently than we do. Management believes EBITDA to be a meaningful measure of a REIT's performance because it is widely followed by industry analysts, lenders and investors. The ratio of our total debt to EBITDA is also used to determine vesting of performance share awards granted to our executive officers. EBITDA should be considered along with, but not as an alternative to net income as a measure of our operating performance. Our ratio of debt to EBITDA, which is used by management as a measure of leverage, is calculated by annualizing quarterly EBITDA and then dividing by our total debt per the consolidated balance sheet.

Three months ended December 31,

Dollars in thousands 2016 2015 2014

(1) We calculate Annualized EBITDA by multiplying the Quarterly EBITDA by four.

(2) Total debt is consistent with its definition under market capitalization as described in Liquidity and Capital Resources Conservative Capital Structure earlier in this Management's Discussion and Analysis of Financial Condition and Results of Operations.



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**FUNDS FROM OPERATIONS AVAILABLE TO COMMON STOCKHOLDERS (FFO)**

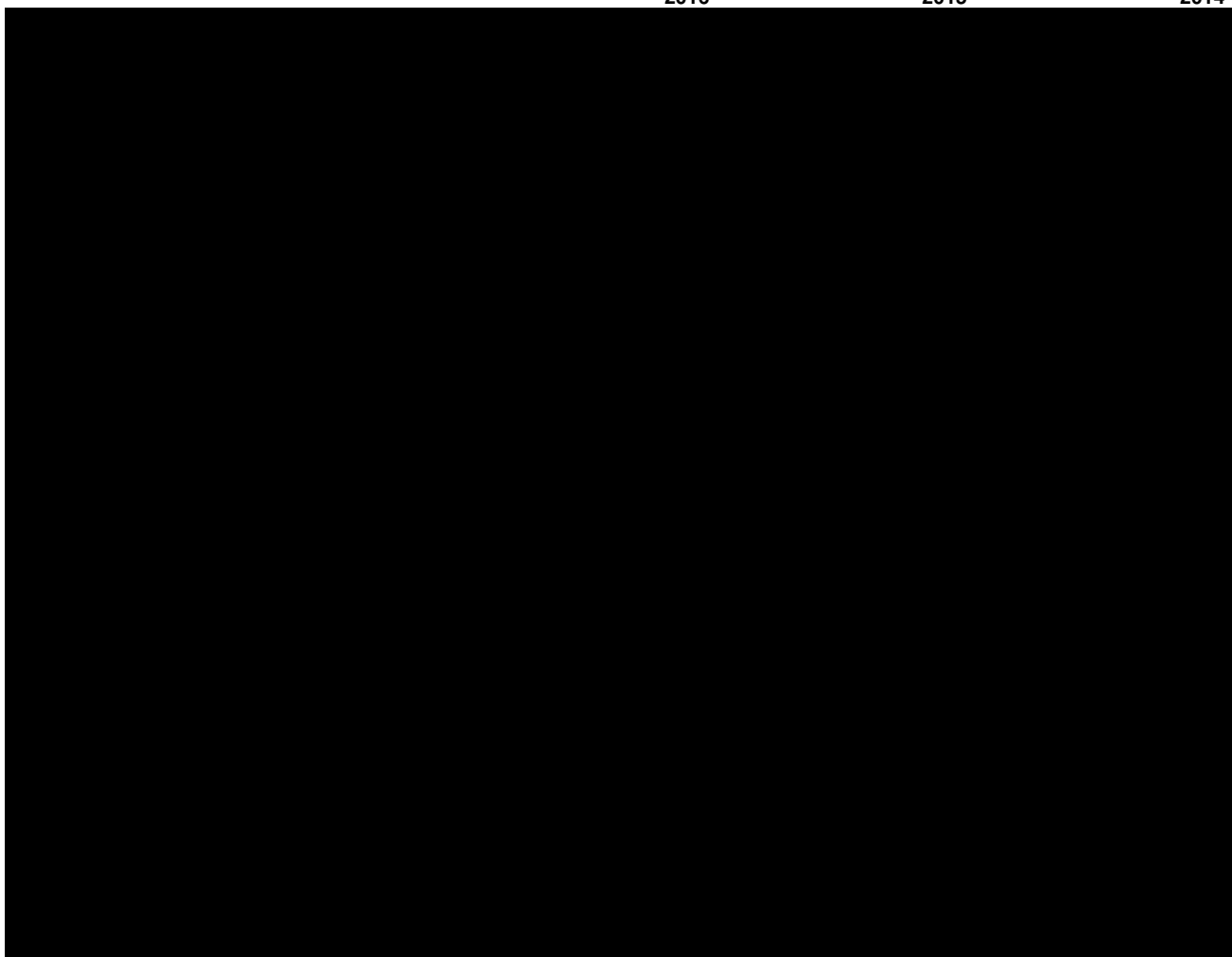
In 2016, our FFO increased by \$83.0 million, or 12.7%, to \$735.4 million, compared to \$652.4 million in 2015. On a diluted per common share basis, FFO was \$2.88 in 2016, compared to \$2.77 in 2015, an increase of \$0.11, or 4.0%. In 2014, FFO was \$562.9 million, or \$2.58 on a diluted per common share basis. Our FFO in 2014 included a non-cash redemption charge of \$6.0 million on the shares of Class E preferred stock that were redeemed in October 2014, which represents \$0.03 on a diluted per common share basis. This charge is for the excess of redemption value over the carrying value of the Class E preferred stock and represents the original issuance cost that was paid in 2006.

The following is a reconciliation of net income available to common stockholders (which we believe is the most comparable GAAP measure) to FFO. Also presented is information regarding distributions paid to common stockholders and the weighted average number of common shares used for the basic and diluted computation per share (dollars in thousands, except per share amounts):

2016

2015

2014



We define FFO, a non-GAAP measure, consistent with the National Association of Real Estate Investment Trusts' definition, as net income available to common stockholders, plus depreciation and amortization of real estate assets, plus impairments of depreciable real estate assets, and reduced by gains on property sales.

We consider FFO to be an appropriate supplemental measure of a REIT's operating performance as it is based on a net income analysis of property portfolio performance that adds back items such as depreciation and impairments for FFO. The historical accounting convention used for real estate assets requires straight-line depreciation of buildings and improvements, which implies that the value of real estate assets diminishes predictably over time. Since real estate values historically rise and fall with market conditions, presentations of operating results for a REIT, using historical accounting for depreciation, could be less informative. The use of FFO is recommended by the REIT industry as a supplemental performance measure. In addition, FFO is used as a measure of our compliance with the financial covenants of our credit facility.

Table of Contents**ADJUSTED FUNDS FROM OPERATIONS AVAILABLE TO COMMON STOCKHOLDERS (AFFO)**

In 2016, our AFFO increased by \$89.4 million, or 13.8%, to \$736.4 million, compared to \$647.0 million in 2015. On a diluted per common share basis, AFFO was \$2.88 in 2016, compared to \$2.74 in 2015, an increase of \$0.14, or 5.1%. In 2014, AFFO was \$561.7 million, or \$2.57 on a diluted per common share basis. We consider AFFO to be an appropriate supplemental measure of our performance. Most companies in our industry use a similar measurement, but they may use the term CAD (for Cash Available for Distribution), FAD (for Funds Available for Distribution) or other terms.

The following is a reconciliation of net income available to common stockholders (which we believe is the most comparable GAAP measure) to FFO and AFFO. Also presented is information regarding distributions paid to common stockholders and the weighted average number of common shares used for the basic and diluted computation per share (dollars in thousands, except per share amounts):

|  | <b>2016</b> |    | <b>2015</b> |    | <b>2014</b> |
|--|-------------|----|-------------|----|-------------|
| Net income available to common stockholders  | \$ 288,491  | \$ | 256,686     | \$ | 227,558     |
| Cumulative adjustments to calculate FFO (1)  | 446,904     |    | 395,751     |    | 335,331     |
| FFO available to common stockholders   | 735,395     |    | 652,437     |    | 562,889     |
| Amortization of share-based compensation   | 12,007      |    | 10,391      |    | 11,959      |
| Amortization of deferred financing costs (2)   | 5,352       |    | 5,294       |    | 4,804       |
| Amortization of net mortgage premiums  | (3,414)     |    | (6,978)     |    | (9,208)     |
| Gain on early extinguishment of debt   | -           |    | (504)       |    | (3,428)     |
| (Gain) loss on interest rate swaps   | (1,639)     |    | 3,043       |    | 1,349       |
| Leasing costs and commissions  | (797)       |    | (748)       |    | (821)       |
| Recurring capital expenditures   | (679)       |    | (7,606)     |    | (5,210)     |
| Straight-line rent   | (19,451)    |    | (16,468)    |    | (14,872)    |
| Amortization of above and below-market leases  | 9,297       |    | 7,861       |    | 8,024       |
| Excess of redemption value over carrying value of preferred share redemptions                | -           |    | -           |    | 6,015       |
| Other adjustments (3)  | 303         |    | 306         |    | 160         |
| Total AFFO available to common stockholders (4)  | \$ 736,374  | \$ | 647,028     | \$ | 561,661     |
| AFFO allocable to dilutive noncontrolling interests  | 1,455       |    | -           |    | -           |
| Diluted AFFO   | \$ 737,829  | \$ | 647,028     | \$ | 561,661     |
| AFFO per common share:   |             |    |             |    |             |
| Basic  | \$ 2.89     | \$ | 2.74        | \$ | 2.57        |
| Diluted (5)  | \$ 2.88     | \$ | 2.74        | \$ | 2.57        |
| Distributions paid to common stockholders  | \$ 610,516  | \$ | 533,238     | \$ | 479,256     |
| AFFO available to common stockholders in excess of distributions paid to common stockholders | \$ 125,858  | \$ | 113,790     | \$ | 82,405      |
| Weighted average number of common shares used for computation per share:                     |             |    |             |    |             |
| Basic  | 255,066,500 |    | 235,767,932 |    | 218,390,885 |
| Diluted (5)  | 255,822,679 |    | 235,891,368 |    | 218,450,863 |

(1) See reconciling items for FFO presented under Funds from Operations Available to Common Stockholders (FFO).

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(2) Includes the amortization of costs incurred and capitalized upon issuance of our notes payable, assumption of our mortgages payable and upon issuance of our term loans. The deferred financing costs are being amortized over the lives of the respective mortgages and term loans. No costs associated with our credit facility agreements or annual fees paid to credit rating agencies have been included.

(3) Includes adjustments allocable to both non-controlling interests and capital lease obligations.

(4) AFFO available to common stockholders and dilutive noncontrolling interests for 2016 is \$737,829 after the inclusion of \$1,455 of AFFO allocable to dilutive noncontrolling interests.

(5) The computation of diluted AFFO does not assume conversion of securities that are convertible to common shares if the conversion of those securities would increase diluted AFFO per share in a given period.

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We believe the non-GAAP financial measure AFFO provides useful information to investors because it is a widely accepted industry measure of the operating performance of real estate companies that is used by industry analysts and investors who look at and compare those companies. In particular, AFFO provides an additional measure to compare the operating performance of different REITs without having to account for differing depreciation assumptions and other unique revenue and expense items which are not pertinent to measuring a particular company's on-going operating performance. Therefore, we believe that AFFO is an appropriate supplemental performance metric, and that the most appropriate GAAP performance metric to which AFFO should be reconciled is net income available to common stockholders.

Presentation of the information regarding FFO and AFFO is intended to assist the reader in comparing the operating performance of different REITs, although it should be noted that not all REITs calculate FFO and AFFO in the same way, so comparisons with other REITs may not be meaningful. Furthermore, FFO and AFFO are not necessarily indicative of cash flow available to fund cash needs and should not be considered as alternatives to net income as an indication of our performance. FFO and AFFO should not be considered as alternatives to reviewing our cash flows from operating, investing, and financing activities. In addition, FFO and AFFO should not be considered as measures of liquidity, our ability to make cash distributions, or our ability to pay interest payments.

#### **IMPACT OF INFLATION**

Tenant leases generally provide for limited increases in rent as a result of increases in the tenants' sales volumes, increases in the consumer price index (typically subject to ceilings), or fixed increases. We expect that inflation will cause these lease provisions to result in rent increases over time. During times when inflation is greater than increases in rent, as provided for in the leases, rent increases may not keep up with the rate of inflation.

Moreover, our use of net lease agreements tends to reduce our exposure to rising property expenses due to inflation because the tenant is responsible for property expenses. Inflation and increased costs may have an adverse impact on our tenants if increases in their operating expenses exceed increases in revenue.

#### **IMPACT OF RECENT ACCOUNTING PRONOUNCEMENTS**

For information on the impact of recent accounting pronouncements on our business, see note 2 of the Notes to the Consolidated Financial Statements.

#### **Item 7A: Quantitative and Qualitative Disclosures about Market Risk**

We are exposed to interest rate changes primarily as a result of our credit facility, term loans, mortgages payable, and long-term notes and bonds used to maintain liquidity and expand our real estate investment portfolio and operations. Our interest rate risk management objective is to limit the impact of interest rate changes on earnings and cash flow and to lower our overall borrowing

costs. To achieve these objectives we issue long-term notes and bonds, primarily at fixed rates.

In order to mitigate and manage the effects of interest rate risks on our operations, we may utilize a variety of financial instruments, including interest rate swaps and caps. The use of these types of instruments to hedge our exposure to changes in interest rates carries additional risks, including counterparty credit risk, the enforceability of hedging contracts and the risk that unanticipated and significant changes in interest rates will cause a significant loss of basis in the contract. To limit counterparty credit risk we will seek to enter into such agreements with major financial institutions with favorable credit ratings. There can be no assurance that we will be able to adequately protect against the foregoing risks or realize an economic benefit that exceeds the related amounts incurred in connection with engaging in such hedging activities. We do not enter into any derivative transactions for speculative or trading purposes.

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The following table presents by year of expected maturity, the principal amounts, average interest rates and estimated fair values of our fixed and variable rate debt as of December 31, 2016. This information is presented to evaluate the expected cash flows and sensitivity to interest rate changes (dollars in millions):

**Expected Maturity Data**

| <b>Year of maturity</b> | <b>Fixed rate debt</b> | <b>Weighted average rate on fixed rate debt</b> | <b>Variable rate debt</b> | <b>Weighted average rate on variable rate debt</b> |
|-------------------------|------------------------|---|---------------------------|--|
| 2017                    | \$ 268.3               | 5.51%   | \$ 9.9                    | 2.73 %   |
| 2018                    | 365.3                  | 2.15  | 76.6                      | 1.95   |
| 2019                    | 554.4                  | 6.74  | 1,157.9                   | 1.70   |
| 2020                    | 82.2                   | 4.99  | 250.2                     | 1.72   |
| 2021                    | 310.1                  | 5.72  | 6.8                       | 2.88   |
| Thereafter              | 2,778.4                | 4.05  | 14.9                      | 2.68   |
| Totals (1)              | \$ 4,358.7             | 4.46%   | \$ 1,516.3                | 1.73 %   |
| Fair Value (2)          | \$ 4,538.8             |   | \$ 1,513.3                |  |

- (1) Excludes net premiums recorded on mortgages payable, original issuance discounts recorded on notes payable and deferred financing costs on mortgages payable, notes payable, and term loans. At December 31, 2016, the unamortized balance of net premiums on mortgages payable is \$6.4 million, the unamortized balance of original issue discounts on notes payable is \$19.8 million, and the balance of deferred financing costs on mortgages payable is \$324,000, on notes payable is \$20.8 million, and on term loans is \$873,000.
- (2) We base the estimated fair value of the fixed rate senior notes and bonds at December 31, 2016 on the indicative market prices and recent trading activity of our senior notes and bonds payable. We base the estimated fair value of our fixed rate and variable rate mortgages at December 31, 2016 on the relevant Treasury yield curve, plus an applicable credit-adjusted spread. We believe that the carrying value of the credit facility balance and term loans balance reasonably approximate their estimated fair values at December 31, 2016.

The table incorporates only those exposures that exist as of December 31, 2016. It does not consider those exposures or positions that could arise after that date. As a result, our ultimate realized gain or loss, with respect to interest rate fluctuations, would depend on the exposures that arise during the period, our hedging strategies at the time, and interest rates.

All of our outstanding notes and bonds have fixed interest rates. All of our mortgages payable, except six mortgages totaling \$74.0 million at December 31, 2016, including net unamortized discounts, have fixed interest rates. After factoring in arrangements that limit our exposure to interest rate risk and effectively fix our per annum interest rates, our variable rate mortgage debt includes four mortgages totaling \$38.2 million at December 31, 2016. Interest on our credit facility and term loan balances is variable. However, the variable interest rate feature on our term loans has been mitigated by interest rate swap agreements. Based on our credit facility balance of \$1.12 billion at December 31, 2016, a 1% change in interest rates would change our interest costs by \$11.2 million per year.

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Item 8: **Financial Statements and Supplementary Data**

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- A. Reports of Independent Registered Public Accounting Firm
- B. Consolidated Balance Sheets,  
December 31, 2016 and 2015
- C. Consolidated Statements of Income,  
Years ended December 31, 2016, 2015 and 2014
- D. Consolidated Statements of Equity,  
Years ended December 31, 2016, 2015 and 2014
- E. Consolidated Statements of Cash Flows,  
Years ended December 31, 2016, 2015 and 2014
- F. Notes to Consolidated Financial Statements
- G. Consolidated Quarterly Financial Data  
(unaudited) for 2016 and 2015
- H. Schedule III Real Estate and Accumulated Depreciation

Schedules not filed: All schedules, other than that indicated in the Table of Contents, have been omitted as the required information is either not material, inapplicable or the information is presented in the financial statements or related notes.



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**Report of Independent Registered Public Accounting Firm**

The Board of Directors and Stockholders

Realty Income Corporation:

We have audited the accompanying consolidated balance sheets of Realty Income Corporation and subsidiaries as of December 31, 2016 and 2015, and the related consolidated statements of income, equity, and cash flows for each of the years in the three-year period ended December 31, 2016. In connection with our audits of the consolidated financial statements, we also have audited financial statement schedule III. These consolidated financial statements and financial statement schedule are the responsibility of Realty Income Corporation's management. Our responsibility is to express an opinion on these consolidated financial statements and financial statement schedule 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of Realty Income Corporation and subsidiaries as of December 31, 2016 and 2015, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2016, in conformity with U.S. generally accepted accounting principles. Also in our opinion, the related financial statement schedule, 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.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Realty Income Corporation's internal control over financial reporting as of December 31, 2016, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated February 23, 2017 expressed an unqualified opinion on the effectiveness of Realty Income Corporation's internal control over financial reporting.

(signed) KPMG LLP

San Diego, California  
February 23, 2017



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**Report of Independent Registered Public Accounting Firm**

The Board of Directors and Stockholders

Realty Income Corporation:

We have audited Realty Income Corporation's internal control over financial reporting as of December 31, 2016, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Realty Income Corporation'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 Realty Income Corporation'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, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

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 opinion, Realty Income Corporation maintained, in all material respects, effective internal control over financial reporting as of December 31, 2016, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

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We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Realty Income Corporation and subsidiaries as of December 31, 2016 and 2015, and the related consolidated statements of income, equity, and cash flows for each of the years in the three-year period ended December 31, 2016, and our report dated February 23, 2017 expressed an unqualified opinion on those consolidated financial statements.

(signed) KPMG LLP

San Diego, California  
February 23, 2017

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## REALTY INCOME CORPORATION AND SUBSIDIARIES

**CONSOLIDATED BALANCE SHEETS**

December 31, 2016 and 2015

(dollars in thousands, except per share data)

|  | 2016          | 2015          |
|--|---------------|---------------|
| <b>ASSETS</b>  |               |               |
| Real estate, at cost:  |               |               |
| Land   | \$ 3,752,204  | \$ 3,286,004  |
| Buildings and improvements   | 10,112,212    | 9,010,778     |
| Total real estate, at cost   | 13,864,416    | 12,296,782    |
| Less accumulated depreciation and amortization   | (1,987,200)   | (1,687,665)   |
| Net real estate held for investment  | 11,877,216    | 10,609,117    |
| Real estate held for sale, net   | 26,575        | 9,767         |
| Net real estate  | 11,903,791    | 10,618,884    |
| Cash and cash equivalents  | 9,420         | 40,294        |
| Accounts receivable, net   | 104,584       | 81,678        |
| Acquired lease intangible assets, net  | 1,082,320     | 1,034,417     |
| Goodwill   | 15,067        | 15,321        |
| Other assets, net  | 37,689        | 54,785        |
| Total assets   | \$ 13,152,871 | \$ 11,845,379 |
| <b>LIABILITIES AND EQUITY</b>  |               |               |
| Distributions payable  | \$ 55,235     | \$ 50,344     |
| Accounts payable and accrued expenses  | 121,156       | 115,826       |
| Acquired lease intangible liabilities, net   | 264,206       | 250,916       |
| Other liabilities  | 85,616        | 53,965        |
| Line of credit payable   | 1,120,000     | 238,000       |
| Term loans, net  | 319,127       | 318,835       |
| Mortgages payable, net   | 466,045       | 646,187       |
| Notes payable, net   | 3,934,433     | 3,617,973     |
| Total liabilities  | 6,365,818     | 5,292,046     |
| Commitments and contingencies  |               |               |
| Stockholders' equity:  |               |               |
| Preferred stock and paid in capital, par value \$0.01 per share, 69,900,000 shares authorized, 16,350,000 shares issued and outstanding as of December 31, 2016 and December 31, 2015, liquidation preference \$25.00 per share      | 395,378       | 395,378       |
| Common stock and paid in capital, par value \$0.01 per share, 370,100,000 shares authorized, 260,168,259 shares issued and outstanding as of December 31, 2016 and 250,416,757 shares issued and outstanding as of December 31, 2015 | 8,228,594     | 7,666,428     |
| Distributions in excess of net income  | (1,857,168)   | (1,530,210)   |
| Total stockholders' equity   | 6,766,804     | 6,531,596     |
| Noncontrolling interests   | 20,249        | 21,737        |
| Total equity   | 6,787,053     | 6,553,333     |
| Total liabilities and equity   | \$ 13,152,871 | \$ 11,845,379 |

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

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## REALTY INCOME CORPORATION AND SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF INCOME**

Years Ended December 31, 2016, 2015 and 2014

(dollars in thousands, except per share data)

|   | 2016         |    | 2015        |    | 2014        |
|---|--------------|----|-------------|----|-------------|
| <b>REVENUE</b>  |              |    |             |    |             |
| Rental  | \$ 1,057,413 | \$ | 976,865     | \$ | 893,457     |
| Tenant reimbursements   | 43,104       |    | 42,015      |    | 37,118      |
| Other   | 2,655        |    | 4,405       |    | 2,930       |
| Total revenue   | 1,103,172    |    | 1,023,285   |    | 933,505     |
| <b>EXPENSES</b>   |              |    |             |    |             |
| Depreciation and amortization   | 449,943      |    | 409,215     |    | 374,661     |
| Interest  | 219,974      |    | 233,079     |    | 216,366     |
| General and administrative  | 51,966       |    | 49,298      |    | 51,085      |
| Property (including reimbursable)   | 62,865       |    | 55,352      |    | 53,871      |
| Income taxes  | 3,262        |    | 3,169       |    | 3,461       |
| Provisions for impairment   | 20,664       |    | 10,560      |    | 4,126       |
| Total expenses  | 808,674      |    | 760,673     |    | 703,570     |
| Gain on sales of real estate  | 21,979       |    | 22,243      |    | 39,205      |
| Income from continuing operations   | 316,477      |    | 284,855     |    | 269,140     |
| Income from discontinued operations   | -            |    | -           |    | 2,800       |
| Net income  | 316,477      |    | 284,855     |    | 271,940     |
| Net income attributable to noncontrolling interests                         | (906)        |    | (1,089)     |    | (1,305)     |
| Net income attributable to the Company                                      | 315,571      |    | 283,766     |    | 270,635     |
| Preferred stock dividends   | (27,080)     |    | (27,080)    |    | (37,062)    |
| Excess of redemption value over carrying value of preferred shares redeemed | -            |    | -           |    | (6,015)     |
| Net income available to common stockholders                                 | \$ 288,491   | \$ | 256,686     | \$ | 227,558     |
| Amounts available to common stockholders per common share:                  |              |    |             |    |             |
| Income from continuing operations, basic and diluted                        | \$ 1.13      | \$ | 1.09        | \$ | 1.03        |
| Net income, basic and diluted   | \$ 1.13      | \$ | 1.09        | \$ | 1.04        |
| Weighted average common shares outstanding:                                 |              |    |             |    |             |
| Basic   | 255,066,500  |    | 235,767,932 |    | 218,390,885 |
| Diluted   | 255,624,250  |    | 236,208,390 |    | 218,767,885 |

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

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## REALTY INCOME CORPORATION AND SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF EQUITY**

Years Ended December 31, 2016, 2015, and 2014

(dollars in thousands)

|   | Shares of<br>preferred<br>stock | Shares of<br>common<br>stock | Preferred<br>stock and<br>paid in<br>capital | Common<br>stock and<br>paid in<br>capital | Distributions<br>in excess of<br>net income | Total<br>stockholders'<br>equity | Noncontrolling<br>interests | Total<br>equity |
|---|---------------------------------|------------------------------|--|---|---|----------------------------------|-----------------------------|-----------------|
| Balance,<br>December 31, 2013                   | 25,150,000                      | 207,485,073                  | \$ 609,363                                   | \$ 5,767,878                              | \$ (991,794)                                | \$ 5,385,447                     | \$ 35,911                   | \$ 5,421,358    |
| Net income                                      | -                               | -                            | -  | -   | 270,635                                     | 270,635                          | 1,305                       | 271,940         |
| Distributions paid<br>and payable               | -                               | -                            | -  | -   | (519,790)                                   | (519,790)                        | (1,839)                     | (521,629)       |
| Share issuances, net<br>of costs                | -                               | 17,327,166                   | -  | 685,877                                   | -   | 685,877                          | -                           | 685,877         |
| Redemption of<br>common units                   | -                               | 35,000                       | -  | 1,032                                     | -   | 1,032                            | (1,032)                     | -               |
| Reallocation of<br>equity                       | -                               | -                            | -  | 6,647                                     | -   | 6,647                            | (6,647)                     | -               |
| Preferred shares<br>redeemed                    | (8,800,000)                     | -                            | (213,985)                                    | -   | (6,015)                                     | (220,000)                        | -                           | (220,000)       |
| Share-based<br>compensation, net                | -                               | 33,953                       | -  | 3,553                                     | -   | 3,553                            | -                           | 3,553           |
| Balance,<br>December 31, 2014                   | 16,350,000                      | 224,881,192                  | \$ 395,378                                   | \$ 6,464,987                              | \$ (1,246,964)                              | \$ 5,613,401                     | \$ 27,698                   | \$ 5,641,099    |
| Net income                                      | -                               | -                            | -  | -   | 283,766                                     | 283,766                          | 1,089                       | 284,855         |
| Distributions paid<br>and payable               | -                               | -                            | -  | -   | (567,012)                                   | (567,012)                        | (1,652)                     | (568,664)       |
| Share issuances, net<br>of costs                | -                               | 25,322,655                   | -  | 1,190,006                                 | -   | 1,190,006                        | -                           | 1,190,006       |
| Redemption of<br>common units                   | -                               | 168,182                      | -  | 4,347                                     | -   | 4,347                            | (4,347)                     | -               |
| Reallocation of<br>equity                       | -                               | -                            | -  | 1,051                                     | -   | 1,051                            | (1,051)                     | -               |
| Share-based<br>compensation, net                | -                               | 44,728                       | -  | 6,037                                     | -   | 6,037                            | -                           | 6,037           |
| Balance,<br>December 31, 2015                   | 16,350,000                      | 250,416,757                  | \$ 395,378                                   | \$ 7,666,428                              | \$ (1,530,210)                              | \$ 6,531,596                     | \$ 21,737                   | \$ 6,553,333    |
| Net income                                      | -                               | -                            | -  | -   | 315,571                                     | 315,571                          | 906                         | 316,477         |
| Distributions paid<br>and payable               | -                               | -                            | -  | -   | (642,529)                                   | (642,529)                        | (12,682)                    | (655,211)       |
| Share issuances, net<br>of costs                | -                               | 9,449,167                    | -  | 557,636                                   | -   | 557,636                          | -                           | 557,636         |
| Contributions by<br>noncontrolling<br>interests | -                               | -                            | -  | -   | -   | -                                | 15,906                      | 15,906          |
| Redemption of<br>common units                   | -                               | 103,182                      | -  | (2,865)                                   | -   | (2,865)                          | (6,161)                     | (9,026)         |
| Reallocation of<br>equity                       | -                               | -                            | -  | (543)                                     | -   | (543)                            | 543                         | -               |

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|                               |            |             |            |              |                |              |           |              |
|-------------------------------|------------|-------------|------------|--------------|----------------|--------------|-----------|--------------|
| Share-based compensation, net | -          | 199,153     | -          | 7,938        | -              | 7,938        | -         | 7,938        |
| Balance, December 31, 2016    | 16,350,000 | 260,168,259 | \$ 395,378 | \$ 8,228,594 | \$ (1,857,168) | \$ 6,766,804 | \$ 20,249 | \$ 6,787,053 |

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



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## REALTY INCOME CORPORATION AND SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

Years Ended December 31, 2016, 2015 and 2014

(dollars in thousands)

|   | <b>2016</b> | <b>2015</b> | <b>2014</b> |
|---|-------------|-------------|-------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |             |             |             |
| Net income  | \$ 316,477  | \$ 284,855  | \$ 271,940  |
| Adjustments to net income:  |             |             |             |
| Depreciation and amortization   | 449,943     | 409,215     | 374,661     |
| Income from discontinued operations   | -           | -           | (2,800)     |
| Amortization of share-based compensation  | 12,007      | 10,391      | 11,959      |
| Non-cash rental adjustments   | (10,154)    | (8,607)     | (6,848)     |
| Amortization of net premiums on mortgages payable   | (3,414)     | (7,482)     | (12,891)    |
| Amortization of deferred financing costs  | 8,904       | 9,044       | 8,335       |
| (Gain) loss on interest rate swaps  | (1,639)     | 3,043       | 1,349       |
| Gain on sales of real estate  | (21,979)    | (22,243)    | (39,205)    |
| Provisions for impairment on real estate  | 20,664      | 10,560      | 4,126       |
| Change in assets and liabilities  |             |             |             |
| Accounts receivable and other assets  | (1,232)     | (2,641)     | (3,064)     |
| Accounts payable, accrued expenses and other liabilities                                    | 34,468      | 6,168       | 20,130      |
| Net cash provided by operating activities   | 804,045     | 692,303     | 627,692     |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>   |             |             |             |
| Investment in real estate   | (1,798,892) | (1,266,885) | (1,228,243) |
| Improvements to real estate, including leasing costs  | (13,426)    | (11,541)    | (6,032)     |
| Proceeds from sales of real estate  |             |             |             |
| Continuing operations   | 99,096      | 65,817      | 88,688      |
| Discontinued operations   | -           | -           | 6,918       |
| Collection of loans receivable  | 12,515      | -           | 350         |
| Restricted escrow deposits for Section 1031 tax-deferred exchanges and pending acquisitions | (404)       | 33,554      | (36,540)    |
| Net cash used in investing activities   | (1,701,111) | (1,179,055) | (1,174,859) |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>   |             |             |             |
| Cash distributions to common stockholders   | (610,516)   | (533,238)   | (479,256)   |
| Cash dividends to preferred stockholders  | (27,080)    | (27,080)    | (38,300)    |
| Borrowings on line of credit  | 3,879,000   | 1,448,000   | 1,672,321   |
| Payments on line of credit  | (2,997,000) | (1,433,000) | (1,577,321) |
| Proceeds from notes and bonds payable issued  | 592,026     | -           | 598,594     |
| Principal payment on notes payable  | (275,000)   | (150,000)   | -           |
| Proceeds from mortgages payable   | 9,963       | -           | -           |
| Principal payments on mortgages payable   | (231,743)   | (198,353)   | (85,208)    |
| Proceeds from term loans  | -           | 250,000     | -           |
| Proceeds from common stock offerings, net   | 383,572     | 793,559     | 528,615     |
| Proceeds from dividend reinvestment and stock purchase plan                                 | 10,252      | 363,029     | 158,462     |
| Proceeds from At-the-Market (ATM) program   | 166,781     | 36,348      | -           |
| Redemption of preferred stock   | -           | -           | (220,000)   |
| Redemption of preferred units   | -           | (6,750)     | -           |
| Redemption of common units  | (9,026)     | -           | -           |
| Distributions to noncontrolling interests   | (12,725)    | (1,679)     | (1,844)     |
| Debt issuance costs   | (5,274)     | (10,259)    | (5,505)     |
| Other items, including shares withheld upon vesting   | (7,038)     | (7,383)     | (9,796)     |

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|  |          |           |          |
|--|----------|-----------|----------|
| Net cash provided by financing activities            | 866,192  | 523,194   | 540,762  |
| Net (decrease) increase in cash and cash equivalents | (30,874) | 36,442    | (6,405)  |
| Cash and cash equivalents, beginning of period       | 40,294   | 3,852     | 10,257   |
| Cash and cash equivalents, end of period             | \$ 9,420 | \$ 40,294 | \$ 3,852 |

For supplemental disclosures, see note 15.

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

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REALTY INCOME CORPORATION AND SUBSIDIARIES

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

December 31, 2016, 2015, and 2014

**1. Organization and Operation**

Realty Income Corporation ( Realty Income, the Company, we, our or us ) is organized as a Maryland corporation. We invest in commercial real estate and have elected to be taxed as a real estate investment trust, or REIT.

At December 31, 2016, we owned 4,944 properties, located in 49 states and Puerto Rico, containing over 83.0 million leasable square feet.

Information with respect to number of properties, square feet, average initial lease term and weighted average contractual lease rate is unaudited.

**2. Summary of Significant Accounting Policies and Procedures and Recent Accounting Pronouncements**

**Federal Income Taxes.** We have elected to be taxed as a REIT, as defined above, under the Internal Revenue Code of 1986, as amended, or the Code. We believe we have qualified and continue to qualify as a REIT. Under the REIT operating structure, we are permitted to deduct dividends paid to our stockholders in determining our taxable income. Assuming our dividends equal or exceed our taxable net income, we generally will not be required to pay federal corporate income taxes on such income. Accordingly, no provision has been made for federal income taxes in the accompanying consolidated financial statements, except for federal income taxes of our taxable REIT subsidiaries. The income taxes recorded on our consolidated statements of income represent amounts paid by Realty Income and its subsidiaries for city and state income and franchise taxes.

Earnings and profits that determine the taxability of distributions to stockholders differ from net income reported for financial reporting purposes due to differences in the estimated useful lives and methods used to compute depreciation and the carrying value (basis) of the investments in properties for tax purposes, among other things.

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We regularly analyze our various federal and state filing positions and only recognize the income tax effect in our financial statements when certain criteria regarding uncertain income tax positions have been met. We believe that our income tax positions would more likely than not be sustained upon examination by all relevant taxing authorities. Therefore, no provisions for uncertain income tax positions have been recorded in our financial statements.

**Net Income per Common Share.** Basic net income per common share is computed by dividing net income available to common stockholders by the weighted average number of common shares outstanding during each period. Diluted net income per common share is computed by dividing net income available to common stockholders, plus income attributable to dilutive shares and convertible common units, for the period by the weighted average number of common shares that would have been outstanding assuming the issuance of common shares for all potentially dilutive common shares outstanding during the reporting period.

The following is a reconciliation of the denominator of the basic net income per common share computation to the denominator of the diluted net income per common share computation.

|  | 2016        | 2015        | 2014        |
|--|-------------|-------------|-------------|
| Weighted average shares used for the basic net income per share computation                    | 255,066,500 | 235,767,932 | 218,390,885 |
| Incremental shares from share-based compensation   | 240,728     | 123,436     | 59,978      |
| Weighted average partnership common units convertible to common shares that were dilutive      | 317,022     | 317,022     | 317,022     |
| Weighted average shares used for diluted net income per share computation                      | 255,624,250 | 236,208,390 | 218,767,885 |
| Unvested shares from share-based compensation that were anti-dilutive                          | 475         | 106,103     | 51,749      |
| Weighted average partnership common units convertible to common shares that were anti-dilutive | 198,429     | 417,060     | 523,847     |

**Discontinued Operations.** During the first quarter of 2014, the Financial Accounting Standards Board issued guidance that changed the definition of discontinued operations by limiting discontinued operations reporting to disposals of components of an entity that represent strategic shifts that have, or will have, a major effect on an entity's operations and financial results. We early adopted the requirements of this accounting pronouncement in the first quarter of 2014.

Starting with the first quarter of 2014, the results of operations for all qualifying disposals and properties classified as held for sale that were not previously reported in discontinued operations in our 2013 Annual Report on Form 10-K are presented within income from continuing operations on our consolidated statements of income. Prior to the date of adoption of Accounting Standards Update 2014-08 (ASU 2014-08), which amends Topic 205, *Presentation of Financial Statements*, and Topic 360, *Property, Plant, and Equipment*, we reported, in discontinued operations, the results of operations of properties that had either been disposed of or classified as held for sale in financial statements issued.

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Operations from 15 properties were classified as held for sale at December 31, 2016, and are included in income from continuing operations. We do not depreciate properties that are classified as held for sale.

If the property was previously reclassified as held for sale but the applicable criteria for this classification are no longer met, the property is reclassified to real estate held for investment. A property that is reclassified to held for investment is measured and recorded at the lower of (i) its carrying amount before the property was classified as held for sale, adjusted for any depreciation expense that would have been recognized had the property been continuously classified as held for investment, or (ii) the fair value at the date of the subsequent decision not to sell.

No debt was assumed by buyers of our properties, or repaid as a result of our property sales.

For the year ended December 31, 2014, we recorded income from discontinued operations of \$2.8 million, or \$0.01 per common share, basic and diluted.

**Revenue Recognition and Accounts Receivable.** All leases are accounted for as operating leases. Under this method, leases that have fixed and determinable rent increases are recognized on a straight-line basis over the lease term. Any rental revenue contingent upon a tenant's sales is recognized only after the tenant exceeds their sales breakpoint. Rental increases based upon changes in the consumer price indexes are recognized only after the changes in the indexes have occurred and are then applied according to the lease agreements. Contractually obligated reimbursements from tenants for recoverable real estate taxes and operating expenses are included in tenant reimbursements in the period when such costs are incurred.

We recognize an allowance for doubtful accounts relating to accounts receivable for amounts deemed uncollectible. We consider tenant specific issues, such as financial stability and ability to pay, when determining collectability of accounts receivable and appropriate allowances to record. The allowance for doubtful accounts was \$74,000 at December 31, 2016 and \$429,000 at December 31, 2015.

Other revenue, which comprises property-related revenue not included in rental revenue or tenant reimbursements, was \$2.7 million in 2016, \$4.4 million in 2015 and \$2.9 million in 2014.

**Principles of Consolidation.** The accompanying consolidated financial statements include the accounts of Realty Income and other subsidiaries for which we make operating and financial decisions (i.e. control), after elimination of all material intercompany balances and transactions. We consolidate entities that we control and record a noncontrolling interest for the portion that we do not own. Noncontrolling interest that was created or assumed as part of a business combination was recognized at fair value as of the date of the transaction (see note 10). We have no unconsolidated investments.

**Cash Equivalents.** We consider all short-term, highly liquid investments that are readily convertible to cash and have an original maturity of three months or less at the time of purchase to be cash equivalents. Our cash equivalents are primarily investments in United States government money market funds.

**Gain on Sales of Properties.** When real estate is sold, the related net book value of the applicable assets is removed and a gain from the sale is recognized in our consolidated statements of income. We record a gain from the sale of real estate provided that various criteria, relating to the terms of the sale and any subsequent involvement by us with the real estate, have been met.

**Allocation of the Purchase Price of Real Estate Acquisitions.** When acquiring a property for investment purposes, we typically allocate the fair value of real estate acquired to: (1) land, (2) building and improvements, and (3) identified intangible assets and liabilities, based in each case on their estimated fair values. Intangible assets and liabilities consist of above-market or below-market lease value of in-place leases, the value of in-place leases, and tenant relationships, as applicable. In an acquisition of multiple properties, we must also allocate the purchase price among the properties. The allocation of the purchase price is based on our assessment of estimated fair value and is often based upon the expected future cash flows of the property and various characteristics of the markets where the property is located. In addition, any assumed mortgages receivable or payable and any assumed or issued noncontrolling interests are recorded at their estimated fair values. The estimated fair values of our mortgages payable have been calculated by discounting the future cash flows using applicable interest rates that have been adjusted for factors, such as industry type, tenant investment grade, maturity date, and comparable borrowings for similar assets. The initial allocation of the purchase price is based on management's preliminary assessment, which may differ when final information becomes available. Subsequent adjustments made to the initial purchase price allocation are made within the allocation period, which does not exceed one year. The use of different assumptions in the allocation of the purchase price of the acquired properties and liabilities assumed could affect the timing of recognition of the related revenue and expenses.

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Our estimated fair value determinations are based on management's judgment, utilizing various factors, including: (1) market conditions, (2) industry that the tenant operates in, (3) characteristics of the real estate, i.e.: location, size, demographics, value and comparative rental rates, (4) tenant credit profile, (5) store profitability and the importance of the location of the real estate to the operations of the tenant's business, and/or (6) real estate valuations, prepared either internally or by an independent valuation firm. Our methodologies for measuring fair value related to the allocation of the purchase price of real estate acquisitions include both observable market data (and thus should be categorized as level 2 on the Financial Accounting Standards Board, or FASB's, three-level valuation hierarchy) and unobservable inputs that reflect our own internal assumptions and calculations (and thus should be categorized as level 3 on FASB's three-level valuation hierarchy).

The fair value of the tangible assets of an acquired property with an in-place operating lease (which includes land and buildings/improvements) is determined by valuing the property as if it were vacant, and the as-if-vacant value is then allocated to land and buildings/improvements based on our determination of the fair value of these assets. Our fair value determinations are based primarily on internally prepared real estate valuations for each property, and consider estimates of carrying costs during the expected lease-up periods, current market conditions, as well as costs to execute similar leases. In allocating the fair value to identified intangibles for above-market or below-market leases, an amount is recorded based on the present value of the difference between (i) the contractual amount to be paid pursuant to the in-place lease and (ii) our estimate of fair market lease rate for the corresponding in-place lease, measured over the remaining term of the lease.

The values of the above-market and below-market leases are amortized over the term of the respective leases, including any bargain renewal options, as an adjustment to rental revenue on our consolidated statements of income.

The aggregate value of other acquired intangible assets consists of the fair value of in-place leases and tenant relationships, as applicable. The value of in-place leases, exclusive of the value of above-market and below-market in-place leases, is amortized to depreciation and amortization expense over the remaining periods of the respective leases.

If a lease was terminated prior to its stated expiration, all unamortized amounts relating to that lease would be recorded to revenue or expense as appropriate.

In allocating the fair value to assumed mortgages, amounts are recorded to debt premiums or discounts based on the present value of the estimated cash flows, which is calculated to account for either above or below-market interest rates. Our assumed net debt premiums are amortized as a reduction to interest expense over the remaining term of the respective mortgages.

In allocating noncontrolling interests, amounts are recorded based on the fair value of units issued or contributions made at the date of acquisition, as determined by the terms of the applicable agreement.

**Depreciation and Amortization.** Land, buildings and improvements are recorded and stated at cost. Major replacements and betterments, which improve or extend the life of the asset, are capitalized and depreciated over their estimated useful lives, while ordinary repairs and maintenance are expensed as

incurred. Buildings and improvements that are under redevelopment, or are being developed, are carried at cost and no depreciation is recorded on these assets. Additionally, amounts essential to the development of the property, such as pre-construction, development, construction, interest and other costs incurred during the period of development are capitalized. We cease capitalization when the property is available for occupancy upon substantial completion of tenant improvements, but in any event no later than one year from the completion of major construction activity.

Properties are depreciated using the straight-line method over the estimated useful lives of the assets. The estimated useful lives are as follows:

|   |   |
|---|---|
| Buildings                                 | 25 years or 35 years  |
| Building improvements                     | 4 to 20 years   |
| Tenant improvements and lease commissions | The shorter of the term of the related lease or useful life |
| Acquired in-place leases                  | Remaining terms of the respective leases                    |



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**Provision for Impairment.** We review long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. A provision is made for impairment if estimated future operating cash flows (undiscounted and without interest charges) plus estimated disposition proceeds (undiscounted) are less than the current book value of the property. Key factors that we utilize in this analysis include projected rental rates, estimated holding periods, historical sales and releases, capital expenditures and property sales capitalization rates. If a property is classified as held for sale, it is carried at the lower of carrying cost or estimated fair value, less estimated cost to sell, and depreciation of the property ceases.

In 2016, we recorded total provisions for impairment of \$20.7 million on six properties classified as held for sale, two properties classified as held for investment, and 31 sold properties in the following industries: one in the automotive parts industry, two in the automotive services industry, one in the automotive tire services industry, one in the convenience stores industry, one in the financial services industry, one in the general merchandise industry, one in the health and fitness industry, two in the home furnishings industry, 24 in the restaurant-casual dining industry, two in the restaurant-quick service industry, and three among the industry we classify as other. These properties were not previously classified as held for sale in financial statements issued prior to the date of adoption of ASU 2014-08; accordingly, the provisions for impairment are included in income from continuing operations on our consolidated statement of income.

In 2015, we recorded total provisions for impairment of \$10.6 million on three properties classified as held for investment, 11 sold properties, and one property disposed of other than by sale in the following industries: one in the convenience stores industry, one in the health and fitness industry, one in the pet supplies and services industry, 11 in the restaurant-casual dining industry, and one among the industry we classify as other. These properties were not previously classified as held for sale in financial statements issued prior to the date of adoption of ASU 2014-08; accordingly, the provisions for impairment are included in income from continuing operations on our consolidated statement of income.

In 2014, we recorded total provisions for impairment of \$4.6 million. Provisions for impairment of \$4.1 million are included in income from continuing operations on 10 sold properties and one property classified as held for sale in the following industries: one in the consumer electronics industry, one in the convenience stores industry, one in the home furnishings industry, two in the home improvement industry, and six in the restaurant-casual dining industry. These properties were not previously classified as held for sale in financial statements issued prior to the date of adoption of ASU 2014-08; accordingly, these provisions for impairment are included in income from continuing operations on our consolidated statements of income. Additionally, a provision for impairment of \$510,000 is included in income from discontinued operations on one sold property that was classified as held for sale as of December 31, 2013.

**Asset Retirement Obligations.** We analyze our future legal obligations associated with the other-than-temporary removal of tangible long-lived assets, also referred to as asset retirement obligations. When we determine that we have a legal obligation to provide services upon the retirement of a tangible long-lived asset, we record a liability for this obligation based on the estimated fair value of this obligation and adjust the carrying amount of the related long-lived asset by the same amount. This asset is amortized over its estimated useful life. The estimated fair value of the asset retirement obligation is calculated by discounting the future cash flows using a credit-adjusted risk-free interest rate.

**Goodwill.** Goodwill is tested for impairment during the second quarter of each year as well as when events or circumstances occur indicating that our goodwill might be impaired. Under the amendments issued in conjunction with ASU No. 2011-08, *Intangibles - Goodwill and Other* (Topic 350), an entity, through an assessment of qualitative factors, is not required to calculate the estimated fair value of a reporting unit, in connection with the two-step goodwill impairment test, unless the entity determines that it is more likely than not that its fair value is less than its carrying amount. During our tests for impairment of goodwill during the second quarters of 2016, 2015 and 2014, we determined that the fair values of our reporting units are not more likely than not to be less than their respective carrying amounts and that no impairment was recorded on our goodwill during 2016, 2015 or 2014.

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**Equity Offering Costs.** Underwriting commissions and offering costs have been reflected as a reduction of additional paid-in-capital on our consolidated balance sheets.

**Noncontrolling Interests.** Noncontrolling interests are reflected on our consolidated balance sheets as a component of equity. Noncontrolling interests are recorded initially at fair value based on the price of the applicable units issued or contributions made, and subsequently adjusted each period for distributions, additional contributions and the allocation of net income attributable to the noncontrolling interests.

As consideration for two separate acquisitions during 2013, partnership units of Tau Operating Partnership, L.P. and Realty Income, L.P. were issued to third parties. These common units (discussed in footnote 10) do not have voting rights, are entitled to monthly distributions equal to the amount paid to our common stockholders, and are redeemable in cash or our common stock, at our option and at a conversion ratio of one to one, subject to certain exceptions. As the general partner for each of these partnerships, we have operating and financial control over these entities, consolidate them in our financial statements, and record the partnership units held by third parties as noncontrolling interests.

**Use of Estimates.** The consolidated financial statements were prepared in conformity with U.S. generally accepted accounting principles, or GAAP, which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

**Recent Accounting Pronouncements.** In May 2014, FASB issued ASU 2014-09, *Revenue from Contracts with Customers*. This ASU outlines a comprehensive model for companies to use in accounting for revenue arising from contracts with customers, and will apply to transactions such as the sale of real estate. This ASU is effective for interim and annual periods beginning after December 15, 2017. The standard permits the use of either the retrospective or cumulative effect transition method. We plan to use the cumulative effect transition method upon adoption of the standard on January 1, 2018, and do not expect this topic to have a material impact on our consolidated financial statements or the related notes.

In February 2015, FASB issued ASU 2015-02, which amends Topic 810, *Consolidation*. This ASU amended the criteria used to evaluate whether an entity is a variable interest entity, or VIE, resulting in the conclusion that all limited partnerships are considered VIEs, unless substantive kick-out rights or participating rights exist. We adopted this ASU during the quarter ended March 31, 2016 and evaluated our applicable entities. The evaluation did not result in changes to our conclusions regarding consolidation of these entities (see note 10).

In April 2015, FASB issued ASU 2015-03, which amends Topic 835, *Other Presentation Matters*. The amendments in this ASU require that debt issuance costs be reported on the balance sheet as a direct reduction of the face amount of the debt instrument they relate to, and should not be classified as a deferred charge, as was previously required under the Accounting Standards

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Codification. We adopted this ASU during the quarter ended March 31, 2016 and, as a result, reclassified deferred financing costs from other assets, net, to the applicable debt caption on the December 31, 2015 balance sheet.

In February 2016, FASB issued Topic 842, *Leases*, which amended Topic 840, *Leases*. Under this amended topic, the accounting applied by a lessor is largely unchanged from that applied under Topic 840, *Leases*. The large majority of operating leases should remain classified as operating leases, and lessors should continue to recognize lease income for those leases on a generally straight-line basis over the lease term. The amendments included in this topic are effective, on a retrospective or modified retrospective basis, for interim and annual periods beginning after December 15, 2018. We have not yet adopted this topic and are currently evaluating the impact this amendment will have on our consolidated financial statements.

In March 2016, FASB issued ASU 2016-09, which amends Topic 718, *Compensation - Stock Compensation*. FASB issued this ASU to simplify several aspects of the accounting for share-based payment transactions, including classification of awards as either equity or liabilities, estimation of forfeitures, and classification on the statement of cash flows. The ASU is effective for interim and annual periods beginning after December 15, 2016, and early adoption is permitted. We early adopted this ASU during the quarter ended March 31, 2016 and it did not have a material impact on our consolidated financial statements.

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In January 2017, FASB issued ASU 2017-01, which amends Topic 805, *Business Combinations*. FASB issued this ASU to clarify the definition of a business with the objective of adding guidance to assist entities with evaluating whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. The ASU is effective for interim and annual periods beginning after December 15, 2017. We have not yet adopted this topic and are currently evaluating the impact this amendment will have on our consolidated financial statements.

### 3. Supplemental Detail for Certain Components of Consolidated Balance Sheets

| A. Acquired lease intangible assets, net, consist of the following (dollars in thousands) at: | December 31,<br>2016 | December 31,<br>2015 |
|---|----------------------|----------------------|
| Acquired in-place leases  | \$ 1,164,075         | \$ 1,056,715         |
| Accumulated amortization of acquired in-place leases  | (358,040)            | (264,399)            |
| Acquired above-market leases  | 365,005              | 304,548              |
| Accumulated amortization of acquired above-market leases                                      | (88,720)             | (62,447)             |
|   | \$ 1,082,320         | \$ 1,034,417         |

| B. Other assets, net, consist of the following (dollars in thousands) at: | December 31,<br>2016 | December 31,<br>2015 |
|---|----------------------|----------------------|
| Prepaid expenses  | 14,406               | 14,258               |
| Credit facility origination costs, net                                    | 7,303                | 10,226               |
| Notes receivable issued in connection with property sales                 | 5,390                | 17,905               |
| Restricted escrow deposits  | 4,246                | 4,179                |
| Corporate assets, net   | 3,585                | 2,313                |
| Impounds related to mortgages payable                                     | 2,015                | 5,860                |
| Other items   | 744                  | 44                   |
|   | \$ 37,689            | \$ 54,785            |

| C. Distributions payable consist of the following declared distributions (dollars in thousands) at: | December 31,<br>2016 | December 31,<br>2015 |
|---|----------------------|----------------------|
| Common stock distributions  | \$ 52,896            | \$ 47,963            |
| Preferred stock dividends   | 2,257                | 2,257                |
| Noncontrolling interests distributions  | 82                   | 124                  |
|   | \$ 55,235            | \$ 50,344            |

| D. Accounts payable and accrued expenses consist of the following (dollars in thousands) at: | December 31,<br>2016 | December 31,<br>2015 |
|--|----------------------|----------------------|
| Notes payable - interest payable   | \$ 60,668            | \$ 61,486            |
| Property taxes payable   | 16,949               | 13,354               |
| Accrued costs on properties under development  | 9,049                | 9,976                |
| Mortgages, term loans, credit line - interest payable and interest rate swaps                | 5,432                | 6,813                |
| Other items  | 29,058               | 24,197               |
|  | \$ 121,156           | \$ 115,826           |

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|  |                      |                      |
|--|----------------------|----------------------|
| E. Acquired lease intangible liabilities, net, consist of the following (dollars in thousands) at: | December 31,<br>2016 | December 31,<br>2015 |
| Acquired below-market leases   | \$ 318,926           | \$ 288,412           |
| Accumulated amortization of acquired below-market leases   | (54,720)             | (37,496)             |
|  | \$ 264,206           | \$ 250,916           |

|  |                      |                      |
|--|----------------------|----------------------|
| F. Other liabilities consist of the following (dollars in thousands) at: | December 31,<br>2016 | December 31,<br>2015 |
| Rent received in advance and other deferred revenue (1)                  | \$ 74,098            | \$ 42,840            |
| Security deposits  | 6,502                | 6,418                |
| Capital lease obligations  | 5,016                | 4,707                |
|  | \$ 85,616            | \$ 53,965            |

(1) In connection with Diageo's sale of its wine business to Treasury Wine Estates, we agreed to release Diageo from its guarantee of our leases in exchange for Diageo's payment of \$75 million of additional rent to us. The additional rent was paid in two equal installments, one of which was received in August 2016 for \$37.5 million and was recorded as prepaid rent. The final payment of \$37.5 million was received in January 2017, at which time Treasury Wine Estates became the guarantor of our leases on those properties. We have accounted for this transaction as a lease modification and the additional rent will be recognized on a straight-line basis over the remaining lease terms of approximately 15 years.

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**4. Investments in Real Estate**

We acquire land, buildings and improvements necessary for the successful operations of commercial tenants.

*A. Acquisitions during 2016 and 2015*

During 2016, we invested \$1.86 billion in 505 new properties and properties under development or expansion with an initial weighted average contractual lease rate of 6.3%. The 505 new properties and properties under development or expansion are located in 40 states, will contain approximately 8.2 million leasable square feet, and are 100% leased with a weighted average lease term of 14.7 years. The tenants occupying the new properties operate in 28 industries and the property types consist of 86.4% retail and 13.6% industrial, based on rental revenue. None of our investments during 2016 caused any one tenant to be 10% or more of our total assets at December 31, 2016.

The \$1.86 billion invested during 2016 was allocated as follows: \$515.5 million to land, \$1.21 billion to buildings and improvements, \$168.0 million to intangible assets related to leases, and \$30.6 million to intangible liabilities related to leases and other assumed liabilities. There was no contingent consideration associated with these acquisitions.

The properties acquired during 2016 generated total revenues of \$44.6 million and income from continuing operations of \$22.0 million during the year ended December 31, 2016.

Of the \$1.86 billion we invested during 2016, \$761.8 million of the purchase price allocation is based on a preliminary measurement of fair value that is subject to change. The allocation for these properties represents our current best estimate of fair value, and we expect to finalize the valuations and complete the purchase price allocations in 2017. During 2016, we finalized the purchase price allocations for \$195.4 million invested in the fourth quarter of 2015. There were no material changes to our consolidated balance sheets or income statements as a result of these purchase price allocations being finalized.

In comparison, during 2015, we invested \$1.26 billion in 286 new properties and properties under development or expansion with an initial weighted average contractual lease rate of 6.6%. The 286 new properties and properties under development or expansion are located in 40 states, contain approximately 6.2 million leasable square feet, and are 100% leased with a weighted average lease term of 16.5 years. The tenants occupying the new properties operate in 21 industries and the property types consist of 87.3% retail and 12.7% industrial, based on rental revenue.

The \$1.26 billion invested during 2015 was allocated as follows: \$257.1 million to land, \$937.1 million to buildings and improvements, \$105.8 million to intangible assets related to leases, and \$40.9 million to intangible liabilities related to leases and other assumed liabilities. There was no contingent consideration associated with these acquisitions.

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The properties acquired during 2015 generated total revenues of \$43.4 million and income from continuing operations of \$21.1 million during the year ended December 31, 2015.

The estimated initial weighted average contractual lease rate for a property is generally computed as estimated contractual net operating income, which, in the case of a net leased property, is equal to the aggregate base rent for the first full year of each lease, divided by the total cost of the property. Since it is possible that a tenant could default on the payment of contractual rent, we cannot provide assurance that the actual return on the funds invested will remain at the percentages listed above.



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In the case of a property under development or expansion, the contractual lease rate is generally fixed such that rent varies based on the actual total investment in order to provide a fixed rate of return. When the lease does not provide for a fixed rate of return on a property under development or expansion, the estimated initial weighted average contractual lease rate is computed as follows: estimated net operating income (determined by the lease) for the first full year of each lease, divided by our projected total investment in the property, including land, construction and capitalized interest costs. Of the \$1.86 billion we invested during 2016, \$103.8 million was invested in 33 properties under development or expansion with an estimated initial weighted average contractual lease rate of 7.1%. Of the \$1.26 billion we invested during 2015, \$45.8 million was invested in 35 properties under development or expansion with an estimated initial weighted average contractual lease rate of 9.7%.

*B. Acquisition Transaction Costs*

Acquisition transaction costs of \$346,000 and \$913,000 were recorded to general and administrative expense on our consolidated statements of income during 2016 and 2015, respectively.

*C. Investments in Existing Properties*

During 2016, we capitalized costs of \$16.3 million on existing properties in our portfolio, consisting of \$797,000 for re-leasing costs, \$679,000 for recurring capital expenditures and \$14.9 million for non-recurring building improvements. In comparison, during 2015, we capitalized costs of \$11.5 million on existing properties in our portfolio, consisting of \$748,000 for re-leasing costs, \$7.6 million for recurring capital expenditures and \$3.2 million for non-recurring building improvements.

*D. Properties with Existing Leases*

Of the \$1.86 billion we invested during 2016, approximately \$741.2 million was used to acquire 90 properties with existing leases. In comparison, of the \$1.26 billion we invested during 2015, approximately \$391.4 million was used to acquire 86 properties with existing leases. The value of the in-place and above-market leases is recorded to acquired lease intangible assets, net on our consolidated balance sheets, and the value of the below-market leases is recorded to acquired lease intangible liabilities, net on our consolidated balance sheets.

The values of the in-place leases are amortized as depreciation and amortization expense. The amounts amortized to expense for all of our in-place leases, for 2016, 2015, and 2014 were \$94.0 million, \$87.9 million, and \$83.6 million, respectively.

The values of the above-market and below-market leases are amortized over the term of the respective leases, including any bargain renewal options, as an adjustment to rental revenue on our consolidated statements of income. The amounts amortized as a net decrease to rental revenue for capitalized above-market and below-market leases for 2016, 2015, and 2014 were \$9.3 million, \$7.9 million, and \$8.0 million, respectively. If a lease were to be terminated prior to its stated expiration, all unamortized amounts relating to that lease would be recorded to revenue or expense as appropriate.

The following table presents the estimated impact during the next five years and thereafter related to the amortization of the acquired above-market and below-market lease intangibles and the amortization of the in-place lease intangibles for

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properties held for investment at December 31, 2016 (in thousands):

|            | <b>Net increase<br/>(decrease) to<br/>rental revenue</b> | <b>Increase to<br/>amortization<br/>expense</b> |
|------------|--|---|
| 2017       | \$ (10,076)  | \$ 97,299                                       |
| 2018       | (9,834)  | 94,801  |
| 2019       | (8,880)  | 84,477  |
| 2020       | (8,119)  | 78,972  |
| 2021       | (6,842)  | 70,783  |
| Thereafter | 31,672   | 379,703   |
| Totals     | \$ (12,079)  | \$ 806,035                                      |

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**5. Credit Facility**

In June 2015, we entered into a \$2.0 billion unsecured revolving credit facility, or our credit facility, which replaced our \$1.5 billion credit facility that was scheduled to expire in May 2016. The initial term of our credit facility expires in June 2019 and includes, at our option, two six-month extensions. Our credit facility has a \$1.0 billion accordion expansion option. Under our credit facility, our investment grade credit ratings as of December 31, 2016 provide for financing at the London Interbank Offered Rate, commonly referred to as LIBOR, plus 0.90% with a facility commitment fee of 0.15%, for all-in drawn pricing of 1.05% over LIBOR. The borrowing rate is subject to an interest rate floor and may change if our investment grade credit ratings change. We also have other interest rate options available to us under our credit facility. Our credit facility is unsecured and, accordingly, we have not pledged any assets as collateral for this obligation.

At December 31, 2016, credit facility origination costs of \$7.3 million are included in other assets, net on our consolidated balance sheet. This balance includes \$9.1 million of credit facility origination costs incurred during 2015 as a result of entering into our credit facility. These costs, as well as a portion of the costs incurred as a result of entering into our previous credit facilities, are being amortized over the remaining term of our credit facility.

At December 31, 2016, we had a borrowing capacity of \$880.0 million available on our credit facility (subject to customary conditions to borrowing) and an outstanding balance of \$1.12 billion, as compared to an outstanding balance of \$238.0 million at December 31, 2015.

The weighted average interest rate on outstanding borrowings under our credit facility was 1.4% during 2016 and 1.2% during 2015. At December 31, 2016, the weighted average interest rate on borrowings outstanding was 1.7%. Our credit facility is subject to various leverage and interest coverage ratio limitations, and at December 31, 2016, we remain in compliance with the covenants on our credit facility.

**6. Term Loans**

In June 2015, in conjunction with entering into our credit facility, we entered into a \$250 million senior unsecured term loan maturing on June 30, 2020. Borrowing under this term loan bears interest at the current one-month LIBOR, plus 0.95%. In conjunction with this term loan, we also entered into an interest rate swap which effectively fixes our per annum interest rate on this term loan at 2.67%.

In January 2013, in conjunction with our acquisition of American Realty Capital Trust, Inc., or ARCT, we entered into a \$70 million senior unsecured term loan maturing January 2018. Borrowing under this term loan bears interest at the current one-month LIBOR, plus 1.20%. In conjunction with this term loan, we also entered into an interest rate swap which effectively fixes our per annum interest rate on this term loan at 2.15%. Deferred financing costs of \$1.2 million incurred in conjunction with the \$250 million term loan and \$303,000 incurred in conjunction with the \$70 million term loan are being amortized over the remaining terms of each respective term loan. The net balance of these deferred financing costs, which was \$873,000 at December 31, 2016, and \$1.2 million at December 31, 2015, is included within term loans, net on our consolidated balance sheets.

**7. Mortgages Payable**

During 2016, we made \$231.7 million in principal payments, including the repayment of 11 mortgages in full for \$201.8 million, and we assumed mortgages totaling \$44.1 million, excluding net premiums. During 2016, we refinanced one of these assumed mortgages and received an additional \$10.0 million in proceeds. The assumed mortgages are secured by the properties on which the debt was placed and are considered non-recourse debt with limited customary exceptions for items such as solvency, bankruptcy, misrepresentation, fraud, misapplication of payments, environmental liabilities, failure to pay taxes, insurance premiums, liens on the property, violations of the single purpose entity requirements, and uninsured losses. We expect to pay off our mortgages as soon as prepayment penalties make it economically feasible to do so.

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During 2016, a premium of \$692,000 was recorded upon the assumption of one mortgage with an above-market interest rate. The interest rates on the remaining mortgages assumed were at market. Amortization of our net premiums is recorded as a reduction to interest expense over the remaining term of the respective mortgages, using a method that approximates the effective-interest method. These mortgages contain customary covenants, such as limiting our ability to further mortgage each applicable property or to discontinue insurance coverage without the prior consent of the lender. At December 31, 2016, we remain in compliance with these covenants.

During 2015, we made \$198.4 million in principal payments, including the repayment of 13 mortgages in full for \$191.0 million. No mortgages were assumed during 2015.

We did not incur any deferred financing costs on our mortgages assumed in 2016. The balance of our deferred financing costs, which are classified as part of mortgages payable, net, on our consolidated balance sheets, was \$324,000 at December 31, 2016 and \$553,000 at December 31, 2015. These costs are being amortized over the remaining term of each mortgage.

The following is a summary of all our mortgages payable as of December 31, 2016 and 2015, respectively (dollars in thousands):

| As Of    | Number of Properties(1) | Weighted Average Stated Interest Rate(2) | Weighted Average Effective Interest Rate(3) | Weighted Average Remaining Years Until Maturity | Remaining Principal Balance | Unamortized Premium and Deferred Finance Costs Balance, net | Mortgage Payable Balance |
|----------|-------------------------|--|---|---|-----------------------------|---|--------------------------|
| 12/31/16 | 127                     | 4.9%                                     | 4.3%  | 4.0   | \$ 460,008                  | \$ 6,037  | \$ 466,045               |
| 12/31/15 | 183                     | 4.9%                                     | 4.1%  | 3.6   | \$ 637,658                  | \$ 8,529  | \$ 646,187               |

(1) At December 31, 2016, there were 36 mortgages on 127 properties, while at December 31, 2015, there were 44 mortgages on 183 properties. The mortgages require monthly payments, with principal payments due at maturity. The mortgages are at fixed interest rates, except for six mortgages on 15 properties totaling \$74.0 million at December 31, 2016, including net unamortized discounts. At December 31, 2015, four mortgages on 13 properties totaling \$51.1 million, including net unamortized discounts, were at variable interest rates. After factoring in arrangements which limit our exposure to interest rate risk and effectively fix our per annum interest rates, our variable rate mortgage debt includes four mortgages totaling \$38.2 million at December 31, 2016, and two mortgages totaling \$15.5 million at December 31, 2015.

(2) Stated interest rates ranged from 2.4% to 6.9% at December 31, 2016, while stated interest rates ranged from 2.0% to 6.9% at December 31, 2015.

(3) Effective interest rates ranged from 2.5% to 8.8% at December 31, 2016, while effective interest rates ranged from 2.2% to 8.9% at December 31, 2015.

The following table summarizes the maturity of mortgages payable, excluding net premiums of \$6.4 million and deferred finance costs of \$324,000, as of December 31, 2016 (dollars in millions):

| Year of Maturity | Principal  |
|------------------|------------|
| ██████████       | ██████████ |

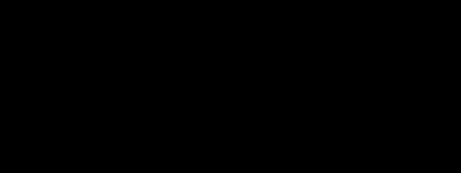


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Our senior unsecured notes and bonds consist of the following, sorted by maturity date (dollars in millions):

|  | December 31,<br>2016 |    | December 31,<br>2015 |
|--|----------------------|----|----------------------|
| 5.950% notes, issued in September 2006 and due in September 2016                               | \$ -                 | \$ | 275                  |
| 5.375% notes, issued in September 2005 and due in September 2017                               | 175                  |    | 175                  |
| 2.000% notes, issued in October 2012 and due in January 2018                                   | 350                  |    | 350                  |
| 6.750% notes, issued in September 2007 and due in August 2019                                  | 550                  |    | 550                  |
| 5.750% notes, issued in June 2010 and due in January 2021                                      | 250                  |    | 250                  |
| 3.250% notes, issued in October 2012 and due in October 2022                                   | 450                  |    | 450                  |
| 4.650% notes, issued in July 2013 and due in August 2023                                       | 750                  |    | 750                  |
| 3.875% notes, issued in June 2014 and due in July 2024   | 350                  |    | 350                  |
| 4.125% notes, issued in September 2014 and due in October 2026                                 | 250                  |    | 250                  |
| 3.000% notes, issued in October 2016 and due in January 2027                                   | 600                  |    | -                    |
| 5.875% bonds, \$100 issued in March 2005 and \$150 issued in June 2011, both due in March 2035 | 250                  |    | 250                  |
| Total principal amount   | 3,975                |    | 3,650                |
| Unamortized original issuance discounts and deferred financing costs                           | (41)                 |    | (32)                 |
|  | \$ 3,934             | \$ | 3,618                |

The following table summarizes the maturity of our notes and bonds payable as of December 31, 2016, excluding unamortized original issuance discounts and deferred financing costs (dollars in millions):

| <b>Year of Maturity</b> |    | <b>Principal</b> |
|-------------------------|----|------------------|
| 2017                    | \$ | 175              |
| 2018                    |    | 350              |
| 2019                    |    | 550              |
| 2020                    |    | -                |
| 2021                    |    | 250              |
| Thereafter              |    | 2,650            |
| Totals                  | \$ | 3,975            |

As of December 31, 2016, the weighted average interest rate on our notes and bonds payable was 4.4% and the weighted average remaining years until maturity was 6.6 years.

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Interest incurred on all of the notes and bonds was \$171.5 million for 2016, \$179.5 million for 2015 and \$166.5 million for 2014. The interest rate on each of these notes and bonds is fixed.

Our outstanding notes and bonds are unsecured; accordingly, we have not pledged any assets as collateral for these or any other obligations. Interest on all of the senior note and bond obligations is paid semiannually.

All of these notes and bonds contain various covenants, including: (i) a limitation on incurrence of any debt which would cause our debt to total adjusted assets ratio to exceed 60%; (ii) a limitation on incurrence of any secured debt which would cause our secured debt to total adjusted assets ratio to exceed 40%; (iii) a limitation on incurrence of any debt which would cause our debt service coverage ratio to be less than 1.5 times; and (iv) the maintenance at all times of total unencumbered assets not less than 150% of our outstanding unsecured debt. At December 31, 2016, we remain in compliance with these covenants.

### *B. Note Issuances*

In October 2016, we issued \$600 million of 3.000% senior unsecured notes due January 2027. The public offering price for the notes was 98.671% of the principal amount for an effective yield to maturity of 3.153%. The net proceeds of approximately \$586.7 million from the offering were used to repay borrowings outstanding under our credit facility.

In September 2014, we issued \$250 million of 4.125% senior unsecured notes due October 2026, or the 2026 Notes. The price to the investors for the 2026 Notes was 99.499% of the principal amount for an effective yield of 4.178% per annum. A portion of the total net proceeds of \$246.4 million from this offering were used to repay all outstanding borrowings under our credit facility, and the remaining proceeds were used for other general corporate purposes, including additional property acquisitions.



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In June 2014, we issued \$350 million of 3.875% senior unsecured notes due July 2024, or the 2024 Notes. The price to the investors for the 2024 Notes was 99.956% of the principal amount for an effective yield of 3.88% per annum. The total net proceeds of \$346.7 million from these offerings were used to repay a portion of the outstanding borrowings under our credit facility.

*C. Note Repayment*

In September 2016, we repaid all \$275 million of outstanding 5.950% notes, plus accrued and unpaid interest.

In November 2015, we repaid \$150 million of outstanding 5.500% notes, plus accrued and unpaid interest, using proceeds from our October 2015 common stock offering and our credit facility.

**9. Equity**

*A. Issuance of Common Stock*

In May 2016, we issued 6,500,000 shares of common stock. After underwriting discounts and other offering costs of \$12.1 million, the net proceeds of \$383.6 million were used to repay borrowings under our credit facility.

In October 2015, we issued 11,500,000 shares of common stock. After underwriting discounts and other offering costs of \$22.0 million, a portion of the net proceeds of \$517.1 million was used to repay borrowings under our credit facility and the remaining portion was used for other general corporate purposes, including acquisitions.

In April 2015, we issued 5,500,000 shares of common stock. After underwriting discounts and other offering costs of \$1.4 million, the net proceeds of \$276.4 million were used to repay borrowings under our credit facility.

In April 2014, we issued 13,800,000 shares of common stock. After underwriting discounts and other offering costs of \$22.8 million, the net proceeds of \$528.6 million were used to repay borrowings under our previous credit facility.

*B. Redemption of Preferred Stock*

In September 2014, we issued an irrevocable notice of redemption for all 8.8 million shares of our 6.75% Monthly Income Class E Preferred Stock for \$25 per share, plus accrued dividends. The redemption occurred in October 2014. We incurred a charge of \$6.0 million, representing the Class E preferred stock original issuance costs that we paid in 2006.

*C. Dividend Reinvestment and Stock Purchase Plan*

Our Dividend Reinvestment and Stock Purchase Plan, or our DRSP, provides our common stockholders, as well as new investors, with a convenient and economical method of purchasing our common stock and reinvesting their distributions. Our DRSP also allows our current stockholders to buy additional shares of common stock by reinvesting all or a portion of their distributions. Our DRSP authorizes up to 26,000,000 common shares to be issued. During 2016, we issued 170,027 shares and raised approximately \$10.3 million under our DRSP. During 2015, we issued 7,608,354 shares and raised approximately \$363.0 million under our DRSP. From the inception of our DRSP through December 31, 2016, we have issued 12,869,889 shares and raised \$591.9 million.

Our DRSP includes a waiver approval process, allowing larger investors or institutions, per a formal approval process, to purchase shares at a small discount, if approved by us. During 2016, we did not issue shares under the waiver approval process. During 2015, we issued 7,413,207 shares and raised \$353.7 million under the waiver approval process. These shares are included in the total activity for 2015 noted in the preceding paragraph.

*D. At-the-Market (ATM) Program*

In September 2015, we established an at-the-market equity distribution program, or our ATM program, pursuant to which we can offer and sell up to 12,000,000 shares of common stock. The shares of common stock may be sold to, or through, a consortium of banks acting as our sales agents either by means of ordinary brokers transactions on the NYSE at prevailing market prices or at negotiated prices. During 2016, we issued 2,779,140 shares and raised \$166.8 million under the ATM program. During 2015, we issued 714,301 shares and raised \$36.3 million under the ATM program. From the inception of our ATM program through December 31, 2016, we have issued 3,493,441 shares and raised \$203.1 million.

Table of Contents**10. Noncontrolling Interests**

In January 2013, we completed our acquisition of ARCT. Equity issued as consideration for this transaction included common and preferred partnership units issued by Tau Operating Partnership, L.P., or Tau Operating Partnership, the consolidated subsidiary which owns properties acquired through the ARCT acquisition. We and our subsidiaries hold a 99.4% interest in Tau Operating Partnership, and consolidate the entity.

In June 2013, we completed the acquisition of a portfolio of properties by issuing common partnership units in Realty Income, L.P. The units were issued as consideration for the acquisition. At December 31, 2016, the remaining units from this issuance represent a 0.4% ownership in Realty Income, L.P. We hold the remaining 99.6% interests in this entity and consolidate the entity.

Neither of the common partnership units have voting rights. Both common partnership units are entitled to monthly distributions equal to the amount paid to common stockholders of Realty Income, and are redeemable in cash or Realty Income common stock, at our option, and at a conversion ratio of one to one, subject to certain exceptions. Noncontrolling interests with redemption provisions that permit the issuer to settle in either cash or common stock, at the option of the issuer, were evaluated to determine whether temporary or permanent equity classification on the balance sheet was appropriate. We determined that the units meet the requirements to qualify for presentation as permanent equity.

In 2016, we completed the acquisition of two properties by acquiring a controlling interest in two separate joint ventures. We are the managing member of each of these joint ventures, and possess the ability to control the business and manage the affairs of these entities. At December 31, 2016, we and our subsidiaries held 90.5% and 74% interests, and fully consolidated these entities in our consolidated financial statements.

The following table represents the change in the carrying value of all noncontrolling interests through December 31, 2016 (dollars in thousands):

|                                     | <b>Tau Operating<br/>Partnership units(1)</b> | <b>Realty Income, L.P.<br/>units(2)</b> | <b>Other<br/>Noncontrolling<br/>Interests</b> | <b>Total</b> |
|-------------------------------------|---|---|---|--------------|
| Carrying value at December 31, 2015 | \$ 13,410                                     | \$ 8,327                                | -   | \$ 21,737    |
| Reallocation of equity              | 491   | 52                                      | -   | 543          |
| Redemptions                         | -   | (6,161)                                 | -   | (6,161)      |
| Contributions                       | -   | -                                       | 15,906  | 15,906       |
| Distributions                       | (762)   | (459)                                   | (11,461)                                      | (12,682)     |
| Allocation of net income            | 266   | 457                                     | 183   | 906          |
| Carrying value at December 31, 2016 | \$ 13,405                                     | \$ 2,216                                | 4,628   | \$ 20,249    |

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|  | <b>Tau Operating<br/>Partnership units(1)</b> |    | <b>Realty Income, L.P.<br/>units(2)</b> |    | <b>Total</b> |
|--|---|----|---|----|--------------|
| Carrying value at<br>December 31, 2014 | \$ 13,067                                     | \$ | 14,631                                  | \$ | 27,698       |
| Reallocation of equity                 | 836   |    | (1,887)                                 |    | (1,051)      |
| Redemptions                            | -   |    | (4,347)                                 |    | (4,347)      |
| Distributions                          | (722)   |    | (930)                                   |    | (1,652)      |
| Allocation of net income               | 229   |    | 860                                     |    | 1,089        |
| Carrying value at December 31,<br>2015 | \$ 13,410                                     | \$ | 8,327                                   | \$ | 21,737       |

(1) 317,022 Tau Operating Partnership units were issued on January 22, 2013 and remained outstanding as of December 31, 2016 and December 31, 2015.

(2) 534,546 Realty Income, L.P. units were issued on June 27, 2013, 331,364 units were outstanding as of December 31, 2015, and 88,182 remain outstanding as of December 31, 2016.

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The Tau Operating Partnership preferred units were recorded at fair value as of the date of acquisition. Since they were redeemable at a fixed price on a determinable date, we initially classified them in other liabilities on our consolidated balance sheets. Payments on these preferred units were made monthly at a rate of 2% per annum and were included in interest expense. In January 2015, we redeemed all 6,750 Tau Operating Partnership preferred units for \$1,000 per unit, plus accrued and unpaid distributions.

During the first quarter of 2016, we adopted ASU 2015-02, which amends Topic 810, *Consolidation*. This ASU amended the criteria used to evaluate whether an entity is a variable interest entity, or VIE, resulting in the conclusion that all limited partnerships are considered VIEs, unless substantive kick-out rights or participating rights exist. Accordingly, we determined that both Tau Operating Partnership and Realty Income, L.P. are VIEs. We have also concluded that we are the primary beneficiary of these VIEs, based on our controlling financial interests. We evaluated the minority unitholder rights noting that they do not hold substantive kick-out rights or participating rights. These conclusions did not result in changes to our historical accounting for these partnerships. Below is a summary of selected financial data of consolidated VIEs, including the joint ventures acquired during 2016, for which we are the primary beneficiary included in the consolidated balance sheets at December 31, 2016 and 2015 (in thousands):

|                   |    | <b>2016</b> |    | <b>2015</b> |
|-------------------|----|-------------|----|-------------|
| Net real estate   | \$ | 3,040,903   | \$ | 3,082,025   |
| Total assets      |    | 3,499,481   |    | 3,586,239   |
| Total debt        |    | 251,047     |    | 393,812     |
| Total liabilities |    | 364,797     |    | 511,476     |

**11. Distributions Paid and Payable**

*A. Common Stock*

We pay monthly distributions to our common stockholders. The following is a summary of monthly distributions paid per common share for 2016, 2015 and 2014:

| Month | 2016 | 2015 | 2014 |
|-------|------|------|------|
|       |      |      |      |



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The following presents the federal income tax characterization of distributions paid or deemed to be paid per common share for the years:

|                          |    | <b>2016</b> |    | <b>2015</b> |    | <b>2014</b> |
|--------------------------|----|-------------|----|-------------|----|-------------|
| Ordinary income          | \$ | 1.8771975   | \$ | 1.7307023   | \$ | 1.6483522   |
| Nontaxable distributions |    | 0.5143025   |    | 0.5407144   |    | 0.5432732   |
| Totals                   | \$ | 2.3915000   | \$ | 2.2714167   | \$ | 2.1916254   |

At December 31, 2016, a distribution of \$0.2025 per common share was payable and was paid in January 2017. At December 31, 2015, a distribution of \$0.191 per common share was payable and was paid in January 2016.

**B. Class E Preferred Stock**

Prior to the redemption of the Class E preferred stock in October 2014, dividends of \$0.140625 per share were paid monthly in arrears on the Class E preferred stock. We paid distributions to holders of our Class E preferred stock totaling \$12.7 million in 2014. For 2014, dividends paid per share in the amount of \$1.4484375 were characterized as ordinary income for federal income tax purposes.

**C. Class F Preferred Stock**

Dividends of \$0.138021 per share are paid monthly in arrears on the Class F preferred stock. We declared dividends to holders of our Class F preferred stock totaling \$27.1 million in 2016, 2015 and 2014. For 2016, 2015 and 2014, dividends paid per share of \$1.656252 were characterized as ordinary income for federal income tax purposes. At December 31, 2016, a monthly dividend of \$0.138021 per share was payable and was paid in January 2017. We are current in our obligations to pay dividends on our Class F preferred stock.

**12. Operating Leases**

A. At December 31, 2016, we owned 4,944 properties in 49 states and Puerto Rico. Of the 4,944 properties, 4,920, or 99.5%, are single-tenant properties, and the remaining are multi-tenant properties. At December 31, 2016, 84 properties were available for lease or sale.

Substantially all leases are net leases where the tenant pays or reimburses us for property taxes and assessments, maintains the interior and exterior of the building and leased premises, and carries insurance coverage for public liability, property damage, fire and extended coverage.

Rent based on a percentage of a tenants gross sales (percentage rents) was \$5.3 million for 2016, \$4.5 million for 2015 and \$3.6 million for 2014.

At December 31, 2016, minimum future annual rents to be received on the operating leases for the next five years and thereafter are as follows (dollars in thousands):

|            |    |            |
|------------|----|------------|
| 2017       | \$ | 1,146,053  |
| 2018       |    | 1,092,071  |
| 2019       |    | 1,042,068  |
| 2020       |    | 992,192    |
| 2021       |    | 940,379    |
| Thereafter |    | 6,043,472  |
| Total      | \$ | 11,256,235 |

B. Major Tenants - No individual tenant's rental revenue, including percentage rents, represented more than 10% of our total revenue for each of the years ended December 31, 2016, 2015 or 2014.

### 13. Gain on Sales of Real Estate

During 2016, we sold 77 properties for \$90.5 million, which resulted in a gain of \$22.0 million.

During 2015, we sold 38 properties for \$65.8 million, which resulted in a gain of \$22.2 million.

These property sales in 2016 and 2015 do not represent a strategic shift that will have a major effect on our operations and financial results, and therefore do not require presentation as discontinued operations.



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During 2014, we sold 47 properties for \$108.1 million, which resulted in a gain of \$42.1 million. Only the results of operations specifically related to the properties classified as held for sale at December 31, 2013 and sold during the year were reclassified as discontinued operations.

Additionally, during 2016 we sold our former corporate headquarters building for \$8.6 million.

**14. Fair Value of Financial Instruments**

Fair value is defined as the price that would be received from the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The disclosure for assets and liabilities measured at fair value requires allocation to a three-level valuation hierarchy. This valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. Categorization within this hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

We believe that the carrying values reflected in our consolidated balance sheets reasonably approximate the fair values for cash and cash equivalents, accounts receivable, escrow deposits, loans receivable, line of credit payable, term loans and all other liabilities, due to their short-term nature or interest rates and terms that are consistent with market, except for our notes receivable issued in connection with property sales, mortgages payable and our senior notes and bonds payable, which are disclosed as follows (dollars in millions):

|  |    | <b>Carrying value per<br/>balance sheet</b> |    | <b>Estimated fair<br/>value</b> |
|--|----|---|----|---------------------------------|
| <b>At December 31, 2016</b>                                    |    |   |    |                                 |
| Notes receivable issued in connection with property sales      | \$ | 5.4   | \$ | 5.5                             |
| Mortgages payable assumed in connection with acquisitions, net |    | 466.0                                       |    | 468.7                           |
| Notes and bonds payable, net                                   |    | 3,934.4                                     |    | 4,143.3                         |
| <b>At December 31, 2015</b>                                    |    |   |    |                                 |
| Notes receivable issued in connection with property sales      | \$ | 17.9  | \$ | 19.4                            |
| Mortgages payable assumed in connection with acquisitions, net |    | 646.2                                       |    | 651.5                           |
| Notes and bonds payable, net                                   |    | 3,618.0                                     |    | 3,828.1                         |

The estimated fair values of our notes receivable issued in connection with property sales and our mortgages payable have been calculated by discounting the future cash flows using an interest rate based upon the relevant Treasury yield curve, plus an applicable credit-adjusted spread. Because this methodology includes unobservable inputs that reflect our own internal assumptions and calculations, the measurement of estimated fair values related to our notes receivable and mortgages payable is categorized as level three on the three-level valuation hierarchy.

The estimated fair values of our senior notes and bonds payable are based upon indicative market prices and recent trading activity of our senior notes and bonds payable. Because this methodology includes inputs that are less observable by the public and are not necessarily reflected in active markets, the measurement of the estimated fair values, related to our notes and bonds payable, is categorized as level two on the three-level valuation hierarchy.

We record interest rate swaps on the consolidated balance sheet at fair value. At December 31, 2016, interest rate swaps in a liability position valued at \$2.3 million were included in accounts payable and accrued expenses and interest rate swaps in an asset position valued at \$66,000 were included in other assets, net on the consolidated balance sheet. The fair value of our interest rate swaps are based on valuation techniques including discounted cash flow analysis on the expected cash flows of each swap, using both observable and unobservable market-based inputs, including interest rate curves. Because this methodology uses observable and unobservable inputs, and the unobservable inputs are not significant to the fair value measurement, the measurement of interest rate swaps is categorized as level two on the three-level valuation hierarchy.

## 15. Supplemental Disclosures of Cash Flow Information

Cash paid for interest was \$214.3 million in 2016, \$229.5 million in 2015, and \$207.3 million in 2014.

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Interest capitalized to properties under development was \$469,000 in 2016, \$594,000 in 2015, and \$444,000 in 2014.

Cash paid for income taxes was \$3.6 million in 2016, \$3.1 million in 2015, and \$3.7 million in 2014.

The following non-cash activities are included in the accompanying consolidated financial statements:

A. During 2016, we assumed mortgages payable to third-party lenders of \$44.1 million and recorded a premium of \$692,000. During 2014, we assumed mortgages payable to third-party lenders of \$166.7 million, recorded \$604,000 of net premiums, and recorded \$901,000 of interest rate swap value to other assets, net, related to property acquisitions.

B. During 2016, consolidated joint venture members made real estate contributions of \$15.9 million, net of contributed mortgages payable included in the figures disclosed above in 15.A.

C. See note 9 for a discussion of the \$6.0 million excess of redemption value over carrying value of preferred shares subject to redemption charge recorded during 2014.

D. During 2014, we applied \$48.9 million of loans receivable to the purchase price of five acquired properties.

E. During 2014, we acquired real estate for \$11.6 million via exchanges of our properties.

F. Accrued costs on properties under development resulted in an increase in buildings and improvements and accounts payable of \$2.6 million and \$4.0 million at December 31, 2016 and 2014, respectively.

**16. Employee Benefit Plan**

We have a 401(k) plan covering substantially all of our employees. Under our 401(k) plan, employees may elect to make contributions to the plan up to a maximum of 60% of their compensation, subject to limits under the Code. We match 50% of each

of our employee s salary deferrals up to the first 6% of the employee s eligible compensation. Our aggregate matching contributions each year have been immaterial to our results of operations.

## 17. Common Stock Incentive Plan

In 2012, our Board of Directors adopted and stockholders approved the Realty Income Corporation 2012 Incentive Award Plan, or the 2012 Plan, to enable us to motivate, attract and retain the services of directors and employees considered essential to our long-term success. The 2012 Plan offers our directors and employees an opportunity to own our stock or rights that will reflect our growth, development and financial success. Under the terms of the 2012 plan, the aggregate number of shares of our common stock subject to options, restricted stock, stock appreciation rights, restricted stock units and other awards, will be no more than 3,985,734 shares. The 2012 Plan has a term of ten years from the date it was adopted by our Board of Directors.

The amount of share-based compensation costs recognized in general and administrative expense on our consolidated statements of income was \$12.0 million during 2016, \$10.4 million during 2015, and \$12.0 million during 2014.

### A. Restricted Stock

The following table summarizes our common stock grant activity under our 2012 Plan. Our outstanding restricted stock vests over periods ranging from immediately to five years.

|  | 2016             |                           | 2015             |                           | 2014             |                           |  |
|--|------------------|---------------------------|------------------|---------------------------|------------------|---------------------------|--|
|  | Number of shares | Weighted average price(1) | Number of shares | Weighted average price(1) | Number of shares | Weighted average price(1) |  |
| Outstanding nonvested shares, beginning of year  | 456,282          | \$ 30.46                  | 527,176          | \$ 29.02                  | 722,263          | \$ 23.37                  |  |
| Shares granted                                   | 260,171          | \$ 54.14                  | 161,949          | \$ 50.87                  | 262,655          | \$ 39.87                  |  |
| Shares vested                                    | (200,066)        | \$ 43.26                  | (205,248)        | \$ 37.70                  | (440,348)        | \$ 36.88                  |  |
| Shares forfeited                                 | (2,864)          | \$ 48.15                  | (27,595)         | \$ 45.58                  | (17,394)         | \$ 39.07                  |  |
| Outstanding nonvested shares, end of each period | 513,523          | \$ 48.33                  | 456,282          | \$ 30.46                  | 527,176          | \$ 29.02                  |  |

(1) Grant date fair value.

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The vesting schedule for shares granted to non-employee directors is as follows:

For directors with less than six years of service at the date of grant, shares vest in 33.33% increments on each of the first three anniversaries of the date the shares of stock are granted;

For directors with six years of service at the date of grant, shares vest in 50% increments on each of the first two anniversaries of the date the shares of stock are granted;

For directors with seven years of service at the date of grant, shares are 100% vested on the first anniversary of the date the shares of stock are granted; and

For directors with eight or more years of service at the date of grant, there is immediate vesting as of the date the shares of stock are granted.

During 2016, 28,000 shares were granted to our Board of Directors, of which 20,000 vested immediately and 8,000 shares vest annually in equal parts over a three-year service period.

For shares granted on or after January 1, 2015, shares granted to employees typically vest in 20% increments on each of the first five anniversaries of the grant date. For shares granted prior to December 2014, the typical vesting schedule for shares granted to employees was as follows:

For employees age 55 and below at the grant date, shares vest in 20% increments on each of the first five anniversaries of the grant date;

For employees age 56 at the grant date, shares vest in 25% increments on each of the first four anniversaries of the grant date;

For employees age 57 at the grant date, shares vest in 33.33% increments on each of the first three anniversaries of the grant date;

For employees age 58 at the grant date, shares vest in 50% increments on each of the first two anniversaries of the grant date;

For employees age 59 at the grant date, shares are 100% vested on the first anniversary of the grant date; and

For employees age 60 and above at the grant date, shares vest immediately on the grant date.

Of the 232,171 shares granted to employees during 2016, 143,739 will vest over a five-year service period and 88,432 will vest over a four-year service period.

As of December 31, 2016, the remaining unamortized share-based compensation expense related to restricted stock totaled \$18.7 million, which is being amortized on a straight-line basis over the service period of each applicable award. The amount of share-based compensation is based on the fair value of the stock at the grant date. We define the grant date as the date the recipient and Realty Income have a mutual understanding of the key terms and condition of the award, and the recipient of the grant begins to benefit from, or be adversely affected by, subsequent changes in the price of the shares.

As of December 31, 2016, 2015 and 2014, there were no common stock options outstanding for any of the periods presented.

*B. Performance Shares*

During 2016, 2015 and 2014, we granted performance share awards, as well as dividend equivalent rights, to our executive officers. The number of performance shares that vest is based on the achievement of the following performance goals:

*2016 & 2015 Performance Awards*

| Metrics   | Weighting |
|---|-----------|
| Total shareholder return ( TSR ) relative to MSCI US REIT Index | 50%       |
| TSR relative to NAREIT Freestanding Index                       | 20%       |
| Dividend per share growth rate                                  | 20%       |
| Debt-to-EBITDA ratio  | 10%       |

*2014 Performance Awards*

| Metrics                                   | Weighting |
|---|-----------|
| TSR relative to MSCI US REIT Index        | 60%       |
| TSR relative to NAREIT Freestanding Index | 20%       |
| Debt-to-EBITDA ratio                      | 20%       |

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The performance shares are earned based on our performance, and vest 50% on the first and second January 1 after the end of the three year performance period, subject to continued service. The performance period for the 2014 performance awards began on January 1, 2014 and ended on December 31, 2016. The performance period for the 2015 performance awards began on January 1, 2015 and will end on December 31, 2017. The performance period for the 2016 performance awards began on January 1, 2016 and will end on December 31, 2018.

The fair value of the performance shares was estimated on the date of grant using a Monte Carlo Simulation model. The following table summarizes our performance share grant activity:

|  | 2016                         |                           | 2015                         |                           | 2014                         |                           |
|--|------------------------------|---------------------------|------------------------------|---------------------------|------------------------------|---------------------------|
|  | Number of performance shares | Weighted average price(1) | Number of performance shares | Weighted average price(1) | Number of performance shares | Weighted average price(1) |
| Outstanding nonvested shares, beginning of year  | 115,121                      | \$ 46.94                  | 59,405                       | \$ 41.46                  | -                            | \$ -                      |
| Shares granted                                   | 58,575                       | \$ 55.07                  | 55,716                       | \$ 52.78                  | 71,705                       | \$ 41.46                  |
| Shares vested                                    | (10,454)                     | \$ 44.54                  | -                            | \$ -                      | (4,067)                      | \$ 41.46                  |
| Shares forfeited                                 | (3,491)                      | \$ 52.55                  | -                            | \$ -                      | (8,233)                      | \$ 41.46                  |
| Outstanding nonvested shares, end of each period | 159,751                      | \$ 49.95                  | 115,121                      | \$ 46.94                  | 59,405                       | \$ 41.46                  |

(1) Grant date fair value.

As of December 31, 2016, the remaining share-based compensation expense related to the performance shares totaled \$3.7 million and is being recognized on a tranche-by-tranche basis over the service period.

*c. Restricted Stock Units*

During 2016 and 2015 we also granted restricted stock units that vest over a five-year service period and have the same economic rights as shares of restricted stock.

|  | 2016                             |                           | 2015                             |                           |
|--|----------------------------------|---------------------------|----------------------------------|---------------------------|
|  | Number of restricted stock units | Weighted average price(1) | Number of restricted stock units | Weighted average price(1) |
| Outstanding nonvested shares, beginning of year  | 10,136                           | \$ 52.21                  | -                                | \$ -                      |
| Shares granted                                   | 14,783                           | \$ 52.76                  | 10,136                           | \$ 52.21                  |
| Shares vested                                    | (6,459)                          | \$ 52.21                  | -                                | \$ -                      |
| Shares forfeited                                 | -                                | \$ -                      | -                                | \$ -                      |
| Outstanding nonvested shares, end of each period | 18,460                           | \$ 52.65                  | 10,136                           | \$ 52.21                  |

(1) Grant date fair value.

As of December 31, 2016, the remaining share-based compensation expense related to the restricted stock units totaled \$752,000 and is being recognized on a straight-line basis over the service period.

**18. Segment Information**

We evaluate performance and make resource allocation decisions on an industry by industry basis. For financial reporting purposes, we have grouped our tenants into 47 activity segments. All of the properties are incorporated into one of the applicable segments. Because almost all of our leases require the tenant to pay operating expenses, rental revenue is the only component of segment profit and loss we measure.



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The following tables set forth certain information regarding the properties owned by us, classified according to the business of the respective tenants (dollars in thousands):

| <b>Assets, as of December 31:</b> | <b>2016</b> |            | <b>2015</b> |            |
|-----------------------------------|-------------|------------|-------------|------------|
| Segment net real estate:          |             |            |             |            |
| Apparel                           | \$          | 175,418    | \$          | 180,175    |
| Automotive service                |             | 152,220    |             | 129,328    |
| Automotive tire services          |             | 238,151    |             | 247,200    |
| Beverages                         |             | 293,447    |             | 297,724    |
| Child care                        |             | 49,584     |             | 52,392     |
| Convenience stores                |             | 1,050,285  |             | 724,972    |
| Dollar stores                     |             | 1,120,896  |             | 1,158,948  |
| Drug stores                       |             | 1,541,846  |             | 1,384,506  |
| Financial services                |             | 408,228    |             | 254,022    |
| General merchandise               |             | 248,040    |             | 195,030    |
| Grocery stores                    |             | 464,359    |             | 331,565    |
| Health and fitness                |             | 823,697    |             | 839,872    |
| Health care                       |             | 214,971    |             | 220,018    |
| Home improvement                  |             | 311,459    |             | 268,974    |
| Motor vehicle dealerships         |             | 197,713    |             | 137,315    |
| Restaurants-casual dining         |             | 511,863    |             | 419,455    |
| Restaurants-quick service         |             | 574,532    |             | 467,643    |
| Theaters                          |             | 370,732    |             | 371,617    |
| Transportation services           |             | 796,717    |             | 686,041    |
| Wholesale club                    |             | 439,557    |             | 452,563    |
| 27 other non-reportable segments  |             | 1,920,076  |             | 1,799,524  |
| Total segment net real estate     |             | 11,903,791 |             | 10,618,884 |
| Intangible assets:                |             |            |             |            |
| Apparel                           |             | 43,786     |             | 48,116     |
| Automotive service                |             | 33,160     |             | 19,131     |
| Automotive tire services          |             | 11,533     |             | 13,202     |
| Beverages                         |             | 2,280      |             | 2,538      |
| Convenience stores                |             | 14,372     |             | 16,040     |
| Dollar stores                     |             | 51,249     |             | 56,420     |
| Drug stores                       |             | 182,981    |             | 189,433    |
| Financial services                |             | 29,749     |             | 34,626     |
| General merchandise               |             | 43,248     |             | 41,301     |
| Grocery stores                    |             | 65,412     |             | 42,823     |
| Health and fitness                |             | 63,574     |             | 65,037     |
| Health care                       |             | 25,039     |             | 29,950     |
| Home improvement                  |             | 49,932     |             | 42,630     |
| Motor vehicle dealerships         |             | 25,032     |             | 13,182     |
| Restaurants-casual dining         |             | 22,058     |             | 9,392      |
| Restaurants-quick service         |             | 43,356     |             | 32,612     |
| Theaters                          |             | 13,822     |             | 17,673     |
| Transportation services           |             | 101,664    |             | 92,602     |
| Wholesale club                    |             | 32,723     |             | 36,215     |
| Other non-reportable segments     |             | 227,350    |             | 231,494    |
| Goodwill:                         |             |            |             |            |
| Automotive service                |             | 440        |             | 448        |
| Automotive tire services          |             | 862        |             | 865        |
| Child care                        |             | 4,945      |             | 5,034      |

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|                               |               |               |
|-------------------------------|---------------|---------------|
| Convenience stores            | 2,008         | 2,009         |
| Restaurants-casual dining     | 2,107         | 2,215         |
| Restaurants-quick service     | 1,068         | 1,082         |
| Other non-reportable segments | 3,637         | 3,668         |
| Other corporate assets        | 151,693       | 176,757       |
| Total assets                  | \$ 13,152,871 | \$ 11,845,379 |

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| Revenue for the years ended December 31, | 2016         | 2015         | 2014       |
|--|--------------|--------------|------------|
| Segment rental revenue:                  |              |              |            |
| Apparel                                  | \$ 19,975    | \$ 19,819    | \$ 17,674  |
| Automotive service                       | 20,212       | 18,632       | 16,548     |
| Automotive tire services                 | 28,754       | 28,627       | 28,222     |
| Beverages                                | 27,587       | 25,451       | 25,147     |
| Child care                               | 19,712       | 19,949       | 20,022     |
| Convenience stores                       | 91,784       | 90,093       | 89,754     |
| Dollar stores                            | 90,746       | 88,126       | 85,049     |
| Drug stores                              | 117,758      | 103,324      | 84,625     |
| Financial services                       | 18,769       | 17,044       | 16,828     |
| General merchandise                      | 18,976       | 16,411       | 13,550     |
| Grocery stores                           | 32,815       | 29,506       | 27,270     |
| Health and fitness                       | 85,901       | 75,881       | 62,086     |
| Health care                              | 16,168       | 16,057       | 16,039     |
| Home improvement                         | 25,695       | 23,112       | 15,593     |
| Motor vehicle dealerships                | 20,329       | 15,332       | 13,909     |
| Restaurants-casual dining                | 42,312       | 37,645       | 38,473     |
| Restaurants-quick service                | 52,674       | 41,407       | 33,388     |
| Theaters                                 | 51,926       | 49,456       | 47,102     |
| Transportation services                  | 57,694       | 51,745       | 46,287     |
| Wholesale club                           | 37,531       | 37,391       | 36,588     |
| 27 other non-reportable segments         | 180,095      | 171,857      | 159,303    |
| Total rental revenue                     | 1,057,413    | 976,865      | 893,457    |
| Tenant reimbursements                    | 43,104       | 42,015       | 37,118     |
| Other revenue                            | 2,655        | 4,405        | 2,930      |
| Total revenue                            | \$ 1,103,172 | \$ 1,023,285 | \$ 933,505 |

**19. Commitments and Contingencies**

In the ordinary course of business, we are party to various legal actions which we believe are routine in nature and incidental to the operation of our business. We believe that the outcome of the proceedings will not have a material adverse effect upon our consolidated financial position or results of operations.

At December 31, 2016, we had commitments of \$7.0 million for re-leasing costs, recurring capital expenditures, and non-recurring building improvements. In addition, as of December 31, 2016, we had committed \$21.9 million under construction contracts, which is expected to be paid in the next twelve months.

We have certain properties that are subject to ground leases which are accounted for as operating leases. At December 31, 2016, minimum future rental payment for the next five years and thereafter are as follows (dollars in millions):

|      | Ground Leases<br>Paid by<br>Realty Income (1) | Ground Leases<br>Paid by<br>Our Tenants (2) | Total   |
|------|---|---|---------|
| 2017 | \$ 1.6  | \$ 13.4                                     | \$ 15.0 |
| 2018 | 1.6   | 13.5  | 15.1    |

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|            |    |      |    |       |    |       |
|------------|----|------|----|-------|----|-------|
| 2019       |    | 1.5  |    | 13.3  |    | 14.8  |
| 2020       |    | 1.4  |    | 13.1  |    | 14.5  |
| 2021       |    | 1.2  |    | 12.8  |    | 14.0  |
| Thereafter |    | 22.1 |    | 106.6 |    | 128.7 |
| Total      | \$ | 29.4 | \$ | 172.7 | \$ | 202.1 |

(1) Realty Income currently pays the ground lessors directly for the rent under the ground leases.

(2) Our tenants, who are generally sub-tenants under the ground leases, are responsible for paying the rent under these ground leases. In the event a tenant fails to pay the ground lease rent, we are primarily responsible.

## 20. Subsequent Events

In January and February 2017, we declared the following dividends, which will be paid in February 2017 and March 2017, respectively:

- \$0.2105 per share to our common stockholders and
- \$0.138021 per share to our Class F preferred stockholders.

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## REALTY INCOME CORPORATION AND SUBSIDIARIES

**CONSOLIDATED QUARTERLY FINANCIAL DATA**

(dollars in thousands, except per share data)

(not covered by Report of Independent Registered Public Accounting Firm)

|   | <b>First<br/>Quarter</b> | <b>Second<br/>Quarter</b> | <b>Third<br/>Quarter</b> | <b>Fourth<br/>Quarter</b> | <b>Year (1)</b> |
|---|--------------------------|---------------------------|--------------------------|---------------------------|-----------------|
| <b>2016</b>                                 |                          |                           |                          |                           |                 |
| Total revenue                               | \$ 267,116               | \$ 271,039                | \$ 277,174               | \$ 287,843                | \$ 1,103,172    |
| Depreciation and amortization expense       | 107,933                  | 110,342                   | 113,917                  | 117,752                   | 449,943         |
| Interest expense                            | 60,678                   | 57,409                    | 52,952                   | 48,935                    | 219,974         |
| Other expenses                              | 30,310                   | 35,878                    | 37,438                   | 35,128                    | 138,757         |
| Net income                                  | 70,484                   | 76,068                    | 77,202                   | 92,724                    | 316,477         |
| Net income available to common stockholders | 63,473                   | 69,045                    | 70,302                   | 85,671                    | 288,491         |
| Net income per common share                 |                          |                           |                          |                           |                 |
| Basic                                       | 0.25                     | 0.27                      | 0.27                     | 0.33                      | 1.13            |
| Diluted                                     | 0.25                     | 0.27                      | 0.27                     | 0.33                      | 1.13            |
| Dividends paid per common share             | 0.5880000                | 0.5970000                 | 0.6005000                | 0.6060000                 | 2.3915000       |
| <b>2015</b>                                 |                          |                           |                          |                           |                 |
| Total revenue                               | \$ 246,867               | \$ 253,860                | \$ 258,889               | \$ 263,668                | \$ 1,023,285    |
| Depreciation and amortization expense       | 98,037                   | 101,101                   | 104,338                  | 105,739                   | 409,215         |
| Interest expense                            | 58,468                   | 58,680                    | 63,950                   | 51,982                    | 233,079         |
| Other expenses                              | 29,999                   | 31,404                    | 29,012                   | 27,962                    | 118,379         |
| Net income                                  | 67,581                   | 66,350                    | 67,813                   | 83,111                    | 284,855         |
| Net income available to common stockholders | 60,494                   | 59,317                    | 60,705                   | 76,171                    | 256,686         |
| Net income per common share                 |                          |                           |                          |                           |                 |
| Basic                                       | 0.27                     | 0.26                      | 0.26                     | 0.31                      | 1.09            |
| Diluted                                     | 0.27                     | 0.25                      | 0.26                     | 0.31                      | 1.09            |
| Dividends paid per common share             | 0.5614167                | 0.5685000                 | 0.5700000                | 0.5715000                 | 2.2714167       |

(1) Amounts for each period are calculated independently. The sum of the quarters may differ from the annual amount.

**Item 9: Changes In and Disagreements With Accountants on Accounting and Financial Disclosure**

We have had no disagreements with our independent registered public accounting firm on accounting matters or financial disclosure, nor have we changed accountants in the two most recent fiscal years.

**Item 9A: Controls and Procedures**

**Evaluation of Disclosure Controls and Procedures**

We maintain disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended) that are designed to ensure that information required to be disclosed in our Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

As of and for the year ended December 31, 2016, we carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures, under the supervision and with the participation of management, including our Chief Executive Officer and Chief Financial Officer. Based on the foregoing, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective and were operating at a reasonable assurance level.

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**Management's Report on Internal Control Over Financial Reporting**

Internal control over financial reporting refers to the process designed by, or under the supervision of, our Chief Executive Officer and Chief Financial Officer, and effected by our Board of Directors, management and other personnel, 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, and 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.

Management is responsible for establishing and maintaining adequate internal control over financial reporting for the Company.

Management has used the framework set forth in the report entitled "Internal Control--Integrated Framework (2013)" published by the Committee of Sponsoring Organizations of the Treadway Commission to evaluate the effectiveness of the Company's internal control over financial reporting. Management has concluded that the Company's internal control over financial reporting was effective as of the end of the most recent fiscal year. KPMG LLP has issued an attestation report on the effectiveness of the Company's internal control over financial reporting.

Submitted on February 23, 2017 by,

John P. Case, Chief Executive Officer

Paul M. Meurer, Executive Vice President, Chief Financial Officer, and Treasurer

**Changes in Internal Controls**

There were no changes to our internal control over financial reporting that occurred during the quarter ended December 31, 2016 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. As of December 31, 2016, there were no material weaknesses in our internal controls, and therefore, no corrective actions were taken.

**Limitations on the Effectiveness of Controls**

Internal control over financial reporting cannot provide absolute assurance of achieving financial reporting objectives because of its inherent limitations. Internal control over financial reporting is a process that involves human diligence and compliance and is subject to lapses in judgment and breakdowns resulting from human failures. Internal control over financial reporting also can be circumvented by collusion or improper management override. Because of such limitations, there is a risk that material misstatements may not be prevented or detected on a timely basis by internal control over financial reporting. However, these inherent limitations are known features of the financial reporting process. Therefore, it is possible to design into the process safeguards to reduce, though not eliminate, this risk.

**Item 9B: Other Information**

None.



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**PART III**

**Item 10: Directors, Executive Officers and Corporate Governance**

The information required by this item is set forth under the captions Board of Directors and Executive Officers of the Company and Section 16(a) Beneficial Ownership Reporting Compliance in our definitive Proxy Statement for the 2017 Annual Meeting of Stockholders, to be filed pursuant to Regulation 14A, and is incorporated herein by reference. The Annual Meeting of Stockholders is presently scheduled to be held on May 16, 2017.

**Item 11: Executive Compensation**

The information required by this item is set forth under the caption Executive Compensation in our definitive Proxy Statement for the 2017 Annual Meeting of Stockholders, to be filed pursuant to Regulation 14A, and is incorporated herein by reference.

**Item 12: Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters**

The information required by this item is set forth under the caption Security Ownership of Certain Beneficial Owners and Management in our definitive Proxy Statement for the 2017 Annual Meeting of Stockholders, to be filed pursuant to Regulation 14A, and is incorporated herein by reference.

**Item 13: Certain Relationships, Related Transactions and Director Independence**

The information required by this item is set forth under the caption Related Party Transactions in our definitive Proxy Statement for the 2017 Annual Meeting of Stockholders, to be filed pursuant to Regulation 14A, and is incorporated herein by reference.

**Item 14: Principal Accounting Fees and Services**

The information required by this item is set forth under the caption Independent Registered Public Accounting Firm Fees and Services in our definitive Proxy Statement for the 2017 Annual Meeting of Stockholders, to be filed pursuant to Regulation 14A, and is incorporated herein by reference.



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**PART IV**

**Item 15: Exhibits and Financial Statement Schedules**

- A. The following documents are filed as part of this report.
  - 1. Financial Statements (see Item 8)
    - a. Reports of Independent Registered Public Accounting Firm
    - b. Consolidated Balance Sheets,  
December 31, 2016 and 2015
    - c. Consolidated Statements of Income,  
Years ended December 31, 2016, 2015 and 2014
    - d. Consolidated Statements of Equity,  
Years ended December 31, 2016, 2015 and 2014
    - e. Consolidated Statements of Cash Flows,  
Years ended December 31, 2016, 2015 and 2014
    - f. Notes to Consolidated Financial Statements
    - g. Consolidated Quarterly Financial Data,

(unaudited) for 2016 and 2015

2. Financial Statement Schedule. Reference is made to page F-1 of this report for Schedule III Real Estate and Accumulated Depreciation (electronically filed with the Securities and Exchange Commission).

Schedules not Filed: All schedules, other than those indicated in the Table of Contents, have been omitted as the required information is either not material, inapplicable or the information is presented in the financial statements or related notes.

3. Exhibits

**Articles of Incorporation and By-Laws**

**Exhibit No.**            **Description**

2.1 Agreement and Plan of Merger, dated as of September 6, 2012, by and among Realty Income Corporation, Tau Acquisition LLC and American Realty Capital Trust, Inc. (filed as exhibit 2.1 to the Company's Form 8-K, filed on September 6, 2012 and incorporated herein by reference).

2.2 First Amendment to Agreement and Plan of Merger, dated as of January 6, 2013, by and among Realty Income Corporation, Tau Acquisition LLC and American Realty Capital Trust, Inc. (filed as exhibit 2.1 to the Company's Form 8-K, filed on January 7, 2013 and incorporated herein by reference).

3.1 Articles of Incorporation of the Company, as amended by amendment No. 1 dated May 10, 2005 and amendment No. 2 dated May 10, 2005 (filed as exhibit 3.1 to the Company's Form 10-Q for the quarter ended June 30, 2005 and incorporated herein by reference), amendment No. 3 dated July 29, 2011 (filed as exhibit 3.1 to the Company's Form 8-K, filed on August 2, 2011 and incorporated herein by reference); and amendment No. 4 dated June 21, 2012 (filed as exhibit 3.1 to the Company's Form 8-K, filed on June 21, 2012 and incorporated herein by reference).

3.2 Amended and Restated Bylaws of the Company dated June 16, 2015 (filed as exhibit 3.1 to the Company's Form 8-K filed on June 17, 2015 and incorporated herein by reference)



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3.3 Articles Supplementary to the Articles of Incorporation of the Company classifying and designating the 6.625% Monthly Income Class F Cumulative Redeemable Preferred Stock, dated February 3, 2012 (the First Class F Articles Supplementary ) (filed as exhibit 3.1 to the Company s Form 8-K, filed on February 3, 2012 and incorporated herein by reference).

3.4 Certificate of Correction to the First Class F Articles Supplementary, dated April 11, 2012 (filed as exhibit 3.2 to the Company s Form 8-K, filed on April 17, 2012 and incorporated herein by reference).

3.5 Articles Supplementary to the Articles of Incorporation of the Company classifying and designating additional shares of the 6.625% Monthly Income Class F Cumulative Redeemable Preferred Stock, dated April 17, 2012 (filed as exhibit 3.3 to the Company s Form 8-K, filed on April 17, 2012 and incorporated herein by reference).

**Instruments defining the rights of security holders, including indentures**

4.1 Indenture dated as of October 28, 1998 between the Company and The Bank of New York (filed as exhibit 4.1 to the Company s Form 8-K, filed on October 28, 1998 and incorporated herein by reference).

4.2 Form of 5.875% Senior Notes due 2035 (filed as exhibit 4.2 to the Company s Form 8-K, filed on March 11, 2005 and incorporated herein by reference).

4.3 Officer s Certificate pursuant to sections 201, 301 and 303 of the Indenture dated October 28, 1998 between the Company and The Bank of New York, as Trustee, establishing a series of securities entitled 5.875% Senior Debentures due 2035 (filed as exhibit 4.3 to the Company s Form 8-K, filed on March 11, 2005 and incorporated herein by reference).

4.4 Form of 5.375% Senior Notes due 2017 (filed as exhibit 4.2 to the Company s Form 8-K, filed on September 16, 2005 and incorporated herein by reference).

4.5 Officer s Certificate pursuant to sections 201, 301 and 303 of the Indenture dated October 28, 1998 between the Company and The Bank of New York, as Trustee, establishing a series of securities entitled 5.375% Senior Notes due 2017 (filed as exhibit 4.3 to the Company s Form 8-K, filed on

September 16, 2005 and incorporated herein by reference).

4.6 Form of 6.75% Notes due 2019 (filed as exhibit 4.2 to Company's Form 8-K, filed on September 5, 2007 and incorporated herein by reference).

4.7 Officer's Certificate pursuant to sections 201, 301 and 303 of the Indenture dated October 28, 1998 between the Company and The Bank of New York Trust Company, N.A., as Trustee, establishing a series of securities entitled 6.75% Senior Notes due 2019 (filed as exhibit 4.3 to the Company's Form 8-K, filed on September 5, 2007 and incorporated herein by reference).

4.8 Form of 5.750% Notes due 2021 (filed as exhibit 4.2 to Company's Form 8-K, filed on June 29, 2010 and incorporated herein by reference).

4.9 Officer's Certificate pursuant to sections 201, 301 and 303 of the Indenture dated October 28, 1998 between the Company and The Bank of New York Mellon Trust Company, N.A., as Successor Trustee, establishing a series of securities entitled 5.750% Notes due 2021 (filed as exhibit 4.3 to the Company's Form 8-K, filed on June 29, 2010 and incorporated herein by reference).

4.10 Form of Common Stock Certificate (filed as exhibit 4.16 to the Company's Form 10-Q for the quarter ended September 30, 2011 and incorporated herein by reference).

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4.11 Form of Preferred Stock Certificate representing the 6.625% Monthly Income Class F Cumulative Redeemable Preferred Stock (filed as exhibit 4.1 to the Company's Form 8-K, filed on February 3, 2012 and incorporated herein by reference).

4.12 Form of 2.000% Note due 2018 (filed as exhibit 4.2 to Company's Form 8-K, filed on October 10, 2012 and incorporated herein by reference).

4.13 Form of 3.250% Note due 2022 (filed as exhibit 4.3 to Company's Form 8-K, filed on October 10, 2012 and incorporated herein by reference).

4.14 Officer's Certificate pursuant to sections 201, 301 and 303 of the Indenture dated October 28, 1998 between the Company and The Bank of New York Mellon Trust Company, N.A., as successor trustee, establishing a series of securities entitled 2.000% Notes due 2018 and establishing a series of securities entitled 3.250% Notes due 2022 (filed as exhibit 4.4 to the Company's Form 8-K, filed on October 10, 2012 and incorporated herein by reference).

4.15 Form of 4.650% Note due 2023 (filed as exhibit 4.2 to Company's Form 8-K, filed on July 16, 2013 and incorporated herein by reference).

4.16 Officer's Certificate pursuant to sections 201, 301 and 303 of the Indenture dated October 28, 1998 between the Company and The Bank of New York Mellon Trust Company, N.A., as successor trustee, establishing a series of securities entitled 4.650% Notes due 2023 (filed as exhibit 4.3 to the Company's Form 8-K, filed on July 16, 2013 and incorporated herein by reference).

4.17 Form of 3.875% Note due 2024 (filed as exhibit 4.2 to Company's Form 8-K, filed on June 25, 2014 and incorporated herein by reference).

4.18 Officer's Certificate pursuant to sections 201, 301 and 303 of the Indenture dated October 28, 1998 between the Company and The Bank of New York Mellon Trust Company, N.A., as successor trustee, establishing a series of securities entitled 3.875% Notes due 2024 (filed as exhibit 4.3 to the Company's Form 8-K, filed on June 25, 2014 and incorporated herein by reference).



4.19 Form of 4.125% Note due 2026 (filed as exhibit 4.2 to Company's Form 8-K, filed on September 23, 2014 and incorporated herein by reference).

4.20 Officer's Certificate pursuant to sections 201, 301 and 303 of the Indenture dated October 28, 1998 between the Company and The Bank of New York Mellon Trust Company, N.A., as successor trustee, establishing a series of securities entitled 4.125% Notes due 2026 (filed as exhibit 4.3 to the Company's Form 8-K, filed on September 23, 2014 and incorporated herein by reference).

4.21 Form of 3.000% Note due 2027 (filed as exhibit 4.2 to Company's Form 8-K, filed on October 12, 2016 and incorporated herein by reference).

4.22 Officer's Certificate pursuant to sections 201, 301 and 303 of the Indenture dated October 28, 1998 between the Company and The Bank of New York Mellon Trust Company, N.A., as successor trustee, establishing a series of securities entitled 3.000% Notes due 2027 (filed as exhibit 4.3 to the Company's Form 8-K, filed on October 12, 2016 and incorporated herein by reference).

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**Material Contracts**

10.1 Management Incentive Plan (filed as Exhibit 10.10 to the Company's Form 10-K for the year ended December 31, 1997 and incorporated herein by reference).

10.2 Form of Nonqualified Stock Option Agreement for Independent Directors (filed as Exhibit 10.11 to the Company's Form 10-K for the year ended December 31, 1997 and incorporated herein by reference).

10.3 Form of Restricted Stock Agreement between the Company and Executive Officers under the 2003 Stock Incentive Award Plan of Realty Income Corporation (filed as exhibit 10.11 to the Company's Form 8-K, filed on January 6, 2005 and dated January 1, 2005 and incorporated herein by reference).

10.4 2003 Stock Incentive Award Plan of Realty Income Corporation, as amended and restated February 21, 2006 (filed as exhibit 10.10 to the Company's Form 10-K for the year ended December 31, 2005 and incorporated herein by reference).

10.5 Amendment dated May 15, 2007 to the Amended and Restated 2003 Stock Incentive Award Plan of Realty Income Corporation (filed as exhibit 10.1 to the Company's Form 10-Q, for the quarter ended June 30, 2007 and incorporated herein by reference).

10.6 Form of Restricted Stock Agreement under the 2003 Stock Incentive Award Plan of Realty Income Corporation (filed as exhibit 10.2 to the Company's Form 10-Q, for the quarter ended June 30, 2007 and incorporated herein by reference).

10.7 Amended and Restated Form of Employment Agreement between the Company and its Executive Officers (filed as exhibit 10.1 to the Company's Form 8-K, filed on January 7, 2010 and dated January 5, 2010 and incorporated herein by reference).

10.8 Form of Restricted Stock Agreement for John P. Case (filed as exhibit 10.1 to the Company's Form 10-Q, for the quarter ended March 31, 2010 and incorporated herein by reference).

- 10.9 Realty Income Corporation 2012 Incentive Award Plan (filed as Appendix B to the Company's Proxy Statement on Schedule 14A filed on March 30, 2012 and incorporated herein by reference).
- 10.10 Amended and Restated Credit Agreement dated May 10, 2012 (filed as exhibit 10.1 to the Company's Form 8-K, filed on May 11, 2012 and incorporated herein by reference).
- 10.11 Form of Restricted Stock Agreement for Employees under the Realty Income Corporation 2012 Incentive Award Plan (filed as exhibit 10.1 to the Company's Form 8-K, filed on January 8, 2013 and incorporated herein by reference).
- 10.12 Form of Restricted Stock Agreement for Non-Employee Directors under the Realty Income Corporation 2012 Incentive Award Plan (filed as exhibit 10.2 to the Company's Form 8-K, filed on January 8, 2013 and incorporated herein by reference).
- 10.13 Term Loan Agreement, dated as of January 22, 2013, by and among Tau Operating Partnership, L.P. and Lenders (as defined therein) (filed as exhibit 10.1 to the Company's Form 8-K, filed on January 23, 2013 and incorporated herein by reference).
- 10.14 The First Amendment to Amended and Restated Credit Agreement among the Company, as Borrower, each of the Lenders party thereto and Wells Fargo Bank, National Association, as Administrative Agent (filed as exhibit 10.1 to the Company's Form 8-K, filed on June 3, 2013 and incorporated herein by reference).
- 10.15 Form of Amendment to Employment Agreement (filed as exhibit 10.1 to the Company's Form 8-K, filed on June 19, 2013 and incorporated herein by reference).

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10.16 Form of Addendum to Restricted Stock Agreement (filed as exhibit 10.2 to the Company's Form 8-K, filed on June 19, 2013 and incorporated herein by reference).

10.17 The Second Amendment to Amended and Restated Credit Agreement among the Company, as Borrower, each of the Lenders party thereto and Wells Fargo Bank, National Association, as Administrative Agent (filed as exhibit 10.1 to the Company's Form 8-K, filed on August 28, 2013 and incorporated herein by reference).

10.18 Amended and Restated Employment Agreement dated September 3, 2013 between the Company and John P. Case (filed as exhibit 10.2 to the Company's Form 8-K, filed on September 6, 2013 and incorporated herein by reference).

10.19 Form of Time-Based Restricted Stock Agreement for John P. Case dated September 3, 2013 (filed as exhibit 10.7 to the Company's Form 10-Q, for the quarter ended September 30, 2013 and incorporated herein by reference).

10.20 Form of Performance-Based Restricted Stock Agreement for John P. Case dated September 26, 2013 (filed as exhibit 10.8 to the Company's Form 10-Q, for the quarter ended September 30, 2013 and incorporated herein by reference).

10.21 The Third Amendment to Amended and Restated Credit Agreement among the Company, as Borrower, each of the Lenders party thereto and Wells Fargo Bank, National Association, as Administrative Agent (filed as exhibit 10.1 to the Company's Form 8-K, filed on October 29, 2013 and incorporated herein by reference).

10.23 Form of Performance Share Award Agreement (filed as exhibit 99.1 to the Company's Form 8-K, filed on April 11, 2014 and incorporated herein by reference).

10.24 Severance Agreement for Gary M. Malino (filed as exhibit 10.2 to the Company's Form 10-Q, filed on October 30, 2014 and incorporated herein by reference).

10.25 Amended and Restated Form Indemnification Agreement, between the Company and each executive officer and each director of the Board of Directors of the Company (filed as exhibit 10.1 to the Company's Form 8-K, filed on October 30, 2014 and incorporated herein by reference).

10.26 Form of Performance Share Award Agreement (filed as exhibit 10.1 to the Company's Form 10-Q, filed on April 30, 2015 and incorporated herein by reference).

10.27 Dividend Reinvestment and Stock Purchase Plan (filed pursuant to Rule 424(b)(5) under the Securities Act of 1933, as amended, on February 23, 2015, as a prospectus supplement to the Company's prospectus dated February 22, 2013 (File No. 333-186788) and incorporated herein by reference).

10.28 Credit Agreement dated June 30, 2015 (filed as exhibit 10.1 to the Company's Form 8-K, filed on July 2, 2015 and incorporated herein by reference).

10.29 Dividend Reinvestment and Stock Purchase Plan (filed pursuant to Rule 424(b)(5) under the Securities Act of 1933, as amended, on July 30, 2015, as a prospectus supplement to the Company's prospectus dated February 22, 2013 (File No. 333-186788) and incorporated herein by reference).

10.30 Form of Restricted Stock Agreement (filed as exhibit 10.30 to the Company's Form 10-K for the year ended December 31, 2015 and incorporated herein by reference).

10.31 Form of Restricted Stock Unit Award Agreement (filed as exhibit 10.31 to the Company's Form 10-K for the year ended December 31, 2015 and incorporated herein by reference).

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10.32 Form of Second Amendment to Employment Agreement (filed as exhibit 10.32 to the Company's Form 10-K for the year ended December 31, 2015 and incorporated herein by reference).

\*10.33 First Amendment to Realty Income Corporation 2012 Incentive Award Plan.

10.34 Second Amendment to Realty Income Corporation 2012 Incentive Award Plan (filed as exhibit 10.1 to the Company's Form 8-K, filed on February 17, 2017 and incorporated herein by reference).

**Statement of Ratios**

\*12.1 Statements re computation of ratios.

**Subsidiaries of the Registrant**

\*21.1 Subsidiaries of the Company as of February 23, 2017.

**Consents of Experts and Counsel**

\*23.1 Consent of Independent Registered Public Accounting Firm.

**Certifications**

\*31.1 Rule 13a-14(a) Certifications as filed by the Chief Executive Officer pursuant to SEC release No. 33-8212 and 34-47551.

\*31.2 Rule 13a-14(a) Certifications as filed by the Chief Financial Officer pursuant to SEC release No. 33-8212 and 34-47551.

\*32 Section 1350 Certifications as furnished by the Chief Executive Officer and the Chief Financial Officer pursuant to SEC release No. 33-8212 and 34-47551.

**Interactive Data Files**

\*101 The following materials from Realty Income Corporation's Annual Report on Form 10-K for the year ended December 31, 2016, formatted in Extensible Business Reporting Language: (i) Consolidated Balance Sheets, (ii) Consolidated Statements of Income, (iii) Consolidated Statements of Stockholders Equity, (iv) Consolidated Statements of Cash Flows, (v) Notes to Consolidated Financial Statements, and (vi) Schedule III Real Estate and Accumulated Depreciation.

\* Filed herewith.

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**SIGNATURES**

Pursuant to the requirements of Section 13 or 15(d) the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

REALTY INCOME CORPORATION

By: /s/JOHN P. CASE Date: February 23, 2017  
John P. Case  
Chief Executive Officer

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

By: /s/MICHAEL D. MCKEE Date: February 23, 2017  
Michael D. McKee  
Non-Executive Chairman of the Board of Directors

By: /s/KATHLEEN R. ALLEN, Ph.D. Date: February 23, 2017  
Kathleen R. Allen, Ph.D.  
Director

By: /s/JOHN P. CASE Date: February 23, 2017  
John P. Case  
Director, Chief Executive Officer  
(Principal Executive Officer)

By: /s/A. LARRY CHAPMAN Date: February 23, 2017  
A. Larry Chapman  
Director

By: /s/PRIYA CHERIAN HUSKINS Date: February 23, 2017  
Priya Cherian Huskins  
Director

By: /s/GREGORY T. MCLAUGHLIN Date: February 23, 2017  
Gregory T. McLaughlin  
Director

By: /s/RONALD L. MERRIMAN Date: February 23, 2017  
Ronald L. Merriman  
Director

By: /s/STEPHEN E. STERRETT Date: February 23, 2017  
Stephen E. Sterrett  
Director



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By: /s/PAUL M. MEURER  
Paul M. Meurer  
Executive Vice President, Chief Financial Officer and Treasurer  
(Principal Financial Officer)

Date: February 23, 2017

By: /s/SEAN P. NUGENT  
Sean P. Nugent  
Senior Vice President, Controller  
(Principal Accounting Officer)

Date: February 23, 2017

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REALTY INCOME CORPORATION AND SUBSIDIARIES

SCHEDULE III REAL ESTATE AND ACCUMULATED DEPRECIATION

AS OF DECEMBER 31, 2016

| Description           | Encumbrances | Initial Cost to Company |           |   | Cost Capitalized Subsequent to Acquisition |        | Gross Amount at Which Carried at Close of Period (Notes 3, 4, 6 and 7) |            |            | Accumulated Depreciation | Date of Construction | Acquisition |
|-----------------------|--------------|-------------------------|-----------|---|--|--------|--|------------|------------|--------------------------|----------------------|-------------|
|                       |              | Land                    | Fees      | Buildings, Improvements and Acquisition | Improvements                               | Costs  | Land   | Fees       | Total      |                          |                      |             |
| <u>Aerospace</u>      |              |                         |           |   |  |        |  |            |            |                          |                      |             |
| Batesville            | MS           | 4,801,438               | 2,160,849 | 17,219,291                              | None                                       | None   | 2,160,849  | 17,219,291 | 19,380,140 | 3,013,376                |                      | 8/9         |
| Ellisville            | MS           |                         | 4,140,000 | 20,930,630                              | 171,570                                    | None   | 4,140,000  | 21,102,200 | 25,242,200 | 2,123,750                |                      | 6/2         |
| Columbus              | OH           | 14,501,413              | -         | 19,637,318                              | None                                       | None   | -  | 19,637,318 | 19,637,318 | 1,987,110                |                      | 6/1         |
| DFW Airport           | TX           |                         | -         | 37,503,886                              | 13,600                                     | None   | -  | 37,517,486 | 37,517,486 | 8,316,658                |                      | 6/2         |
| Lufkin                | TX           |                         | 589,925   | 15,492,255                              | None                                       | None   | 589,925  | 15,492,255 | 16,082,180 | 1,752,100                |                      | 1/2         |
| <u>Apparel stores</u> |              |                         |           |   |  |        |  |            |            |                          |                      |             |
| Mesa                  | AZ           |                         | 619,035   | 867,013                                 | 6,484                                      | None   | 619,035  | 873,497    | 1,492,532  | 626,341                  |                      | 2/1         |
| El Cajon              | CA           |                         | 6,930,000 | 12,518,083                              | 89,660                                     | None   | 6,930,000  | 12,607,743 | 19,537,743 | 1,280,704                |                      | 6/1         |
| Elk Grove             | CA           |                         | 804,327   | 2,668,492                               | 24,266                                     | None   | 804,327  | 2,692,758  | 3,497,085  | 464,831                  |                      | 9/1         |
| Elk Grove             | CA           |                         | 3,250,000 | 16,776,852                              | None                                       | None   | 3,250,000  | 16,776,852 | 20,026,852 | 1,705,647                |                      | 6/2         |
| Folsom                | CA           |                         | 2,370,000 | 11,342,375                              | None                                       | None   | 2,370,000  | 11,342,375 | 13,712,375 | 1,077,526                |                      | 8/1         |
| Hanford               | CA           |                         | 562,812   | 3,468,215                               | None                                       | None   | 562,812  | 3,468,215  | 4,031,027  | 595,377                  |                      | 9/1         |
| Lodi                  | CA           |                         | 3,153,559 | 2,661,260                               | None                                       | None   | 3,153,559  | 2,661,260  | 5,814,819  | 456,850                  |                      | 9/1         |
| Manteca               | CA           |                         | 1,565,672 | 4,440,141                               | None                                       | None   | 1,565,672  | 4,440,141  | 6,005,813  | 748,224                  |                      | 9/1         |
| Moreno Valley         | CA           |                         | 1,654,486 | 3,305,084                               | 197,969                                    | None   | 1,654,486  | 3,503,053  | 5,157,539  | 634,187                  |                      | 9/1         |
| Redlands              | CA           |                         | 3,006,680 | 2,242,430                               | 279,091                                    | None   | 3,006,680  | 2,521,521  | 5,528,201  | 478,579                  |                      | 9/1         |
| Sacramento            | CA           |                         | 3,446,351 | 4,460,201                               | None                                       | None   | 3,446,351  | 4,460,201  | 7,906,552  | 765,668                  |                      | 9/1         |
| South Lake Tahoe      | CA           |                         | 3,110,000 | 3,176,091                               | 9,750                                      | None   | 3,110,000  | 3,185,841  | 6,295,841  | 794,986                  |                      | 10/2        |
| Sun Valley            | CA           |                         | 4,631,964 | 4,710,912                               | None                                       | None   | 4,631,964  | 4,710,912  | 9,342,876  | 808,707                  |                      | 9/1         |
| Vacaville             | CA           |                         | 1,299,816 | 3,375,574                               | 183,515                                    | None   | 1,299,816  | 3,559,089  | 4,858,905  | 641,410                  |                      | 9/1         |
| Danbury               | CT           |                         | 1,096,861 | 6,217,688                               | 491,514                                    | 56     | 1,096,861  | 6,709,258  | 7,806,119  | 4,938,185                |                      | 9/3         |
| Manchester            | CT           |                         | 771,660   | 3,653,539                               | 324,665                                    | 161    | 771,660  | 3,978,365  | 4,750,025  | 2,751,514                |                      | 3/2         |
| Manchester            | CT           |                         | 1,250,464 | 5,917,037                               | 7,082                                      | None   | 1,250,464  | 5,924,119  | 7,174,583  | 4,450,218                |                      | 3/2         |
| Deerfield Beach       | FL           |                         | 3,160,000 | 4,832,848                               | 58,463                                     | None   | 3,160,000  | 4,891,311  | 8,051,311  | 1,210,727                |                      | 10/2        |
| Cumming               | GA           | 4,675,000               | 2,100,000 | 6,472,785                               | None                                       | None   | 2,100,000  | 6,472,785  | 8,572,785  | 701,218                  |                      | 4/1         |
| Collinsville          | IL           | 3,570,500               | 675,724   | 7,021,479                               | None                                       | None   | 675,724  | 7,021,479  | 7,697,203  | 1,111,734                |                      | 1/2         |
| Georgetown            | KY           | 5,679,500               | 1,922,820 | 10,448,325                              | None                                       | None   | 1,922,820  | 10,448,325 | 12,371,145 | 1,654,318                |                      | 1/2         |
| Missoula              | MT           |                         | 163,100   | 362,249                                 | 28,843                                     | 16,199 | 163,100  | 407,291    | 570,391    | 386,812                  |                      | 10/3        |
| Staten Island         | NY           |                         | 4,202,093 | 3,385,021                               | 231,501                                    | None   | 4,202,093  | 3,616,522  | 7,818,615  | 2,608,474                |                      | 3/2         |
| Bend                  | OR           |                         | 4,060,000 | 13,198,790                              | None                                       | None   | 4,060,000  | 13,198,790 | 17,258,790 | 1,561,857                |                      | 1/3         |
| Clarksville           | TN           |                         | 3,992,886 | -                                       | None                                       | None   | 3,992,886  | -          | 3,992,886  | -                        |                      | 7/1         |
| Jackson               | TN           |                         | 381,076   | 857,261                                 | 49,140                                     | 19,237 | 381,076  | 925,638    | 1,306,714  | 690,498                  |                      | 9/2         |
| Dallas                | TX           |                         | 1,210,000 | 2,675,265                               | 292,532                                    | None   | 1,210,000  | 2,967,797  | 4,177,797  | 690,960                  |                      | 10/2        |
| The Colony            | TX           |                         | 2,580,000 | 2,214,133                               | 285,298                                    | 158    | 2,580,000  | 2,499,589  | 5,079,589  | 582,598                  |                      | 10/2        |



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**Automotive**

| <b>parts</b>     |    |           |           |         |      |           |           |           |         |                |
|------------------|----|-----------|-----------|---------|------|-----------|-----------|-----------|---------|----------------|
| Birmingham       | AL | 355,823   | 660,814   | None    | None | 355,823   | 660,814   | 1,016,637 | 106,832 | 12/            |
| Flomaton         | AL | 90,000    | 808,163   | None    | None | 90,000    | 808,163   | 898,163   | 117,184 | 5/             |
| Harvest          | AL | 744,737   | 1,537,832 | None    | None | 744,737   | 1,537,832 | 2,282,569 | 243,490 | 1/2            |
| Millbrook        | AL | 108,000   | 518,741   | 174,419 | None | 108,000   | 693,160   | 801,160   | 438,069 | 12/10/1998 1/2 |
| Montgomery       | AL | 254,465   | 502,350   | 10,819  | 84   | 254,465   | 513,253   | 767,718   | 381,268 | 6/3            |
| Cabot            | AR | 267,787   | 595,578   | None    | None | 267,787   | 595,578   | 863,365   | 68,491  | 2/2            |
| San Luis         | AZ | 287,508   | 694,650   | None    | None | 287,508   | 694,650   | 982,158   | 91,462  | 9/2            |
| Tucson           | AZ | 194,250   | 431,434   | None    | None | 194,250   | 431,434   | 625,684   | 431,434 | 10/3           |
| Grass Valley     | CA | 325,000   | 384,955   | None    | None | 325,000   | 384,955   | 709,955   | 384,955 | 5/2            |
| Sacramento       | CA | 210,000   | 466,419   | None    | None | 210,000   | 466,419   | 676,419   | 466,419 | 11/2           |
| Colorado Springs | CO | 520,000   | 922,073   | None    | None | 520,000   | 922,073   | 1,442,073 | 13,831  | 8/3            |
| Denver           | CO | 141,400   | 314,056   | None    | 82   | 141,400   | 314,138   | 455,538   | 314,138 | 11/            |
| Denver           | CO | 315,000   | 699,623   | None    | 161  | 315,000   | 699,784   | 1,014,784 | 699,782 | 5/1            |
| Littleton        | CO | 252,925   | 561,758   | None    | 53   | 252,925   | 561,811   | 814,736   | 561,811 | 2/1            |
| Smyrna           | DE | 232,273   | 472,855   | 15,774  | None | 232,273   | 488,629   | 720,902   | 354,379 | 8/7            |
| Apopka           | FL | 820,000   | 1,115,761 | None    | None | 820,000   | 1,115,761 | 1,935,761 | 158,066 | 6/2            |
| Deerfield Beach  | FL | 475,000   | 871,738   | 2,420   | None | 475,000   | 874,158   | 1,349,158 | 620,755 | 1/2            |
| Jacksonville     | FL | 330,000   | 1,196,260 | None    | None | 330,000   | 1,196,260 | 1,526,260 | 25,919  | 6/5            |
| Kissimmee        | FL | 1,000,000 | 1,169,792 | None    | None | 1,000,000 | 1,169,792 | 2,169,792 | 165,721 | 6/2            |
| Kissimmee        | FL | 580,290   | 1,290,608 | None    | None | 580,290   | 1,290,608 | 1,870,898 | 122,608 | 8/1            |





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|            |    |         |           |      |      |         |           |           |         |     |
|------------|----|---------|-----------|------|------|---------|-----------|-----------|---------|-----|
| Laredo     | TX | 807,044 | 1,498,795 | None | None | 807,044 | 1,498,795 | 2,305,839 | 242,305 | 12  |
| Richmond   | TX | 441,254 | 1,253,642 | None | None | 441,254 | 1,253,642 | 1,694,896 | 160,884 | 10/ |
| Roma       | TX | 200,000 | 1,004,538 | None | None | 200,000 | 1,004,538 | 1,204,538 | 142,310 | 6/2 |
| San Benito | TX | 449,015 | 998,643   | None | None | 449,015 | 998,643   | 1,447,658 | 128,159 | 10/ |

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REALTY INCOME CORPORATION AND SUBSIDIARIES

SCHEDULE III REAL ESTATE AND ACCUMULATED DEPRECIATION

AS OF DECEMBER 31, 2016

| Description<br>(Note 1) | Encumbrances<br>(Note 2) | Initial Cost to Company |  | Cost Capitalized<br>Subsequent<br>to Acquisition | Gross Amount at Which Carried<br>at Close of Period (Notes 3, 4, 6 and<br>7) |           |  | Accumulated<br>Depreciation<br>(Note 5) | Date of<br>Construction | A         |       |
|-------------------------|--------------------------|-------------------------|--|--|--|-----------|--|---|-------------------------|-----------|-------|
|                         |                          | Land                    | Buildings,<br>Improvements<br>and<br>Acquisition<br>Fees | Improvements                                     | Carrying<br>Costs  | Land      | Buildings,<br>Improvements<br>and<br>Acquisition<br>Fees |   |                         |           | Total |
| Richmond                | VA                       | 366,287                 | 814,648  | None   | None   | 366,287   | 814,648  | 1,180,935                               | 50,237                  | 6/2       |       |
| Bellevue                | WA                       | 185,500                 | 411,997  | None   | 107  | 185,500   | 412,104  | 597,604                                 | 412,103                 | 8/2       |       |
| Bellingham              | WA                       | 168,000                 | 373,133  | None   | 107  | 168,000   | 373,240  | 541,240                                 | 373,239                 | 8/2       |       |
| East Wenatchee          | WA                       | 148,400                 | 329,602  | None   | 107  | 148,400   | 329,709  | 478,109                                 | 329,709                 | 8/2       |       |
| Kenmore                 | WA                       | 199,500                 | 443,098  | None   | 107  | 199,500   | 443,205  | 642,705                                 | 443,204                 | 8/2       |       |
| Kent                    | WA                       | 199,500                 | 443,091  | None   | 107  | 199,500   | 443,198  | 642,698                                 | 443,198                 | 8/2       |       |
| Moses Lake              | WA                       | 138,600                 | 307,831  | None   | 107  | 138,600   | 307,938  | 446,538                                 | 307,938                 | 8/2       |       |
| Renton                  | WA                       | 185,500                 | 412,003  | None   | 107  | 185,500   | 412,110  | 597,610                                 | 412,110                 | 9/2       |       |
| Seattle                 | WA                       | 162,400                 | 360,697  | None   | 107  | 162,400   | 360,804  | 523,204                                 | 360,804                 | 8/2       |       |
| Silverdale              | WA                       | 183,808                 | 419,777  | None   | 107  | 183,808   | 419,884  | 603,692                                 | 419,883                 | 9/2       |       |
| Tacoma                  | WA                       | 191,800                 | 425,996  | None   | 107  | 191,800   | 426,103  | 617,903                                 | 426,102                 | 8/2       |       |
| Tacoma                  | WA                       | 196,000                 | 435,324  | None   | 107  | 196,000   | 435,431  | 631,431                                 | 435,431                 | 10/2      |       |
| Vancouver               | WA                       | 180,250                 | 400,343  | None   | 58   | 180,250   | 400,401  | 580,651                                 | 400,382                 | 8/2       |       |
| Vancouver               | WA                       | 168,000                 | 373,135  | None   | 58   | 168,000   | 373,193  | 541,193                                 | 373,175                 | 5/2       |       |
| Viroqua                 | WI                       | 130,000                 | 751,418  | None   | None   | 130,000   | 751,418  | 881,418                                 | 108,956                 | 5/2       |       |
| Wausau                  | WI                       | 499,159                 | 1,138,765  | 6,800  | None   | 499,159   | 1,145,565  | 1,644,724                               | 48,863                  | 12/2      |       |
| Nutter Fort             | WV                       | 259,179                 | 899,248  | None   | None   | 259,179   | 899,248  | 1,158,427                               | 1,499                   | 12/2      |       |
| <u>Automotive</u>       |                          |                         |  |  |  |           |  |   |                         |           |       |
| <u>service</u>          |                          |                         |  |  |  |           |  |   |                         |           |       |
| Flagstaff               | AZ                       | 144,821                 | 417,485  | 8,150  | 36   | 144,821   | 425,671  | 570,492                                 | 313,791                 | 4/11/2002 | 8/2   |
| Mesa                    | AZ                       | 210,620                 | 475,072  | None   | None   | 210,620   | 475,072  | 685,692                                 | 277,913                 | 5/2       |       |
| Phoenix                 | AZ                       | 189,341                 | 546,984  | None   | None   | 189,341   | 546,984  | 736,325                                 | 319,986                 | 5/2       |       |
| Phoenix                 | AZ                       | 384,608                 | 279,824  | None   | None   | 384,608   | 279,824  | 664,432                                 | 163,695                 | 5/2       |       |
| Sierra Vista            | AZ                       | 175,114                 | 345,508  | None   | None   | 175,114   | 345,508  | 520,622                                 | 202,121                 | 5/2       |       |
| Tucson                  | AZ                       | 226,596                 | 437,972  | None   | None   | 226,596   | 437,972  | 664,568                                 | 256,212                 | 5/2       |       |
| Bakersfield             | CA                       | 65,165                  | 206,927  | None   | None   | 65,165    | 206,927  | 272,092                                 | 121,051                 | 5/2       |       |
| Chula Vista             | CA                       | 313,293                 | 409,654  | 26,019   | 177  | 313,293   | 435,850  | 749,143                                 | 338,382                 | 5/1/1996  | 1/2   |
| Dublin                  | CA                       | 415,620                 | 1,153,928  | None   | None   | 415,620   | 1,153,928  | 1,569,548                               | 675,046                 | 5/2       |       |
| Folsom                  | CA                       | 471,813                 | 325,610  | None   | None   | 471,813   | 325,610  | 797,423                                 | 190,480                 | 5/2       |       |
| Indio                   | CA                       | 264,956                 | 265,509  | None   | None   | 264,956   | 265,509  | 530,465                                 | 155,321                 | 5/2       |       |
| Los Angeles             | CA                       | 580,446                 | 158,876  | None   | None   | 580,446   | 158,876  | 739,322                                 | 92,940                  | 5/2       |       |
| Oxnard                  | CA                       | 186,980                 | 198,236  | None   | None   | 186,980   | 198,236  | 385,216                                 | 115,966                 | 5/2       |       |
| Simi Valley             | CA                       | 213,920                 | 161,012  | None   | None   | 213,920   | 161,012  | 374,932                                 | 94,190                  | 5/2       |       |
| Stockton                | CA                       | 1,395,822               | 2,882,282  | None   | None   | 1,395,822 | 2,882,282  | 4,278,104                               | 456,361                 | 1/2       |       |
| Vacaville               | CA                       | 358,067                 | 284,931  | None   | None   | 358,067   | 284,931  | 642,998                                 | 166,682                 | 5/2       |       |
| Aurora                  | CO                       | 231,314                 | 430,495  | None   | 115  | 231,314   | 430,610  | 661,924                                 | 160,115                 | 9/2       |       |
| Broomfield              | CO                       | 154,930                 | 503,626  | None   | 2,667  | 154,930   | 506,293  | 661,223                                 | 412,679                 | 8/22/1996 | 3/2   |
| Denver                  | CO                       | 79,717                  | 369,587  | None   | 79   | 79,717    | 369,666  | 449,383                                 | 369,663                 | 10/2      |       |
| Denver                  | CO                       | 239,024                 | 444,785  | None   | 115  | 239,024   | 444,900  | 683,924                                 | 165,426                 | 9/2       |       |
| Lakewood                | CO                       | 70,422                  | 132,296  | None   | None   | 70,422    | 132,296  | 202,718                                 | 49,170                  | 9/2       |       |



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|                 |    |         |           |          |        |         |           |           |         |            |     |
|-----------------|----|---------|-----------|----------|--------|---------|-----------|-----------|---------|------------|-----|
| Longmont        | CO | 87,385  | 163,169   | None     | 408    | 87,385  | 163,577   | 250,962   | 60,779  |            | 9/  |
| Thornton        | CO | 276,084 | 415,464   | None     | 316    | 276,084 | 415,780   | 691,864   | 331,542 | 12/31/1996 | 10/ |
| Hartford        | CT | 248,540 | 482,460   | 35,465   | 1,076  | 248,540 | 519,001   | 767,541   | 412,232 |            | 9/  |
| Southington     | CT | 225,882 | 672,910   | None     | 172    | 225,882 | 673,082   | 898,964   | 526,052 |            | 6/  |
| Vernon          | CT | 81,529  | 300,518   | None     | None   | 81,529  | 300,518   | 382,047   | 174,801 |            | 6/  |
| Jacksonville    | FL | 76,585  | 355,066   | 28,668   | 178    | 76,585  | 383,912   | 460,497   | 360,795 |            | 12/ |
| Miami Gardens   | FL | 163,239 | 262,726   | None     | None   | 163,239 | 262,726   | 425,965   | 152,819 |            | 6/  |
| Orange City     | FL | 99,613  | 139,008   | None     | None   | 99,613  | 139,008   | 238,621   | 81,318  |            | 5/  |
| Atlanta         | GA | 309,474 | 574,737   | None     | None   | 309,474 | 574,737   | 884,211   | 156,137 |            | 3/  |
| Bogart          | GA | 66,807  | 309,733   | None     | None   | 66,807  | 309,733   | 376,540   | 309,733 |            | 12/ |
| Duluth          | GA | 222,275 | 316,925   | 2,288    | 89     | 222,275 | 319,302   | 541,577   | 241,431 | 10/24/1997 | 6/  |
| Duluth          | GA | 290,842 | 110,056   | None     | None   | 290,842 | 110,056   | 400,898   | 64,381  |            | 5/  |
| Gainesville     | GA | 53,589  | 248,452   | None     | None   | 53,589  | 248,452   | 302,041   | 248,452 |            | 12/ |
| Kennesaw        | GA | 266,865 | 139,425   | None     | None   | 266,865 | 139,425   | 406,290   | 81,562  |            | 5/  |
| Marietta        | GA | 60,900  | 293,461   | 67,871   | 84     | 60,900  | 361,416   | 422,316   | 330,960 |            | 12/ |
| Marietta        | GA | 69,561  | 346,024   | None     | 41     | 69,561  | 346,065   | 415,626   | 346,065 |            | 6/  |
| Norcross        | GA | 244,124 | 151,831   | None     | None   | 244,124 | 151,831   | 395,955   | 88,819  |            | 5/  |
| Norcross        | GA | 503,773 | 937,121   | 39,032   | None   | 503,773 | 976,153   | 1,479,926 | 403,090 |            | 11/ |
| Riverdale       | GA | 58,444  | 270,961   | None     | None   | 58,444  | 270,961   | 329,405   | 270,961 |            | 1/  |
| Snellville      | GA | 253,316 | 132,124   | None     | None   | 253,316 | 132,124   | 385,440   | 77,291  |            | 5/  |
| Tucker          | GA | 78,646  | 364,625   | 32,603   | 3,258  | 78,646  | 400,486   | 479,132   | 377,386 |            | 12/ |
| Arlington Hts   | IL | 441,437 | 215,983   | None     | None   | 441,437 | 215,983   | 657,420   | 126,348 |            | 5/  |
| Chicago         | IL | 329,076 | 255,294   | None     | None   | 329,076 | 255,294   | 584,370   | 149,345 |            | 5/  |
| Westchester     | IL | 421,239 | 184,812   | None     | None   | 421,239 | 184,812   | 606,051   | 108,113 |            | 5/  |
| Anderson        | IN | 232,170 | 385,661   | None     | 179    | 232,170 | 385,840   | 618,010   | 293,921 |            | 12/ |
| Indianapolis    | IN | 231,384 | 428,307   | None     | 130    | 231,384 | 428,437   | 659,821   | 347,772 |            | 9/  |
| Michigan City   | IN | 392,638 | 297,650   | (3,065)  | None   | 389,573 | 297,650   | 687,223   | 174,124 |            | 5/  |
| Warsaw          | IN | 140,893 | 228,116   | None     | None   | 140,893 | 228,116   | 369,009   | 133,446 |            | 5/  |
| Olathe          | KS | 217,995 | 367,055   | 1,975    | 124    | 217,995 | 369,154   | 587,149   | 288,218 | 4/22/1997  | 11/ |
| Topeka          | KS | 32,022  | 60,368    | None     | None   | 32,022  | 60,368    | 92,390    | 22,437  |            | 9/  |
| Wichita         | KS | 787,377 | 1,463,936 | 78,745   | 70,913 | 787,377 | 1,613,594 | 2,400,971 | 628,366 |            | 11/ |
| Louisville      | KY | 56,054  | 259,881   | None     | 12     | 56,054  | 259,893   | 315,947   | 259,886 |            | 12/ |
| East Wareham    | MA | 149,680 | 278,669   | None     | None   | 149,680 | 278,669   | 428,349   | 163,019 |            | 5/  |
| Fairhaven       | MA | 138,957 | 289,294   | None     | None   | 138,957 | 289,294   | 428,251   | 169,235 |            | 5/  |
| Gardner         | MA | 138,990 | 289,361   | None     | None   | 138,990 | 289,361   | 428,351   | 169,274 |            | 5/  |
| Hyannis         | MA | 180,653 | 458,522   | None     | None   | 180,653 | 458,522   | 639,175   | 266,707 |            | 6/  |
| Lenox           | MA | 287,769 | 535,273   | None     | None   | 287,769 | 535,273   | 823,042   | 380,925 |            | 3/  |
| Newburyport     | MA | 274,698 | 466,449   | None     | None   | 274,698 | 466,449   | 741,147   | 271,318 |            | 6/  |
| North Reading   | MA | 180,546 | 351,161   | None     | None   | 180,546 | 351,161   | 531,707   | 205,427 |            | 5/  |
| Orleans         | MA | 138,212 | 394,065   | None     | None   | 138,212 | 394,065   | 532,277   | 230,526 |            | 5/  |
| Teaticket       | MA | 191,302 | 340,539   | None     | None   | 191,302 | 340,539   | 531,841   | 199,214 |            | 5/  |
| Aberdeen        | MD | 223,617 | 225,605   | None     | None   | 223,617 | 225,605   | 449,222   | 131,227 |            | 6/  |
| Bethesda        | MD | 282,717 | 525,928   | None     | None   | 282,717 | 525,928   | 808,645   | 195,470 |            | 9/  |
| Capitol Heights | MD | 547,173 | 219,979   | (12,319) | None   | 534,854 | 219,979   | 754,833   | 128,684 |            | 5/  |
| Clinton         | MD | 70,880  | 328,620   | 11,440   | None   | 70,880  | 340,060   | 410,940   | 335,770 |            | 11/ |
| Lexington Park  | MD | 111,396 | 335,288   | (7,600)  | None   | 103,796 | 335,288   | 439,084   | 196,140 |            | 5/  |
| Kalamazoo       | MI | 391,745 | 296,975   | (2,196)  | None   | 389,549 | 296,975   | 686,524   | 173,729 |            | 5/  |
| Portage         | MI | 402,409 | 286,441   | (2,112)  | None   | 400,297 | 286,441   | 686,738   | 167,566 |            | 5/  |
| Southfield      | MI | 275,952 | 350,765   | None     | None   | 275,952 | 350,765   | 626,717   | 205,196 |            | 5/  |
| Troy            | MI | 214,893 | 199,299   | None     | None   | 214,893 | 199,299   | 414,192   | 116,588 |            | 5/  |
| Saint Cloud     | MN | 203,338 | 258,626   | None     | None   | 203,338 | 258,626   | 461,964   | 150,434 |            | 6/  |
| Independence    | MO | 297,641 | 233,152   | 4,467    | 3,958  | 297,641 | 241,577   | 539,218   | 191,998 |            | 12/ |
| Asheville       | NC | 441,746 | 242,565   | None     | None   | 441,746 | 242,565   | 684,311   | 141,899 |            | 5/  |
| Asheville       | NC | 838,421 | 1,558,792 | 480      | 27,477 | 838,421 | 1,586,749 | 2,425,170 | 634,113 |            | 11/ |
| Concord         | NC | 237,688 | 357,976   | 6,863    | 26     | 237,688 | 364,865   | 602,553   | 265,303 |            | 11/ |
| Durham          | NC | 55,074  | 255,336   | None     | 647    | 55,074  | 255,983   | 311,057   | 255,983 |            | 11/ |
| Durham          | NC | 354,676 | 361,203   | 67,400   | 12     | 354,676 | 428,615   | 783,291   | 291,834 | 8/29/1997  | 3/  |
| Fayetteville    | NC | 224,326 | 257,733   | None     | 131    | 224,326 | 257,864   | 482,190   | 196,417 |            | 12/ |
| Greensboro      | NC | 286,068 | 244,606   | None     | None   | 286,068 | 244,606   | 530,674   | 143,086 |            | 5/  |
| Matthews        | NC | 295,580 | 338,472   | 17,484   | 13,514 | 295,580 | 369,470   | 665,050   | 272,485 | 8/28/1998  | 2/  |
| Pineville       | NC | 254,460 | 355,630   | None     | 23     | 254,460 | 355,653   | 610,113   | 274,401 | 8/28/1997  | 4/  |
| Raleigh         | NC | 89,145  | 413,301   | None     | None   | 89,145  | 413,301   | 502,446   | 413,301 |            | 10/ |
| Raleigh         | NC | 398,694 | 263,621   | None     | None   | 398,694 | 263,621   | 662,315   | 202,514 |            | 10/ |
| Salisbury       | NC | 235,614 | 150,592   | None     | None   | 235,614 | 150,592   | 386,206   | 88,094  |            | 5/  |
| Fargo           | ND | 53,973  | 100,262   | None     | None   | 53,973  | 100,262   | 154,235   | 37,264  |            | 9/  |
| Lincoln         | NE | 337,138 | 316,958   | None     | None   | 337,138 | 316,958   | 654,096   | 185,418 |            | 5/  |

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|               |    |         |         |      |      |         |         |           |         |    |
|---------------|----|---------|---------|------|------|---------|---------|-----------|---------|----|
| Cherry Hill   | NJ | 463,808 | 862,240 | None | None | 463,808 | 862,240 | 1,326,048 | 320,466 | 9/ |
| Edison        | NJ | 448,936 | 238,773 | None | None | 448,936 | 238,773 | 687,709   | 139,679 | 5/ |
| Glassboro     | NJ | 182,013 | 312,480 | None | None | 182,013 | 312,480 | 494,493   | 181,759 | 6/ |
| Hamilton      | NJ | 422,477 | 291,555 | None | None | 422,477 | 291,555 | 714,032   | 170,556 | 5/ |
| Square        |    |         |         |      |      |         |         |           |         |    |
| Pleasantville | NJ | 77,105  | 144,693 | None | None | 77,105  | 144,693 | 221,798   | 53,777  | 9/ |
| Randolph      | NJ | 452,629 | 390,163 | None | None | 452,629 | 390,163 | 842,792   | 228,243 | 5/ |
| Trenton       | NJ | 265,238 | 298,167 | None | None | 265,238 | 298,167 | 563,405   | 174,424 | 5/ |
| West Deptford | NJ | 212,788 | 320,283 | None | None | 212,788 | 320,283 | 533,071   | 187,362 | 5/ |

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REALTY INCOME CORPORATION AND SUBSIDIARIES

SCHEDULE III REAL ESTATE AND ACCUMULATED DEPRECIATION

AS OF DECEMBER 31, 2016

| Description<br>(Note 1) | Encumbrances<br>(Note 2) | Initial Cost to Company |  | Cost Capitalized<br>Subsequent<br>to Acquisition |       | Gross Amount at Which Carried<br>at Close of Period (Notes 3, 4, 6 and<br>7) |  |           | Accumulated<br>Depreciation<br>(Note 5) | Date of<br>Construction |
|-------------------------|--------------------------|-------------------------|--|--|-------|--|--|-----------|---|-------------------------|
|                         |                          | Land                    | Buildings,<br>Improvements<br>and<br>Acquisition<br>Fees | Improvements                                     | Costs | Land   | Buildings,<br>Improvements<br>and<br>Acquisition<br>Fees | Total     |   |                         |
| Westfield               | NJ                       | 705,337                 | 288,720  | None   | None  | 705,337  | 288,720  | 994,057   | 168,897                                 | 5/1/97                  |
| Albuquerque             | NM                       | 231,553                 | 430,026  | None   | None  | 231,553  | 430,026  | 661,579   | 116,824                                 | 3/1/97                  |
| Las Vegas               | NV                       | 326,879                 | 359,101  | None   | None  | 326,879  | 359,101  | 685,980   | 210,072                                 | 5/1/97                  |
| Las Vegas               | NV                       | 316,441                 | 369,768  | None   | None  | 316,441  | 369,768  | 686,209   | 216,313                                 | 5/1/97                  |
| Las Vegas               | NV                       | 252,169                 | 562,715  | None   | None  | 252,169  | 562,715  | 814,884   | 329,186                                 | 5/1/97                  |
| Las Vegas               | NV                       | 1,940,015               | 3,624,877  | None   | None  | 1,940,015  | 3,624,877  | 5,564,892 | 573,939                                 | 1/1/97                  |
| Sparks                  | NV                       | 326,813                 | 306,311  | None   | None  | 326,813  | 306,311  | 633,124   | 179,190                                 | 5/1/97                  |
| Bethpage                | NY                       | 334,120                 | 621,391  | None   | None  | 334,120  | 621,391  | 955,511   | 230,950                                 | 9/1/97                  |
| Commack                 | NY                       | 400,427                 | 744,533  | None   | 316   | 400,427  | 744,849  | 1,145,276 | 276,723                                 | 9/1/97                  |
| East Amherst            | NY                       | 260,708                 | 484,788  | None   | None  | 260,708  | 484,788  | 745,496   | 344,999                                 | 3/1/97                  |
| East Syracuse           | NY                       | 250,609                 | 466,264  | None   | None  | 250,609  | 466,264  | 716,873   | 331,813                                 | 3/1/97                  |
| Freeport                | NY                       | 134,828                 | 251,894  | None   | None  | 134,828  | 251,894  | 386,722   | 93,620                                  | 9/1/97                  |
| Johnson City            | NY                       | 242,863                 | 451,877  | None   | None  | 242,863  | 451,877  | 694,740   | 321,575                                 | 3/1/97                  |
| Queens<br>Village       | NY                       | 242,775                 | 451,749  | None   | None  | 242,775  | 451,749  | 694,524   | 167,900                                 | 9/1/97                  |
| Riverhead               | NY                       | 143,929                 | 268,795  | None   | None  | 143,929  | 268,795  | 412,724   | 99,902                                  | 9/1/97                  |
| West Amherst            | NY                       | 268,692                 | 499,619  | None   | None  | 268,692  | 499,619  | 768,311   | 355,554                                 | 3/1/97                  |
| Beavercreek<br>Canal    | OH                       | 205,000                 | 492,538  | None   | None  | 205,000  | 492,538  | 697,538   | 389,925                                 | 2/13/1997               |
| Canal                   | OH                       | 443,751                 | 825,491  | None   | None  | 443,751  | 825,491  | 1,269,242 | 461,945                                 | 12/19/2002              |
| Winchester              |                          |                         |  |  |       |  |  |           |   |                         |
| Centerville             | OH                       | 305,000                 | 420,448  | None   | None  | 305,000  | 420,448  | 725,448   | 344,067                                 | 7/24/1996               |
| Cincinnati              | OH                       | 211,185                 | 392,210  | None   | None  | 211,185  | 392,210  | 603,395   | 205,910                                 | 1/1/97                  |
| Cincinnati              | OH                       | 305,556                 | 244,662  | None   | None  | 305,556  | 244,662  | 550,218   | 120,292                                 | 9/1/97                  |
| Cincinnati              | OH                       | 589,286                 | 160,932  | None   | None  | 589,286  | 160,932  | 750,218   | 79,124                                  | 9/1/97                  |
| Cincinnati              | OH                       | 159,375                 | 265,842  | None   | None  | 159,375  | 265,842  | 425,217   | 130,705                                 | 9/1/97                  |
| Cincinnati              | OH                       | 350,000                 | 300,217  | None   | None  | 350,000  | 300,217  | 650,217   | 144,605                                 | 12/1/97                 |
| Cleveland               | OH                       | 337,593                 | 451,944  | None   | None  | 337,593  | 451,944  | 789,537   | 246,309                                 | 5/1/97                  |
| Cleveland               | OH                       | 317,308                 | 307,842  | None   | None  | 317,308  | 307,842  | 625,150   | 151,355                                 | 9/1/97                  |
| Columbus                | OH                       | 71,098                  | 329,627  | None   | None  | 71,098   | 329,627  | 400,725   | 329,627                                 | 10/1/97                 |
| Columbus                | OH                       | 75,761                  | 351,247  | None   | None  | 75,761   | 351,247  | 427,008   | 351,247                                 | 10/1/97                 |
| Columbus                | OH                       | 432,110                 | 386,553  | None   | None  | 432,110  | 386,553  | 818,663   | 210,670                                 | 5/1/97                  |
| Columbus                | OH                       | 466,696                 | 548,133  | None   | None  | 466,696  | 548,133  | 1,014,829 | 298,731                                 | 5/1/97                  |
| Columbus                | OH                       | 337,679                 | 272,484  | None   | None  | 337,679  | 272,484  | 610,163   | 133,971                                 | 9/1/97                  |
| Columbus                | OH                       | 190,000                 | 260,162  | None   | None  | 190,000  | 260,162  | 450,162   | 127,913                                 | 9/1/97                  |
| Columbus                | OH                       | 371,429                 | 278,734  | None   | None  | 371,429  | 278,734  | 650,163   | 137,044                                 | 9/1/97                  |
| Cuyahoga<br>Falls       | OH                       | 253,750                 | 271,400  | None   | None  | 253,750  | 271,400  | 525,150   | 133,438                                 | 9/1/97                  |
| Dayton                  | OH                       | 70,000                  | 324,538  | None   | None  | 70,000   | 324,538  | 394,538   | 324,538                                 | 10/1/97                 |
| Dayton                  | OH                       | 349,091                 | 251,127  | None   | None  | 349,091  | 251,127  | 600,218   | 123,470                                 | 9/1/97                  |
| Dublin                  | OH                       | 437,887                 | 428,046  | None   | None  | 437,887  | 428,046  | 865,933   | 233,284                                 | 5/1/97                  |
| Fairfield               | OH                       | 323,408                 | 235,024  | 44,232   | 3,330 | 323,408  | 282,586  | 605,994   | 206,062                                 | 9/1/97                  |
| Fairlawn                | OH                       | 280,000                 | 270,150  | None   | None  | 280,000  | 270,150  | 550,150   | 132,823                                 | 9/1/97                  |

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|                |    |           |           |         |        |           |           |           |         |           |    |
|----------------|----|-----------|-----------|---------|--------|-----------|-----------|-----------|---------|-----------|----|
| Findlay        | OH | 283,515   | 397,004   | None    | 16,801 | 283,515   | 413,805   | 697,320   | 303,490 |           | 12 |
| Hamilton       | OH | 252,608   | 413,279   | None    | None   | 252,608   | 413,279   | 665,887   | 323,043 | 3/31/1997 | 10 |
| Huber Heights  | OH | 282,000   | 449,381   | None    | None   | 282,000   | 449,381   | 731,381   | 358,755 | 12/3/1996 | 7  |
| Lima           | OH | 241,132   | 114,085   | None    | None   | 241,132   | 114,085   | 355,217   | 56,092  |           | 9  |
| Marion         | OH | 100,000   | 275,162   | None    | None   | 100,000   | 275,162   | 375,162   | 132,536 |           | 12 |
| Mason          | OH | 310,990   | 405,373   | None    | None   | 310,990   | 405,373   | 716,363   | 220,928 |           | 5  |
| Mount Vernon   | OH | 216,115   | 375,357   | None    | 114    | 216,115   | 375,471   | 591,586   | 286,011 |           | 12 |
| Norwalk        | OH | 200,205   | 366,000   | None    | 114    | 200,205   | 366,114   | 566,319   | 278,882 |           | 12 |
| Parma          | OH | 268,966   | 381,184   | None    | None   | 268,966   | 381,184   | 650,150   | 187,415 |           | 9  |
| Reynoldsborg   | OH | 267,750   | 497,371   | None    | None   | 267,750   | 497,371   | 765,121   | 244,541 |           | 9  |
| Reynoldsborg   | OH | 374,000   | 176,162   | None    | None   | 374,000   | 176,162   | 550,162   | 86,613  |           | 9  |
| Sandusky       | OH | 264,708   | 404,011   | None    | 114    | 264,708   | 404,125   | 668,833   | 307,839 |           | 12 |
| Solon          | OH | 794,305   | 222,797   | None    | None   | 794,305   | 222,797   | 1,017,102 | 121,425 |           | 5  |
| Springboro     | OH | 191,911   | 522,902   | None    | None   | 191,911   | 522,902   | 714,813   | 413,805 |           | 3  |
| Springfield    | OH | 320,000   | 280,217   | None    | None   | 320,000   | 280,217   | 600,217   | 137,773 |           | 9  |
| Springfield    | OH | 189,091   | 136,127   | None    | None   | 189,091   | 136,127   | 325,218   | 66,928  |           | 9  |
| Stow           | OH | 310,000   | 415,150   | None    | None   | 310,000   | 415,150   | 725,150   | 204,115 |           | 9  |
| Toledo         | OH | 120,000   | 230,217   | None    | None   | 120,000   | 230,217   | 350,217   | 113,190 |           | 9  |
| Toledo         | OH | 250,000   | 175,217   | None    | None   | 250,000   | 175,217   | 425,217   | 86,148  |           | 9  |
| Toledo         | OH | 320,000   | 280,217   | None    | None   | 320,000   | 280,217   | 600,217   | 137,773 |           | 9  |
| Toledo         | OH | 250,000   | 530,217   | None    | None   | 250,000   | 530,217   | 780,217   | 260,690 |           | 9  |
| West Chester   | OH | 446,449   | 768,644   | None    | None   | 446,449   | 768,644   | 1,215,093 | 412,891 | 6/27/2003 | 3  |
| Willowick      | OH | 321,347   | 459,774   | None    | None   | 321,347   | 459,774   | 781,121   | 386,976 |           | 12 |
| Zanesville     | OH | 125,000   | 300,162   | None    | None   | 125,000   | 300,162   | 425,162   | 147,579 |           | 9  |
| Midwest City   | OK | 106,312   | 333,551   | None    | 5      | 106,312   | 333,556   | 439,868   | 245,246 | 8/6/1998  | 8  |
| Tulsa          | OK | 133,648   | 249,702   | None    | None   | 133,648   | 249,702   | 383,350   | 92,806  |           | 9  |
| Portland       | OR | 251,499   | 345,952   | None    | 58     | 251,499   | 346,010   | 597,509   | 197,232 |           | 9  |
| Salem          | OR | 337,711   | 253,855   | None    | 58     | 337,711   | 253,913   | 591,624   | 148,543 |           | 5  |
| Bethel Park    | PA | 299,595   | 331,264   | None    | 114    | 299,595   | 331,378   | 630,973   | 252,434 |           | 12 |
| Bethlehem      | PA | 275,328   | 389,067   | None    | 172    | 275,328   | 389,239   | 664,567   | 296,517 |           | 12 |
| Bethlehem      | PA | 229,162   | 310,526   | None    | 172    | 229,162   | 310,698   | 539,860   | 236,685 |           | 12 |
| Bridgeville    | PA | 275,000   | 375,150   | None    | None   | 275,000   | 375,150   | 650,150   | 184,448 |           | 9  |
| Coraopolis     | PA | 225,000   | 375,150   | None    | None   | 225,000   | 375,150   | 600,150   | 184,448 |           | 9  |
| Harrisburg     | PA | 131,529   | 220,317   | (2,515) | None   | 129,014   | 220,317   | 349,331   | 128,882 |           | 5  |
| Monroeville    | PA | 275,000   | 250,150   | None    | None   | 275,000   | 250,150   | 525,150   | 122,990 |           | 9  |
| North Wales    | PA | 2,813,873 | 4,379,809 | None    | None   | 2,813,873 | 4,379,809 | 7,193,682 | 693,470 |           | 1  |
| Pittsburgh     | PA | 378,715   | 685,374   | None    | None   | 378,715   | 685,374   | 1,064,089 | 388,732 | 8/22/2002 | 1  |
| Pittsburgh     | PA | 219,938   | 408,466   | None    | None   | 219,938   | 408,466   | 628,404   | 214,445 |           | 1  |
| Pittsburgh     | PA | 175,000   | 300,150   | None    | None   | 175,000   | 300,150   | 475,150   | 147,573 |           | 9  |
| Pittsburgh     | PA | 243,750   | 406,400   | None    | None   | 243,750   | 406,400   | 650,150   | 199,813 |           | 9  |
| Pittsburgh     | PA | 208,333   | 416,817   | None    | None   | 208,333   | 416,817   | 625,150   | 204,934 |           | 9  |
| Pittsburgh     | PA | 121,429   | 303,721   | None    | None   | 121,429   | 303,721   | 425,150   | 149,329 |           | 9  |
| Warminster     | PA | 323,847   | 216,999   | (3,929) | None   | 319,918   | 216,999   | 536,917   | 126,941 |           | 5  |
| Wexford        | PA | 284,375   | 240,775   | None    | None   | 284,375   | 240,775   | 525,150   | 118,381 |           | 9  |
| York           | PA | 249,436   | 347,424   | None    | 172    | 249,436   | 347,596   | 597,032   | 264,794 |           | 12 |
| Charleston     | SC | 217,250   | 294,079   | 6,700   | 159    | 217,250   | 300,938   | 518,188   | 231,231 | 7/14/1997 | 3  |
| Columbia       | SC | 267,622   | 298,594   | 4,116   | None   | 267,622   | 302,710   | 570,332   | 224,576 | 3/31/1998 | 1  |
| Greenville     | SC | 221,946   | 315,163   | None    | None   | 221,946   | 315,163   | 537,109   | 242,122 | 9/5/1997  | 3  |
| Lexington      | SC | 241,534   | 342,182   | None    | None   | 241,534   | 342,182   | 583,716   | 242,523 |           | 9  |
| North          | SC | 174,980   | 341,466   | 14,074  | 153    | 174,980   | 355,693   | 530,673   | 256,427 | 8/6/1998  | 3  |
| Charleston     |    |           |           |         |        |           |           |           |         |           |    |
| Sioux Falls    | SD | 48,833    | 91,572    | None    | None   | 48,833    | 91,572    | 140,405   | 34,034  |           | 9  |
| Antioch        | TN | 400,000   | 781,228   | None    | None   | 400,000   | 781,228   | 1,181,228 | 55,988  |           | 3  |
| Brentwood      | TN | 305,546   | 505,728   | None    | None   | 305,546   | 505,728   | 811,274   | 383,503 | 3/13/1998 | 5  |
| Columbia       | TN | 540,000   | 749,813   | None    | None   | 540,000   | 749,813   | 1,289,813 | 53,737  |           | 3  |
| Gallatin       | TN | 720,000   | 862,737   | None    | None   | 720,000   | 862,737   | 1,582,737 | 61,829  |           | 3  |
| Hendersonville | TN | 175,764   | 327,096   | None    | None   | 175,764   | 327,096   | 502,860   | 182,629 |           | 1  |
| Hendersonville | TN | 680,000   | 972,437   | None    | None   | 680,000   | 972,437   | 1,652,437 | 69,691  |           | 3  |
| Hermitage      | TN | 204,296   | 172,695   | None    | None   | 204,296   | 172,695   | 376,991   | 101,025 |           | 5  |
| Hermitage      | TN | 480,000   | 789,017   | None    | None   | 480,000   | 789,017   | 1,269,017 | 56,546  |           | 3  |
| Madison        | TN | 175,769   | 327,068   | None    | None   | 175,769   | 327,068   | 502,837   | 182,613 |           | 1  |
| Memphis        | TN | 108,094   | 217,079   | None    | None   | 108,094   | 217,079   | 325,173   | 126,989 |           | 5  |
| Memphis        | TN | 214,110   | 193,591   | None    | None   | 214,110   | 193,591   | 407,701   | 113,248 |           | 5  |
| Memphis        | TN | 215,017   | 216,794   | None    | None   | 215,017   | 216,794   | 431,811   | 126,102 |           | 6  |
| Mount Juliet   | TN | 540,000   | 929,909   | None    | None   | 540,000   | 929,909   | 1,469,909 | 66,643  |           | 3  |
| Murfreesboro   | TN | 150,411   | 215,528   | None    | None   | 150,411   | 215,528   | 365,939   | 126,082 |           | 5  |
| Murfreesboro   | TN | 563,164   | 814,275   | None    | None   | 563,164   | 814,275   | 1,377,439 | 58,356  |           | 3  |
| Murfreesboro   | TN | 550,000   | 851,709   | None    | None   | 550,000   | 851,709   | 1,401,709 | 61,039  |           | 3  |
| Nashville      | TN | 342,960   | 227,440   | None    | None   | 342,960   | 227,440   | 570,400   | 175,458 |           | 9  |
| Nashville      | TN | 600,000   | 752,612   | None    | None   | 600,000   | 752,612   | 1,352,612 | 53,937  |           | 3  |

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|                  |    |         |           |      |      |         |           |           |         |    |
|------------------|----|---------|-----------|------|------|---------|-----------|-----------|---------|----|
| Nashville        | TN | 510,210 | 792,902   | None | None | 510,210 | 792,902   | 1,303,112 | 56,825  | 3/ |
| Nashville        | TN | 568,793 | 822,413   | None | None | 568,793 | 822,413   | 1,391,206 | 58,940  | 3/ |
| Smyrna           | TN | 560,000 | 874,142   | None | None | 560,000 | 874,142   | 1,434,142 | 62,647  | 3/ |
| Carrollton       | TX | 174,284 | 98,623    | None | None | 174,284 | 98,623    | 272,907   | 57,692  | 5/ |
| Carrollton       | TX | 177,041 | 199,088   | None | None | 177,041 | 199,088   | 376,129   | 116,465 | 5/ |
| Copperas<br>Cove | TX | 820,000 | 1,069,475 | None | None | 820,000 | 1,069,475 | 1,889,475 | 16,042  | 8  |

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REALTY INCOME CORPORATION AND SUBSIDIARIES

SCHEDULE III REAL ESTATE AND ACCUMULATED DEPRECIATION

AS OF DECEMBER 31, 2016

| Description<br>(Note 1)             | Encumbrances<br>(Note 2) | Initial Cost to Company |  | Cost Capitalized<br>Subsequent<br>to Acquisition |                   | Gross Amount at Which Carried<br>at Close of Period (Notes 3, 4, 6 and<br>7) |  |           | Accumulated<br>Depreciation<br>(Note 5) | Date of<br>Construction | Ac  |
|-------------------------------------|--------------------------|-------------------------|--|--|-------------------|--|--|-----------|---|-------------------------|-----|
|                                     |                          | Land                    | Buildings,<br>Improvements<br>and<br>Acquisition<br>Fees | Improvements                                     | Carrying<br>Costs | Land   | Buildings,<br>Improvements<br>and<br>Acquisition<br>Fees | Total     |   |                         |     |
| Dallas TX                           |                          | 234,604                 | 325,951  | 12,719   | 15,373            | 234,604  | 354,043  | 588,647   | 278,429                                 | 8/9/1996                | 2/1 |
| Fort Worth TX                       |                          | 83,530                  | 111,960  | None   | None              | 83,530   | 111,960  | 195,490   | 65,495                                  |                         | 5/1 |
| Houston TX                          |                          | 285,000                 | 369,697  | None   | 234               | 285,000  | 369,931  | 654,931   | 284,228                                 | 8/8/1997                | 8/8 |
| Houston TX                          |                          | 2,350,000               | 1,115,798  | None   | None              | 2,350,000  | 1,115,798  | 3,465,798 | 31,614                                  |                         | 4/5 |
| Humble TX                           |                          | 257,169                 | 325,652  | None   | None              | 257,169  | 325,652  | 582,821   | 190,504                                 |                         | 5/1 |
| Killeen TX                          |                          | 710,000                 | 991,863  | None   | None              | 710,000  | 991,863  | 1,701,863 | 14,878                                  |                         | 8/5 |
| Killeen TX                          |                          | 210,000                 | 1,596,000  | None   | None              | 210,000  | 1,596,000  | 1,806,000 | 23,940                                  |                         | 8/5 |
| Lake Jackson TX                     |                          | 197,170                 | 256,376  | None   | None              | 197,170  | 256,376  | 453,546   | 149,978                                 |                         | 5/1 |
| Lewisville TX                       |                          | 199,942                 | 324,736  | None   | None              | 199,942  | 324,736  | 524,678   | 264,659                                 | 8/2/1996                | 2/1 |
| Lewisville TX                       |                          | 130,238                 | 207,683  | None   | None              | 130,238  | 207,683  | 337,921   | 120,803                                 |                         | 6/2 |
| Pflugerville TX                     |                          | 410,000                 | 1,356,656  | None   | None              | 410,000  | 1,356,656  | 1,766,656 | 20,350                                  |                         | 8/5 |
| Temple TX                           |                          | 530,000                 | 1,453,900  | None   | None              | 530,000  | 1,453,900  | 1,983,900 | 21,809                                  |                         | 8/5 |
| Waco TX                             |                          | 232,105                 | 431,053  | None   | None              | 232,105  | 431,053  | 663,158   | 117,103                                 |                         | 3/2 |
| American Fork UT                    |                          | 849,848                 | 2,561,827  | None   | None              | 849,848  | 2,561,827  | 3,411,675 | 337,307                                 |                         | 9/2 |
| Cottonwood Hghts UT                 |                          | 720,000                 | 1,734,194  | None   | None              | 720,000  | 1,734,194  | 2,454,194 | 31,794                                  |                         | 7/2 |
| Draper UT                           |                          | 1,220,000               | 1,574,521  | None   | None              | 1,220,000  | 1,574,521  | 2,794,521 | 28,866                                  |                         | 7/2 |
| Layton UT                           |                          | 390,000                 | 1,575,711  | None   | None              | 390,000  | 1,575,711  | 1,965,711 | 128,683                                 |                         | 12/ |
| Park City UT                        |                          | 780,000                 | 1,082,808  | None   | None              | 780,000  | 1,082,808  | 1,862,808 | 88,429                                  |                         | 12/ |
| South Jordan UT                     |                          | 1,620,150               | 1,879,850  | None   | None              | 1,620,150  | 1,879,850  | 3,500,000 | 241,247                                 |                         | 10/ |
| Richmond VA                         |                          | 403,549                 | 876,981  | None   | None              | 403,549  | 876,981  | 1,280,530 | 453,508                                 | 7/8/2004                | 10/ |
| Roanoke VA                          |                          | 349,628                 | 322,545  | None   | 153               | 349,628  | 322,698  | 672,326   | 245,830                                 |                         | 12/ |
| Warrenton VA                        |                          | 186,723                 | 241,173  | None   | None              | 186,723  | 241,173  | 427,896   | 141,083                                 |                         | 5/1 |
| Bremerton WA                        |                          | 261,172                 | 373,080  | None   | 2,621             | 261,172  | 375,701  | 636,873   | 302,558                                 | 3/19/1997               | 7/2 |
| Tacoma WA                           |                          | 109,127                 | 202,691  | None   | None              | 109,127  | 202,691  | 311,818   | 75,333                                  |                         | 9/4 |
| Cudahy WI                           |                          | 470,000                 | 1,208,890  | None   | None              | 470,000  | 1,208,890  | 1,678,890 | 22,163                                  |                         | 7/1 |
| Franklin WI                         |                          | 1,090,000               | 2,175,218  | None   | None              | 1,090,000  | 2,175,218  | 3,265,218 | 39,879                                  |                         | 7/1 |
| Menomonee Falls WI                  |                          | 1,280,000               | 1,892,112  | None   | None              | 1,280,000  | 1,892,112  | 3,172,112 | 34,689                                  |                         | 7/1 |
| Milwaukee WI                        |                          | 173,005                 | 499,244  | None   | None              | 173,005  | 499,244  | 672,249   | 420,197                                 |                         | 12/ |
| Milwaukee WI                        |                          | 152,509                 | 475,480  | None   | None              | 152,509  | 475,480  | 627,989   | 385,931                                 |                         | 9/2 |
| Mount Pleasant WI                   |                          | 184,002                 | 114,167  | None   | None              | 184,002  | 114,167  | 298,169   | 66,786                                  |                         | 5/1 |
| New Berlin WI                       |                          | 188,491                 | 466,268  | 55,866   | 507               | 188,491  | 522,641  | 711,132   | 397,494                                 |                         | 12/ |
| Oshkosh WI                          |                          | 150,000                 | 820,494  | None   | None              | 150,000  | 820,494  | 970,494   | 15,042                                  |                         | 7/1 |
| West Milwaukee WI                   |                          | 780,000                 | 1,747,681  | None   | None              | 780,000  | 1,747,681  | 2,527,681 | 32,041                                  |                         | 7/1 |
| <u>Automotive<br/>tire services</u> |                          |                         |  |  |                   |  |  |           |   |                         |     |
| Athens AL                           |                          | 760,031                 | 1,413,494  | None   | None              | 760,031  | 1,413,494  | 2,173,525 | 572,461                                 |                         | 11/ |

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|                   |    |           |           |        |        |           |           |           |         |            |      |
|-------------------|----|-----------|-----------|--------|--------|-----------|-----------|-----------|---------|------------|------|
| Auburn            | AL | 660,210   | 1,228,112 | None   | None   | 660,210   | 1,228,112 | 1,888,322 | 497,381 |            | 11/2 |
| Birmingham        | AL | 635,111   | 1,180,909 | None   | None   | 635,111   | 1,180,909 | 1,816,020 | 478,264 |            | 11/2 |
| Birmingham        | AL | 620,270   | 1,153,493 | None   | None   | 620,270   | 1,153,493 | 1,773,763 | 467,161 |            | 11/2 |
| Daphne            | AL | 876,139   | 1,629,123 | None   | None   | 876,139   | 1,629,123 | 2,505,262 | 659,791 |            | 11/2 |
| Decatur           | AL | 635,111   | 1,181,499 | None   | None   | 635,111   | 1,181,499 | 1,816,610 | 478,503 |            | 11/2 |
| Dothan            | AL | 455,651   | 565,343   | None   | None   | 455,651   | 565,343   | 1,020,994 | 184,296 | 10/17/2008 | 6/1  |
| Foley             | AL | 870,031   | 1,617,357 | None   | None   | 870,031   | 1,617,357 | 2,487,388 | 655,025 |            | 11/2 |
| Gardendale        | AL | 610,055   | 1,134,554 | None   | None   | 610,055   | 1,134,554 | 1,744,609 | 459,119 |            | 11/2 |
| Hoover            | AL | 504,396   | 938,299   | None   | None   | 504,396   | 938,299   | 1,442,695 | 380,007 |            | 11/2 |
| Huntsville        | AL | 499,843   | 929,863   | None   | None   | 499,843   | 929,863   | 1,429,706 | 376,591 |            | 11/2 |
| Huntsville        | AL | 635,111   | 1,181,499 | None   | None   | 635,111   | 1,181,499 | 1,816,610 | 478,503 |            | 11/2 |
| Madison           | AL | 635,111   | 1,181,532 | None   | None   | 635,111   | 1,181,532 | 1,816,643 | 478,516 |            | 11/2 |
| Mobile            | AL | 635,111   | 1,181,499 | None   | None   | 635,111   | 1,181,499 | 1,816,610 | 478,503 |            | 11/2 |
| Mobile            | AL | 525,750   | 977,810   | None   | None   | 525,750   | 977,810   | 1,503,560 | 396,009 |            | 11/2 |
| Montgomery        | AL | 544,181   | 654,046   | None   | None   | 544,181   | 654,046   | 1,198,227 | 224,109 |            | 1/2  |
| Orange Beach      | AL | 630,244   | 1,172,036 | None   | None   | 630,244   | 1,172,036 | 1,802,280 | 474,671 |            | 11/2 |
| Pelham            | AL | 635,111   | 1,180,909 | None   | None   | 635,111   | 1,180,909 | 1,816,020 | 478,264 |            | 11/2 |
| Phenix City       | AL | 630,244   | 1,172,024 | None   | None   | 630,244   | 1,172,024 | 1,802,268 | 474,666 |            | 11/2 |
| Benton            | AR | 976,474   | 2,016,354 | None   | None   | 976,474   | 2,016,354 | 2,992,828 | 319,256 |            | 1/2  |
| Tucson            | AZ | 178,297   | 396,004   | None   | None   | 178,297   | 396,004   | 574,301   | 396,004 |            | 1/1  |
| Arvada            | CO | 301,489   | 931,092   | None   | None   | 301,489   | 931,092   | 1,232,581 | 600,592 | 9/22/2000  | 11/1 |
| Aurora            | CO | 221,691   | 492,382   | None   | None   | 221,691   | 492,382   | 714,073   | 492,382 |            | 1/2  |
| Aurora            | CO | 353,283   | 1,135,051 | None   | 411    | 353,283   | 1,135,462 | 1,488,745 | 717,040 | 1/3/2001   | 3/1  |
| Colorado Springs  | CO | 280,193   | 622,317   | None   | None   | 280,193   | 622,317   | 902,510   | 622,317 |            | 1/2  |
| Colorado Springs  | CO | 192,988   | 433,542   | None   | None   | 192,988   | 433,542   | 626,530   | 414,118 |            | 5/2  |
| Denver            | CO | 688,292   | 1,331,224 | None   | None   | 688,292   | 1,331,224 | 2,019,516 | 745,260 | 1/10/2003  | 5/3  |
| Grand Junction    | CO | 1,121,415 | 2,315,649 | None   | None   | 1,121,415 | 2,315,649 | 3,437,064 | 366,645 |            | 1/2  |
| Westminster       | CO | 526,620   | 1,099,523 | None   | None   | 526,620   | 1,099,523 | 1,626,143 | 694,567 | 1/12/2001  | 1/1  |
| Destin            | FL | 1,034,411 | 1,922,591 | None   | None   | 1,034,411 | 1,922,591 | 2,957,002 | 778,645 |            | 11/2 |
| Fort Walton Beach | FL | 635,111   | 1,181,032 | None   | None   | 635,111   | 1,181,032 | 1,816,143 | 478,314 |            | 11/2 |
| Fort Walton Beach | FL | 635,111   | 1,181,032 | None   | None   | 635,111   | 1,181,032 | 1,816,143 | 478,314 |            | 11/2 |
| Lakeland          | FL | 500,000   | 645,402   | None   | None   | 500,000   | 645,402   | 1,145,402 | 472,408 | 6/4/1998   | 12/3 |
| Middleburg        | FL | 1,167,247 | 2,410,289 | 5,843  | None   | 1,167,247 | 2,416,132 | 3,583,379 | 385,288 |            | 1/2  |
| Milton            | FL | 635,111   | 1,181,145 | None   | None   | 635,111   | 1,181,145 | 1,816,256 | 478,360 |            | 11/2 |
| Niceville         | FL | 920,803   | 1,711,621 | None   | None   | 920,803   | 1,711,621 | 2,632,424 | 693,203 |            | 11/2 |
| Orlando           | FL | 635,111   | 1,181,076 | None   | None   | 635,111   | 1,181,076 | 1,816,187 | 478,332 |            | 11/2 |
| Orlando           | FL | 630,244   | 1,172,023 | None   | None   | 630,244   | 1,172,023 | 1,802,267 | 474,666 |            | 11/2 |
| Oviedo            | FL | 971,996   | 1,806,780 | None   | None   | 971,996   | 1,806,780 | 2,778,776 | 731,742 |            | 11/2 |
| Pace              | FL | 630,244   | 1,171,993 | None   | None   | 630,244   | 1,171,993 | 1,802,237 | 474,653 |            | 11/2 |
| Panama City       | FL | 635,111   | 1,181,076 | None   | None   | 635,111   | 1,181,076 | 1,816,187 | 478,332 |            | 11/2 |
| Pensacola         | FL | 635,111   | 1,181,063 | None   | None   | 635,111   | 1,181,063 | 1,816,174 | 478,326 |            | 11/2 |
| Pensacola         | FL | 588,305   | 1,094,130 | None   | None   | 588,305   | 1,094,130 | 1,682,435 | 443,119 |            | 11/2 |
| Saint Cloud       | FL | 525,207   | 976,968   | None   | None   | 525,207   | 976,968   | 1,502,175 | 395,668 |            | 11/2 |
| Sanford           | FL | 630,244   | 1,172,023 | None   | None   | 630,244   | 1,172,023 | 1,802,267 | 474,666 |            | 11/2 |
| Tallahassee       | FL | 419,902   | 781,405   | None   | None   | 419,902   | 781,405   | 1,201,307 | 316,465 |            | 11/2 |
| Tallahassee       | FL | 611,916   | 1,137,986 | None   | None   | 611,916   | 1,137,986 | 1,749,902 | 460,880 |            | 11/2 |
| Tampa             | FL | 427,395   | 472,030   | None   | None   | 427,395   | 472,030   | 899,425   | 345,528 | 6/10/1998  | 12/2 |
| Union Park        | FL | 1,004,103 | 1,866,287 | None   | None   | 1,004,103 | 1,866,287 | 2,870,390 | 755,842 |            | 11/2 |
| Alpharetta        | GA | 630,244   | 1,171,870 | None   | None   | 630,244   | 1,171,870 | 1,802,114 | 474,603 |            | 11/2 |
| Atlanta           | GA | 55,840    | 258,889   | 16,005 | 14,141 | 55,840    | 289,035   | 344,875   | 280,562 |            | 11/2 |
| Canton            | GA | 1,010,000 | 1,352,903 | None   | None   | 1,010,000 | 1,352,903 | 2,362,903 | 137,545 |            | 6/3  |
| Columbus          | GA | 630,244   | 1,171,988 | None   | None   | 630,244   | 1,171,988 | 1,802,232 | 474,651 |            | 11/2 |
| Conyers           | GA | 531,935   | 1,180,296 | None   | None   | 531,935   | 1,180,296 | 1,712,231 | 694,093 | 3/28/2002  | 11/1 |
| Conyers           | GA | 635,111   | 1,181,027 | None   | None   | 635,111   | 1,181,027 | 1,816,138 | 478,312 |            | 11/2 |
| Douglasville      | GA | 795,842   | 1,643,361 | None   | None   | 795,842   | 1,643,361 | 2,439,203 | 260,199 |            | 1/2  |
| Duluth            | GA | 638,509   | 1,186,594 | None   | None   | 638,509   | 1,186,594 | 1,825,103 | 622,958 |            | 11/2 |
| Hiram             | GA | 635,111   | 1,181,017 | None   | None   | 635,111   | 1,181,017 | 1,816,128 | 478,308 |            | 11/2 |
| Kennesaw          | GA | 519,903   | 967,180   | None   | None   | 519,903   | 967,180   | 1,487,083 | 391,704 |            | 11/2 |
| Kennesaw          | GA | 659,964   | 1,827,997 | None   | None   | 659,964   | 1,827,997 | 2,487,961 | 289,433 |            | 1/2  |
| Lawrenceville     | GA | 635,111   | 1,181,137 | None   | None   | 635,111   | 1,181,137 | 1,816,248 | 478,357 |            | 11/2 |
| Lilburn           | GA | 994,894   | 1,807,565 | None   | None   | 994,894   | 1,807,565 | 2,802,459 | 286,198 |            | 1/2  |
| Marietta          | GA | 500,293   | 930,657   | None   | None   | 500,293   | 930,657   | 1,430,950 | 376,912 |            | 11/2 |
| McDonough         | GA | 635,111   | 1,181,032 | None   | None   | 635,111   | 1,181,032 | 1,816,143 | 478,314 |            | 11/2 |
| McDonough         | GA | 910,000   | 1,400,696 | None   | None   | 910,000   | 1,400,696 | 2,310,696 | 142,404 |            | 6/3  |

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|                  |    |           |           |       |       |           |           |           |           |      |
|------------------|----|-----------|-----------|-------|-------|-----------|-----------|-----------|-----------|------|
| Peachtree City   | GA | 625,316   | 1,162,827 | None  | None  | 625,316   | 1,162,827 | 1,788,143 | 470,941   | 11/2 |
| Roswell          | GA | 515,617   | 959,138   | None  | None  | 515,617   | 959,138   | 1,474,755 | 388,447   | 11/2 |
| Sandy Springs    | GA | 586,211   | 1,090,241 | None  | None  | 586,211   | 1,090,241 | 1,676,452 | 441,543   | 11/2 |
| Stockbridge      | GA | 632,128   | 1,175,478 | None  | None  | 632,128   | 1,175,478 | 1,807,606 | 476,064   | 11/2 |
| Aurora           | IL | 513,204   | 953,885   | None  | None  | 513,204   | 953,885   | 1,467,089 | 500,786   | 11/2 |
| Joliet           | IL | 452,267   | 840,716   | None  | None  | 452,267   | 840,716   | 1,292,983 | 441,372   | 11/2 |
| Lombard          | IL | 428,170   | 795,965   | None  | 2,000 | 428,170   | 797,965   | 1,226,135 | 419,165   | 11/2 |
| Niles            | IL | 366,969   | 682,306   | None  | None  | 366,969   | 682,306   | 1,049,275 | 358,207   | 11/2 |
| Orland Park      | IL | 663,087   | 1,232,240 | None  | None  | 663,087   | 1,232,240 | 1,895,327 | 646,922   | 11/2 |
| Round Lake Beach | IL | 472,132   | 236,585   | None  | None  | 472,132   | 236,585   | 708,717   | 138,400   | 5/1  |
| Vernon Hills     | IL | 524,948   | 975,668   | None  | None  | 524,948   | 975,668   | 1,500,616 | 512,222   | 11/2 |
| West Dundee      | IL | 530,835   | 986,628   | None  | None  | 530,835   | 986,628   | 1,517,463 | 517,976   | 11/2 |
| Overland Park    | KS | 1,101,841 | 2,047,067 | None  | None  | 1,101,841 | 2,047,067 | 3,148,908 | 1,074,706 | 11/2 |
| Wichita          | KS | 935,607   | 1,989,962 | 6,300 | None  | 935,607   | 1,996,262 | 2,931,869 | 315,379   | 1/2  |



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REALTY INCOME CORPORATION AND SUBSIDIARIES

SCHEDULE III REAL ESTATE AND ACCUMULATED DEPRECIATION

AS OF DECEMBER 31, 2016

| Description<br>(Note 1) | Encumbrances<br>(Note 2) | Initial Cost to Company Buildings, Improvements and Acquisition |           |              |        | Cost Capitalized Subsequent to Acquisition |           | Gross Amount at Which Carried at Close of Period (Notes 3, 4, 6 and 7) |         |  | Accumulated Depreciation<br>(Note 5) | Date of Construction |
|-------------------------|--------------------------|---|-----------|--------------|--------|--|-----------|--|---------|--|--------------------------------------|----------------------|
|                         |                          | Land  | Fees      | Improvements | Costs  | Carrying                                   | Land      | Fees   | Total   |  |                                      |                      |
| Winchester              | KY                       | 355,474   | 929,177   | 20,045       | 22,464 | 355,474                                    | 971,686   | 1,327,160  | 706,882 |  |                                      |                      |
| Baton Rouge             | LA                       | 1,158,316   | 2,391,847 | None         | None   | 1,158,316                                  | 2,391,847 | 3,550,163  | 378,709 |  |                                      |                      |
| Allston                 | MA                       | 576,505   | 1,071,520 | None         | None   | 576,505                                    | 1,071,520 | 1,648,025  | 562,543 |  |                                      |                      |
| Billerica               | MA                       | 399,043   | 462,240   | None         | 172    | 399,043                                    | 462,412   | 861,455  | 364,473 |  |                                      |                      |
| Shrewsbury              | MA                       | 721,065   | 1,339,913 | None         | None   | 721,065                                    | 1,339,913 | 2,060,978  | 703,450 |  |                                      |                      |
| Waltham                 | MA                       | 338,955   | 630,279   | None         | None   | 338,955                                    | 630,279   | 969,234  | 330,893 |  |                                      |                      |
| Weymouth                | MA                       | 752,234   | 1,397,799 | None         | None   | 752,234                                    | 1,397,799 | 2,150,033  | 733,840 |  |                                      |                      |
| Woburn                  | MA                       | 676,968   | 1,258,018 | None         | None   | 676,968                                    | 1,258,018 | 1,934,986  | 660,455 |  |                                      |                      |
| Annapolis               | MD                       | 780,806   | 1,450,860 | None         | None   | 780,806                                    | 1,450,860 | 2,231,666  | 761,697 |  |                                      |                      |
| Bowie                   | MD                       | 734,558   | 1,364,970 | None         | None   | 734,558                                    | 1,364,970 | 2,099,528  | 716,605 |  |                                      |                      |
| Capitol Heights         | MD                       | 701,705   | 1,303,958 | None         | None   | 701,705                                    | 1,303,958 | 2,005,663  | 684,574 |  |                                      |                      |
| Germantown              | MD                       | 808,296   | 1,501,913 | None         | None   | 808,296                                    | 1,501,913 | 2,310,209  | 788,500 |  |                                      |                      |
| Waldorf                 | MD                       | 427,033   | 793,854   | None         | None   | 427,033                                    | 793,854   | 1,220,887  | 416,769 |  |                                      |                      |
| Eagan                   | MN                       | 902,443   | 845,536   | None         | None   | 902,443                                    | 845,536   | 1,747,979  | 621,494 |  | 6/19/1998                            |                      |
| Grandview               | MO                       | 347,150   | 711,024   | None         | None   | 347,150                                    | 711,024   | 1,058,174  | 520,266 |  | 8/20/1998                            |                      |
| Independence            | MO                       | 721,020   | 1,339,829 | None         | None   | 721,020                                    | 1,339,829 | 2,060,849  | 703,406 |  |                                      |                      |
| Lake Saint Louis        | MO                       | 1,222,303   | 2,019,908 | 57,356       | None   | 1,222,303                                  | 2,077,264 | 3,299,567  | 320,416 |  |                                      |                      |
| St. Louis               | MO                       | 386,112   | 717,856   | None         | None   | 386,112                                    | 717,856   | 1,103,968  | 376,870 |  |                                      |                      |
| Charlotte               | NC                       | 508,100   | 457,295   | None         | None   | 508,100                                    | 457,295   | 965,395  | 249,226 |  |                                      |                      |
| Charlotte               | NC                       | 181,662   | 338,164   | None         | None   | 181,662                                    | 338,164   | 519,826  | 177,532 |  |                                      |                      |
| Clemmons                | NC                       | 630,000   | 1,100,160 | None         | None   | 630,000                                    | 1,100,160 | 1,730,160  | 401,558 |  |                                      |                      |
| Jamestown               | NC                       | 650,000   | 857,823   | None         | None   | 650,000                                    | 857,823   | 1,507,823  | 313,105 |  |                                      |                      |
| Matthews                | NC                       | 489,063   | 909,052   | None         | None   | 489,063                                    | 909,052   | 1,398,115  | 477,248 |  |                                      |                      |
| Omaha                   | NE                       | 253,128   | 810,922   | None         | 32     | 253,128                                    | 810,954   | 1,064,082  | 560,965 |  | 7/22/1999                            |                      |
| Manchester              | NH                       | 722,532   | 1,342,636 | None         | None   | 722,532                                    | 1,342,636 | 2,065,168  | 704,880 |  |                                      |                      |
| Newington               | NH                       | 690,753   | 1,283,624 | None         | None   | 690,753                                    | 1,283,624 | 1,974,377  | 673,899 |  |                                      |                      |
| Salem                   | NH                       | 597,833   | 1,111,059 | None         | None   | 597,833                                    | 1,111,059 | 1,708,892  | 583,302 |  |                                      |                      |
| Deptford                | NJ                       | 619,376   | 1,151,062 | None         | None   | 619,376                                    | 1,151,062 | 1,770,438  | 604,303 |  |                                      |                      |
| Maple Shade             | NJ                       | 508,285   | 944,750   | None         | None   | 508,285                                    | 944,750   | 1,453,035  | 495,990 |  |                                      |                      |
| Northfield              | NJ                       | 1,364,997   | 2,361,337 | None         | None   | 1,364,997                                  | 2,361,337 | 3,726,334  | 373,878 |  |                                      |                      |
| Albuquerque             | NM                       | 1,210,015   | 2,498,602 | None         | None   | 1,210,015                                  | 2,498,602 | 3,708,617  | 395,612 |  |                                      |                      |
| Akron                   | OH                       | 242,133   | 450,467   | None         | None   | 242,133                                    | 450,467   | 692,600  | 236,491 |  |                                      |                      |
| Cambridge               | OH                       | 103,368   | 192,760   | None         | None   | 103,368                                    | 192,760   | 296,128  | 101,195 |  |                                      |                      |
| Canton                  | OH                       | 337,161   | 626,948   | None         | None   | 337,161                                    | 626,948   | 964,109  | 329,144 |  |                                      |                      |
| Cleveland               | OH                       | 582,107   | 1,081,848 | None         | None   | 582,107                                    | 1,081,848 | 1,663,955  | 567,966 |  |                                      |                      |
| Columbus                | OH                       | 385,878   | 717,422   | None         | None   | 385,878                                    | 717,422   | 1,103,300  | 376,643 |  |                                      |                      |
| Edmond                  | OK                       | 1,240,403   | 2,561,350 | None         | None   | 1,240,403                                  | 2,561,350 | 3,801,753  | 405,547 |  |                                      |                      |
| Oklahoma City           | OK                       | 509,370   | 752,691   | None         | None   | 509,370                                    | 752,691   | 1,262,061  | 528,309 |  | 4/14/1999                            |                      |
| Oklahoma City           | OK                       | 1,127,056   | 2,327,297 | 14,950       | None   | 1,127,056                                  | 2,342,247 | 3,469,303  | 368,644 |  |                                      |                      |
| Owasso                  | OK                       | 1,078,296   | 2,226,612 | 5,698        | None   | 1,078,296                                  | 2,232,310 | 3,310,606  | 356,998 |  |                                      |                      |
| Tulsa                   | OK                       | 964,367   | 1,996,137 | 5,993        | None   | 964,367                                    | 2,002,130 | 2,966,497  | 320,068 |  |                                      |                      |
| Yukon                   | OK                       | 1,173,070   | 2,422,313 | 10,243       | None   | 1,173,070                                  | 2,432,556 | 3,605,626  | 389,244 |  |                                      |                      |

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|                  |    |            |            |         |        |            |            |            |           |            |
|------------------|----|------------|------------|---------|--------|------------|------------|------------|-----------|------------|
| Greensburg       | PA | 594,891    | 1,105,589  | None    | None   | 594,891    | 1,105,589  | 1,700,480  | 580,430   |            |
| Lancaster        | PA | 431,050    | 801,313    | None    | None   | 431,050    | 801,313    | 1,232,363  | 420,685   |            |
| Mechanicsburg    | PA | 455,854    | 847,377    | None    | None   | 455,854    | 847,377    | 1,303,231  | 444,869   |            |
| Monroeville      | PA | 723,660    | 1,344,733  | None    | None   | 723,660    | 1,344,733  | 2,068,393  | 705,981   |            |
| Philadelphia     | PA | 334,939    | 622,821    | None    | None   | 334,939    | 622,821    | 957,760    | 326,977   |            |
| Pittsburgh       | PA | 384,756    | 715,339    | None    | None   | 384,756    | 715,339    | 1,100,095  | 375,549   |            |
| York             | PA | 389,291    | 723,760    | None    | None   | 389,291    | 723,760    | 1,113,051  | 379,970   |            |
| Columbia         | SC | 343,785    | 295,001    | 183,130 | None   | 343,785    | 478,131    | 821,916    | 405,919   | 5/27/1997  |
| Sioux Falls      | SD | 332,979    | 498,108    | None    | None   | 332,979    | 498,108    | 831,087    | 366,124   | 6/1/1999   |
| Goodlettsville   | TN | 601,306    | 1,117,504  | None    | None   | 601,306    | 1,117,504  | 1,718,810  | 586,685   |            |
| Hermitage        | TN | 560,443    | 1,011,799  | None    | None   | 560,443    | 1,011,799  | 1,572,242  | 583,267   | 10/15/2001 |
| Allen            | TX | 1,162,614  | 2,400,722  | 46,748  | None   | 1,162,614  | 2,447,470  | 3,610,084  | 392,386   |            |
| Arlington        | TX | 599,558    | 1,114,256  | None    | None   | 599,558    | 1,114,256  | 1,713,814  | 584,980   |            |
| Austin           | TX | 185,454    | 411,899    | None    | None   | 185,454    | 411,899    | 597,353    | 411,899   |            |
| Austin           | TX | 710,485    | 1,320,293  | None    | None   | 710,485    | 1,320,293  | 2,030,778  | 693,149   |            |
| Austin           | TX | 590,828    | 1,098,073  | None    | None   | 590,828    | 1,098,073  | 1,688,901  | 576,483   |            |
| Austin           | TX | 569,909    | 1,059,195  | None    | None   | 569,909    | 1,059,195  | 1,629,104  | 556,073   |            |
| Austin           | TX | 532,497    | 989,715    | None    | None   | 532,497    | 989,715    | 1,522,212  | 519,596   |            |
| Austin           | TX | 1,066,021  | 2,201,264  | None    | None   | 1,066,021  | 2,201,264  | 3,267,285  | 348,534   |            |
| Carrollton       | TX | 568,401    | 1,056,394  | None    | None   | 568,401    | 1,056,394  | 1,624,795  | 554,603   |            |
| Conroe           | TX | 396,068    | 736,346    | None    | None   | 396,068    | 736,346    | 1,132,414  | 386,577   |            |
| Crowley          | TX | 1,103,218  | 2,278,074  | None    | None   | 1,103,218  | 2,278,074  | 3,381,292  | 360,695   |            |
| Dallas           | TX | 191,267    | 424,811    | None    | None   | 191,267    | 424,811    | 616,078    | 424,811   |            |
| Fort Worth       | TX | 543,950    | 1,010,984  | None    | None   | 543,950    | 1,010,984  | 1,554,934  | 530,763   |            |
| Garland          | TX | 242,887    | 539,461    | 33,982  | 26,371 | 242,887    | 599,814    | 842,701    | 550,791   |            |
| Houston          | TX | 151,018    | 335,417    | None    | 58     | 151,018    | 335,475    | 486,493    | 335,444   |            |
| Houston          | TX | 392,113    | 729,002    | None    | None   | 392,113    | 729,002    | 1,121,115  | 382,722   |            |
| Houston          | TX | 1,030,379  | 1,914,353  | None    | None   | 1,030,379  | 1,914,353  | 2,944,732  | 1,005,031 |            |
| Houston          | TX | 619,101    | 1,150,551  | None    | None   | 619,101    | 1,150,551  | 1,769,652  | 604,035   |            |
| Houston          | TX | 642,495    | 1,193,997  | None    | None   | 642,495    | 1,193,997  | 1,836,492  | 626,844   |            |
| Houston          | TX | 872,866    | 1,621,829  | None    | None   | 872,866    | 1,621,829  | 2,494,695  | 851,456   |            |
| Humble           | TX | 612,414    | 1,138,132  | None    | None   | 612,414    | 1,138,132  | 1,750,546  | 597,515   |            |
| League City      | TX | 1,032,003  | 2,131,018  | None    | None   | 1,032,003  | 2,131,018  | 3,163,021  | 337,411   |            |
| Leon Valley      | TX | 178,221    | 395,834    | None    | None   | 178,221    | 395,834    | 574,055    | 395,834   |            |
| Leon Valley      | TX | 529,967    | 985,046    | None    | None   | 529,967    | 985,046    | 1,515,013  | 517,144   |            |
| Mesquite         | TX | 591,538    | 1,099,363  | None    | None   | 591,538    | 1,099,363  | 1,690,901  | 577,162   |            |
| Pasadena         | TX | 107,391    | 238,519    | None    | 58     | 107,391    | 238,577    | 345,968    | 238,546   |            |
| Pasadena         | TX | 147,535    | 274,521    | 10,646  | 11,252 | 147,535    | 296,419    | 443,954    | 205,160   |            |
| Pearland         | TX | 935,739    | 1,932,240  | None    | None   | 935,739    | 1,932,240  | 2,867,979  | 305,938   |            |
| Plano            | TX | 187,564    | 417,157    | 700     | 91     | 187,564    | 417,948    | 605,512    | 417,078   |            |
| Plano            | TX | 494,407    | 918,976    | None    | None   | 494,407    | 918,976    | 1,413,383  | 482,458   |            |
| Richardson       | TX | 555,188    | 1,031,855  | None    | None   | 555,188    | 1,031,855  | 1,587,043  | 541,720   |            |
| Rockwall         | TX | 1,178,158  | 2,432,819  | None    | None   | 1,178,158  | 2,432,819  | 3,610,977  | 385,196   |            |
| San Antonio      | TX | 245,164    | 544,518    | None    | None   | 245,164    | 544,518    | 789,682    | 544,518   |            |
| San Antonio      | TX | 688,249    | 1,278,967  | None    | None   | 688,249    | 1,278,967  | 1,967,216  | 671,454   |            |
| Stafford         | TX | 706,786    | 1,313,395  | None    | None   | 706,786    | 1,313,395  | 2,020,181  | 689,528   |            |
| Waco             | TX | 401,999    | 747,362    | None    | None   | 401,999    | 747,362    | 1,149,361  | 392,361   |            |
| Weatherford      | TX | 971,317    | 2,005,706  | None    | None   | 971,317    | 2,005,706  | 2,977,023  | 317,570   |            |
| Webster          | TX | 600,261    | 1,115,563  | None    | None   | 600,261    | 1,115,563  | 1,715,824  | 585,666   |            |
| Bountiful        | UT | 183,750    | 408,115    | None    | None   | 183,750    | 408,115    | 591,865    | 408,115   |            |
| Alexandria       | VA | 542,791    | 1,008,832  | None    | None   | 542,791    | 1,008,832  | 1,551,623  | 529,633   |            |
| Alexandria       | VA | 592,698    | 1,101,517  | None    | None   | 592,698    | 1,101,517  | 1,694,215  | 578,292   |            |
| Chesapeake       | VA | 770,000    | 1,112,334  | None    | None   | 770,000    | 1,112,334  | 1,882,334  | 406,002   |            |
| Chester          | VA | 1,204,525  | 2,487,265  | None    | None   | 1,204,525  | 2,487,265  | 3,691,790  | 393,817   |            |
| Lynchburg        | VA | 342,751    | 637,329    | None    | None   | 342,751    | 637,329    | 980,080    | 334,594   |            |
| Virginia Beach   | VA | 780,000    | 1,026,384  | None    | None   | 780,000    | 1,026,384  | 1,806,384  | 374,630   |            |
| Woodbridge       | VA | 774,854    | 1,439,806  | None    | None   | 774,854    | 1,439,806  | 2,214,660  | 755,894   |            |
| Lakewood         | WA | 187,111    | 415,579    | None    | None   | 187,111    | 415,579    | 602,690    | 415,579   |            |
| Brown Deer       | WI | 257,408    | 802,141    | None    | None   | 257,408    | 802,141    | 1,059,549  | 578,941   | 12/15/1998 |
| Delafield        | WI | 324,574    | 772,702    | None    | None   | 324,574    | 772,702    | 1,097,276  | 533,797   | 7/29/1999  |
| Madison          | WI | 452,630    | 811,977    | None    | None   | 452,630    | 811,977    | 1,264,607  | 591,446   | 10/20/1998 |
| Milwaukee        | WI | 1,304,098  | 2,692,877  | None    | None   | 1,304,098  | 2,692,877  | 3,996,975  | 426,372   |            |
| Oak Creek        | WI | 420,465    | 852,408    | None    | None   | 420,465    | 852,408    | 1,272,873  | 620,897   | 8/7/1998   |
| <b>Beverages</b> |    |            |            |         |        |            |            |            |           |            |
| Calistoga        | CA | 12,677,285 | 2,750,715  | None    | None   | 12,677,285 | 2,750,715  | 15,428,000 | 735,409   |            |
| Calistoga        | CA | 5,445,030  | 21,154,970 | None    | None   | 5,445,030  | 21,154,970 | 26,600,000 | 5,535,550 |            |
| Calistoga        | CA | 6,039,131  | 1,576,869  | None    | None   | 6,039,131  | 1,576,869  | 7,616,000  | 412,614   |            |
| Calistoga        | CA | 4,988,527  | 1,999,473  | None    | None   | 4,988,527  | 1,999,473  | 6,988,000  | 526,115   |            |
| Calistoga        | CA | 8,146,907  | 2,067,093  | None    | None   | 8,146,907  | 2,067,093  | 10,214,000 | 540,889   |            |

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|           |    |            |            |      |      |            |            |            |           |
|-----------|----|------------|------------|------|------|------------|------------|------------|-----------|
| Calistoga | CA | 12,675,172 | 4,907,828  | None | None | 12,675,172 | 4,907,828  | 17,583,000 | 1,286,995 |
| Calistoga | CA | 45,184,528 | 10,437,472 | None | None | 45,184,528 | 10,437,472 | 55,622,000 | 2,738,437 |

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REALTY INCOME CORPORATION AND SUBSIDIARIES

SCHEDULE III REAL ESTATE AND ACCUMULATED DEPRECIATION

AS OF DECEMBER 31, 2016

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|--------------------|--------------|---|------------|--|--------|--|------------|------------|--------------------------|----------------------|
|                    |              | Land  | Fees       | Improvements                               | Costs  | Land   | Fees       | Total      |                          |                      |
| Calistoga          | CA           | 10,630,191  | 5,580,929  | None                                       | None   | 10,630,191   | 5,580,929  | 16,211,120 | 1,350,265                |                      |
| Calistoga          | CA           | 6,860,862   | 524,117    | None                                       | None   | 6,860,862  | 524,117    | 7,384,979  | 105,697                  |                      |
| Napa               | CA           | 6,000,000   | 25,000,000 | None                                       | None   | 6,000,000  | 25,000,000 | 31,000,000 | 6,541,667                |                      |
| Napa               | CA           | 11,253,989  | 2,846,011  | None                                       | None   | 11,253,989   | 2,846,011  | 14,100,000 | 750,545                  |                      |
| Napa               | CA           | 17,590,091  | 5,898,149  | None                                       | None   | 17,590,091   | 5,898,149  | 23,488,240 | 1,609,240                |                      |
| Napa               | CA           | 23,471,336  | 6,589,664  | None                                       | None   | 23,471,336   | 6,589,664  | 30,061,000 | 1,734,721                |                      |
| Napa               | CA           | 10,777,485  | 390,515    | None                                       | None   | 10,777,485   | 390,515    | 11,168,000 | 105,125                  |                      |
| Napa               | CA           | 4,675,262   | 298,928    | None                                       | None   | 4,675,262  | 298,928    | 4,974,190  | 72,241                   |                      |
| Paicines           | CA           | 12,058,127  | 1,607,783  | None                                       | None   | 12,058,127   | 1,607,783  | 13,665,910 | 505,430                  |                      |
| Saint Helena       | CA           | 15,254,700  | 4,150,300  | None                                       | None   | 15,254,700   | 4,150,300  | 19,405,000 | 1,105,846                |                      |
| Shreveport         | LA           | 1,320,003   | 8,130,438  | None                                       | 147    | 1,320,003  | 8,130,585  | 9,450,588  | 1,856,597                |                      |
| <b>Book stores</b> |              |   |            |  |        |  |            |            |                          |                      |
| Tampa              | FL           | 998,250   | 3,696,707  | 129,751                                    | 79     | 998,250  | 3,826,537  | 4,824,787  | 2,963,972                |                      |
| <b>Child care</b>  |              |   |            |  |        |  |            |            |                          |                      |
| Hoover             | AL           | 63,800  | 295,791    | 58,263                                     | 16,414 | 63,800   | 370,468    | 434,268    | 319,121                  |                      |
| Avondale           | AZ           | 242,723   | 1,129,139  | None                                       | None   | 242,723  | 1,129,139  | 1,371,862  | 792,366                  | 4/20/1999            |
| Chandler           | AZ           | 291,720   | 647,923    | None                                       | None   | 291,720  | 647,923    | 939,643    | 647,923                  |                      |
| Chandler           | AZ           | 271,695   | 603,446    | 9,758                                      | 19,469 | 271,695  | 632,673    | 904,368    | 626,919                  |                      |
| Mesa               | AZ           | 308,951   | 1,025,612  | None                                       | None   | 308,951  | 1,025,612  | 1,334,563  | 709,419                  | 7/26/1999            |
| Phoenix            | AZ           | 260,719   | 516,181    | 52,737                                     | 32,125 | 260,719  | 601,043    | 861,762    | 541,817                  |                      |
| Scottsdale         | AZ           | 291,993   | 648,529    | None                                       | None   | 291,993  | 648,529    | 940,522    | 648,529                  |                      |
| Scottsdale         | AZ           | 264,504   | 587,471    | None                                       | 27,467 | 264,504  | 614,938    | 879,442    | 614,928                  |                      |
| Tempe              | AZ           | 292,200   | 648,989    | None                                       | 164    | 292,200  | 649,153    | 941,353    | 649,143                  |                      |
| Tucson             | AZ           | 283,500   | 546,878    | 7,228                                      | 299    | 283,500  | 554,405    | 837,905    | 547,466                  |                      |
| Calabasas          | CA           | 156,430   | 725,248    | 100,838                                    | 58,367 | 156,430  | 884,453    | 1,040,883  | 849,808                  |                      |
| Carmichael         | CA           | 131,035   | 607,507    | 80,368                                     | 21,673 | 131,035  | 709,548    | 840,583    | 661,232                  |                      |
| Chino              | CA           | 155,000   | 634,071    | None                                       | 32,148 | 155,000  | 666,219    | 821,219    | 647,032                  |                      |
| Chula Vista        | CA           | 350,563   | 778,614    | None                                       | 43,353 | 350,563  | 821,967    | 1,172,530  | 821,967                  |                      |
| El Cajon           | CA           | 157,804   | 731,621    | 2,540                                      | 44,802 | 157,804  | 778,963    | 936,767    | 777,746                  |                      |
| Escondido          | CA           | 276,286   | 613,638    | 5,000                                      | 44,375 | 276,286  | 663,013    | 939,299    | 657,183                  |                      |
| Folsom             | CA           | 281,563   | 625,363    | None                                       | None   | 281,563  | 625,363    | 906,926    | 625,363                  |                      |
| Gold River         | CA           | 276,328   | 613,733    | 24,967                                     | None   | 276,328  | 638,700    | 915,028    | 636,238                  |                      |
| Mission Viejo      | CA           | 353,891   | 744,367    | 12,500                                     | None   | 353,891  | 756,867    | 1,110,758  | 718,678                  |                      |
| Oceanside          | CA           | 145,568   | 674,889    | 52,954                                     | None   | 145,568  | 727,843    | 873,411    | 689,693                  |                      |
| Palmdale           | CA           | 249,490   | 554,125    | 9,864                                      | None   | 249,490  | 563,989    | 813,479    | 563,989                  |                      |
| Rancho Cucamonga   | CA           | 471,733   | 1,047,739  | 273,383                                    | 170    | 471,733  | 1,321,292  | 1,793,025  | 1,119,649                |                      |
| Simi Valley        | CA           | 208,585   | 967,055    | 79,082                                     | 108    | 208,585  | 1,046,245  | 1,254,830  | 1,023,329                |                      |
| Valencia           | CA           | 301,295   | 669,185    | 70,470                                     | 46     | 301,295  | 739,701    | 1,040,996  | 718,924                  |                      |
| Walnut             | CA           | 217,365   | 1,007,753  | 57,287                                     | 51,049 | 217,365  | 1,116,089  | 1,333,454  | 1,054,813                |                      |

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|                   |    |         |           |         |        |         |           |           |         |            |
|-------------------|----|---------|-----------|---------|--------|---------|-----------|-----------|---------|------------|
| Aurora            | CO | 287,000 | 637,440   | 20,313  | 18,188 | 287,000 | 675,941   | 962,941   | 657,629 |            |
| Broomfield        | CO | 155,306 | 344,941   | 25,000  | 82     | 155,306 | 370,023   | 525,329   | 367,707 |            |
| Colorado Springs  | CO | 58,400  | 271,217   | 25,000  | 82     | 58,400  | 296,299   | 354,699   | 292,311 |            |
| Fort Collins      | CO | 55,200  | 256,356   | 15,030  | 79     | 55,200  | 271,465   | 326,665   | 261,129 |            |
| Greenwood Village | CO | 131,216 | 608,372   | 52,959  | 719    | 131,216 | 662,050   | 793,266   | 618,154 |            |
| Littleton         | CO | 161,617 | 358,956   | None    | 82     | 161,617 | 359,038   | 520,655   | 359,038 |            |
| Longmont          | CO | 115,592 | 535,931   | None    | 71     | 115,592 | 536,002   | 651,594   | 536,002 |            |
| Parker            | CO | 153,551 | 341,042   | None    | 82     | 153,551 | 341,124   | 494,675   | 341,124 |            |
| Westminster       | CO | 306,387 | 695,737   | 170,091 | 11,233 | 306,387 | 877,061   | 1,183,448 | 722,546 |            |
| Bradenton         | FL | 160,060 | 355,501   | 25,000  | 79     | 160,060 | 380,580   | 540,640   | 377,640 |            |
| Clearwater        | FL | 42,223  | 269,380   | None    | 79     | 42,223  | 269,459   | 311,682   | 269,459 |            |
| Jacksonville      | FL | 48,000  | 243,060   | None    | None   | 48,000  | 243,060   | 291,060   | 243,060 |            |
| Jacksonville      | FL | 184,800 | 410,447   | 22,872  | None   | 184,800 | 433,319   | 618,119   | 429,319 |            |
| Margate           | FL | 66,686  | 309,183   | None    | None   | 66,686  | 309,183   | 375,869   | 309,183 |            |
| Melbourne         | FL | 256,439 | 549,345   | None    | 79     | 256,439 | 549,424   | 805,863   | 525,208 |            |
| Niceville         | FL | 73,696  | 341,688   | None    | None   | 73,696  | 341,688   | 415,384   | 341,688 |            |
| Orlando           | FL | 68,001  | 313,922   | None    | 140    | 68,001  | 314,062   | 382,063   | 313,966 |            |
| Orlando           | FL | 159,177 | 353,538   | None    | 154    | 159,177 | 353,692   | 512,869   | 353,691 |            |
| Oviedo            | FL | 166,409 | 369,598   | 38,918  | 19,157 | 166,409 | 427,673   | 594,082   | 376,609 |            |
| Panama City       | FL | 69,500  | 244,314   | 82,701  | None   | 69,500  | 327,015   | 396,515   | 291,296 |            |
| Pensacola         | FL | 147,000 | 326,492   | 20,000  | None   | 147,000 | 346,492   | 493,492   | 338,804 |            |
| Royal Palm Beach  | FL | 194,193 | 431,309   | 25,000  | None   | 194,193 | 456,309   | 650,502   | 450,337 |            |
| Saint Augustine   | FL | 44,800  | 213,040   | 23,090  | None   | 44,800  | 236,130   | 280,930   | 228,443 |            |
| Sunrise           | FL | 245,000 | 533,280   | 92,266  | 153    | 245,000 | 625,699   | 870,699   | 595,450 |            |
| Tampa             | FL | 53,385  | 199,846   | None    | 154    | 53,385  | 200,000   | 253,385   | 200,000 |            |
| Duluth            | GA | 310,000 | 1,040,008 | None    | None   | 310,000 | 1,040,008 | 1,350,008 | 715,922 | 8/25/1999  |
| Ellenwood         | GA | 119,678 | 275,414   | 58,545  | 272    | 119,678 | 334,231   | 453,909   | 305,001 |            |
| Lawrenceville     | GA | 141,449 | 314,161   | 156,426 | 14,612 | 141,449 | 485,199   | 626,648   | 420,391 |            |
| Lithia Springs    | GA | 187,444 | 363,358   | None    | 84     | 187,444 | 363,442   | 550,886   | 363,442 |            |
| Lithonia          | GA | 239,715 | 524,459   | 24,410  | 380    | 239,715 | 549,249   | 788,964   | 539,267 |            |
| Marietta          | GA | 148,620 | 330,090   | 25,000  | None   | 148,620 | 355,090   | 503,710   | 352,654 |            |
| Marietta          | GA | 295,750 | 596,299   | 76,426  | None   | 295,750 | 672,725   | 968,475   | 602,387 |            |
| Marietta          | GA | 301,000 | 668,529   | 71,474  | 19,961 | 301,000 | 759,964   | 1,060,964 | 720,426 |            |
| Smyrna            | GA | 274,750 | 610,229   | None    | None   | 274,750 | 610,229   | 884,979   | 610,229 |            |
| Stockbridge       | GA | 168,700 | 374,688   | 85,264  | 5,382  | 168,700 | 465,334   | 634,034   | 414,601 |            |
| Cedar Rapids      | IA | 194,950 | 427,085   | None    | None   | 194,950 | 427,085   | 622,035   | 417,211 |            |
| Iowa City         | IA | 186,900 | 408,910   | None    | None   | 186,900 | 408,910   | 595,810   | 399,444 |            |
| Addison           | IL | 125,780 | 583,146   | None    | 132    | 125,780 | 583,278   | 709,058   | 583,278 |            |
| Algonquin         | IL | 241,500 | 509,629   | 28,260  | 583    | 241,500 | 538,472   | 779,972   | 519,829 |            |
| Aurora            | IL | 165,679 | 398,738   | 105,300 | 21,963 | 165,679 | 526,001   | 691,680   | 438,312 |            |
| Aurora            | IL | 468,000 | 1,259,926 | None    | None   | 468,000 | 1,259,926 | 1,727,926 | 858,940 | 10/26/1999 |
| Bartlett          | IL | 120,824 | 560,166   | 74,917  | 12,101 | 120,824 | 647,184   | 768,008   | 592,390 |            |
| Carol Stream      | IL | 122,831 | 586,416   | None    | 132    | 122,831 | 586,548   | 709,379   | 586,548 |            |
| Crystal Lake      | IL | 400,000 | 1,259,424 | None    | None   | 400,000 | 1,259,424 | 1,659,424 | 862,786 | 9/28/1999  |
| Glendale Heights  | IL | 318,500 | 707,399   | None    | None   | 318,500 | 707,399   | 1,025,899 | 707,399 |            |
| Hoffman Estates   | IL | 318,500 | 707,399   | None    | 85     | 318,500 | 707,484   | 1,025,984 | 707,484 |            |
| Homer Glen        | IL | 189,477 | 442,018   | None    | 655    | 189,477 | 442,673   | 632,150   | 442,127 |            |
| Lake In The Hills | IL | 375,000 | 1,127,678 | None    | None   | 375,000 | 1,127,678 | 1,502,678 | 772,537 | 9/3/1999   |
| Naperville        | IL | 425,000 | 1,230,654 | None    | None   | 425,000 | 1,230,654 | 1,655,654 | 838,979 | 10/6/1999  |
| O Fallon          | IL | 141,250 | 313,722   | None    | 232    | 141,250 | 313,954   | 455,204   | 313,953 |            |
| Oswego            | IL | 380,000 | 1,165,818 | None    | None   | 380,000 | 1,165,818 | 1,545,818 | 802,525 | 8/18/1999  |
| Palatine          | IL | 121,911 | 565,232   | None    | 132    | 121,911 | 565,364   | 687,275   | 565,365 |            |
| Roselle           | IL | 297,541 | 561,037   | None    | None   | 297,541 | 561,037   | 858,578   | 561,037 |            |
| Schaumburg        | IL | 218,798 | 485,955   | 20,461  | None   | 218,798 | 506,416   | 725,214   | 498,569 |            |
| Vernon Hills      | IL | 132,523 | 614,430   | None    | 583    | 132,523 | 615,013   | 747,536   | 614,661 |            |
| Westmont          | IL | 124,742 | 578,330   | 77,621  | 24,741 | 124,742 | 680,692   | 805,434   | 611,396 |            |
| Fishers           | IN | 212,118 | 419,958   | 26,509  | 11,338 | 212,118 | 457,805   | 669,923   | 435,381 |            |
| Highland          | IN | 220,460 | 436,476   | None    | None   | 220,460 | 436,476   | 656,936   | 436,476 |            |
| Indianapolis      | IN | 245,000 | 544,153   | None    | None   | 245,000 | 544,153   | 789,153   | 544,153 |            |
| Lenexa            | KS | 318,500 | 707,399   | 98,590  | 127    | 318,500 | 806,116   | 1,124,616 | 734,462 |            |
| Olathe            | KS | 304,500 | 676,308   | 87,242  | 44     | 304,500 | 763,594   | 1,068,094 | 717,576 |            |
| Overland Park     | KS | 357,500 | 1,115,171 | None    | None   | 357,500 | 1,115,171 | 1,472,671 | 771,364 | 7/23/1999  |

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|               |    |         |           |        |        |         |           |           |         |            |
|---------------|----|---------|-----------|--------|--------|---------|-----------|-----------|---------|------------|
| Shawnee       | KS | 315,000 | 699,629   | None   | 251    | 315,000 | 699,880   | 1,014,880 | 699,838 |            |
| Shawnee       | KS | 288,246 | 935,875   | None   | 127    | 288,246 | 936,002   | 1,224,248 | 669,277 | 12/29/1998 |
| Wichita       | KS | 209,890 | 415,549   | 33,984 | 16,592 | 209,890 | 466,125   | 676,015   | 454,966 |            |
| Acton         | MA | 315,533 | 700,813   | None   | None   | 315,533 | 700,813   | 1,016,346 | 700,813 |            |
| Westborough   | MA | 359,412 | 773,877   | 63,037 | 22,260 | 359,412 | 859,174   | 1,218,586 | 818,593 |            |
| Ellicott City | MD | 219,368 | 630,839   | 26,550 | None   | 219,368 | 657,389   | 876,757   | 653,055 |            |
| Frederick     | MD | 203,352 | 1,017,109 | None   | 2,874  | 203,352 | 1,019,983 | 1,223,335 | 753,041 |            |
| Olney         | MD | 342,500 | 760,701   | 4,400  | 41,272 | 342,500 | 806,373   | 1,148,873 | 797,101 |            |
| Waldorf       | MD | 130,430 | 604,702   | None   | 385    | 130,430 | 605,087   | 735,517   | 604,998 |            |
| Waldorf       | MD | 237,207 | 526,844   | None   | 172    | 237,207 | 527,016   | 764,223   | 527,015 |            |
| Canton        | MI | 55,000  | 378,848   | 2,913  | 304    | 55,000  | 382,065   | 437,065   | 381,071 |            |

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REALTY INCOME CORPORATION AND SUBSIDIARIES

SCHEDULE III REAL ESTATE AND ACCUMULATED DEPRECIATION

AS OF DECEMBER 31, 2016

| Description<br>(Note 1) | Encumbrances<br>(Note 2) | Initial Cost to Company |  | Cost Capitalized<br>Subsequent<br>to Acquisition |        | Gross Amount at Which Carried<br>at Close of Period (Notes 3, 4, 6 and<br>7) |  |           | Accumulated<br>Depreciation<br>(Note 5) | Date of<br>Construction | Ac  |
|-------------------------|--------------------------|-------------------------|--|--|--------|--|--|-----------|---|-------------------------|-----|
|                         |                          | Land                    | Buildings,<br>Improvements<br>and<br>Acquisition<br>Fees | Improvements                                     | Costs  | Land   | Buildings,<br>Improvements<br>and<br>Acquisition<br>Fees | Total     |   |                         |     |
| Apple Valley MN         |                          | 113,523                 | 526,319  | 87,374   | 13,814 | 113,523  | 627,507  | 741,030   | 547,722                                 |                         | 3/2 |
| Brooklyn MN<br>Park     |                          | 118,111                 | 547,587  | None   | 197    | 118,111  | 547,784  | 665,895   | 547,784                                 |                         | 3/2 |
| Eden Prairie MN         |                          | 124,286                 | 576,243  | None   | 197    | 124,286  | 576,440  | 700,726   | 576,440                                 |                         | 3/2 |
| Maple Grove MN          |                          | 313,250                 | 660,149  | None   | 288    | 313,250  | 660,437  | 973,687   | 660,268                                 |                         | 7/1 |
| Plymouth MN             |                          | 134,221                 | 622,350  | None   | 197    | 134,221  | 622,547  | 756,768   | 622,547                                 |                         | 12/ |
| Saint Paul MN           |                          | 242,165                 | 537,856  | None   | 288    | 242,165  | 538,144  | 780,309   | 537,974                                 |                         | 8/3 |
| Florissant MO           |                          | 318,500                 | 707,399  | 102,410  | 256    | 318,500  | 810,065  | 1,128,565 | 750,744                                 |                         | 3/3 |
| Gladstone MO            |                          | 294,000                 | 652,987  | 66,064   | 2,763  | 294,000  | 721,814  | 1,015,814 | 659,548                                 |                         | 9/2 |
| Kansas City MO          |                          | 307,784                 | 910,401  | None   | None   | 307,784  | 910,401  | 1,218,185 | 656,485                                 | 9/28/1999               | 8/2 |
| Lee s MO<br>Summit      |                          | 239,627                 | 532,220  | 97,856   | 15,958 | 239,627  | 646,034  | 885,661   | 538,763                                 |                         | 9/2 |
| Lee s MO<br>Summit      |                          | 330,000                 | 993,787  | 40,769   | 160    | 330,000  | 1,034,716  | 1,364,716 | 690,317                                 | 7/26/1999               | 6/1 |
| Lee s MO<br>Summit      |                          | 313,740                 | 939,367  | None   | None   | 313,740  | 939,367  | 1,253,107 | 646,645                                 | 9/8/1999                | 6/3 |
| Jackson MS              |                          | 248,483                 | 572,522  | 54,227   | 17,780 | 248,483  | 644,529  | 893,012   | 429,873                                 |                         | 11/ |
| Tupelo MS               |                          | 121,697                 | 637,691  | 87,858   | 56     | 121,697  | 725,605  | 847,302   | 538,013                                 |                         | 11/ |
| Cary NC                 |                          | 75,200                  | 262,973  | 15,000   | None   | 75,200   | 277,973  | 353,173   | 271,182                                 |                         | 1/2 |
| Charlotte NC            |                          | 134,582                 | 268,222  | 24,478   | None   | 134,582  | 292,700  | 427,282   | 290,371                                 |                         | 11/ |
| Concord NC              |                          | 32,441                  | 190,859  | None   | None   | 32,441   | 190,859  | 223,300   | 190,859                                 |                         | 12/ |
| Durham NC               |                          | 175,700                 | 390,234  | 26,312   | None   | 175,700  | 416,546  | 592,246   | 413,660                                 |                         | 3/2 |
| Durham NC               |                          | 220,728                 | 429,380  | None   | None   | 220,728  | 429,380  | 650,108   | 429,380                                 |                         | 12/ |
| Kernersville NC         |                          | 162,216                 | 316,300  | 28,800   | None   | 162,216  | 345,100  | 507,316   | 317,320                                 |                         | 12/ |
| Bellevue NE             |                          | 60,568                  | 280,819  | None   | None   | 60,568   | 280,819  | 341,387   | 280,819                                 |                         | 12/ |
| Omaha NE                |                          | 60,500                  | 280,491  | None   | 32     | 60,500   | 280,523  | 341,023   | 280,520                                 |                         | 8/  |
| Omaha NE                |                          | 53,000                  | 245,720  | 72,027   | 32     | 53,000   | 317,779  | 370,779   | 262,095                                 |                         | 10/ |
| Omaha NE                |                          | 142,867                 | 317,315  | None   | 32     | 142,867  | 317,347  | 460,214   | 317,344                                 |                         | 12/ |
| Londonderry NH          |                          | 335,467                 | 745,082  | 86,581   | 11,802 | 335,467  | 843,465  | 1,178,932 | 786,086                                 |                         | 8/1 |
| Las Vegas NV            |                          | 201,250                 | 446,983  | 37,014   | 6,657  | 201,250  | 490,654  | 691,904   | 460,245                                 |                         | 6/2 |
| Beavercreek OH          |                          | 179,552                 | 398,786  | None   | None   | 179,552  | 398,786  | 578,338   | 398,786                                 |                         | 6/3 |
| Centerville OH          |                          | 174,519                 | 387,613  | 79,900   | 361    | 174,519  | 467,874  | 642,393   | 392,009                                 |                         | 7/2 |
| Cincinnati OH           |                          | 170,778                 | 379,305  | None   | 85     | 170,778  | 379,390  | 550,168   | 379,389                                 |                         | 9/2 |
| Dublin OH               |                          | 84,000                  | 389,446  | None   | None   | 84,000   | 389,446  | 473,446   | 389,446                                 |                         | 10/ |
| Englewood OH            |                          | 74,000                  | 343,083  | None   | 85     | 74,000   | 343,168  | 417,168   | 343,168                                 |                         | 10/ |
| Huber Heights OH        |                          | 245,000                 | 544,153  | None   | None   | 245,000  | 544,153  | 789,153   | 544,153                                 |                         | 9/2 |
| Pickerington OH         |                          | 87,580                  | 406,055  | None   | None   | 87,580   | 406,055  | 493,635   | 406,055                                 |                         | 12/ |
| Westerville OH          |                          | 82,000                  | 380,173  | None   | None   | 82,000   | 380,173  | 462,173   | 380,173                                 |                         | 10/ |
| Broken Arrow OK         |                          | 78,705                  | 220,434  | None   | None   | 78,705   | 220,434  | 299,139   | 220,434                                 |                         | 1/2 |
| Midwest City OK         |                          | 67,800                  | 314,338  | None   | None   | 67,800   | 314,338  | 382,138   | 314,338                                 |                         | 8/1 |

## Edgar Filing: REALTY INCOME CORP - Form 10-K

|                  |    |         |           |         |        |         |           |           |         |            |     |
|------------------|----|---------|-----------|---------|--------|---------|-----------|-----------|---------|------------|-----|
| Oklahoma City    | OK | 50,800  | 214,474   | None    | None   | 50,800  | 214,474   | 265,274   | 214,474 |            | 6/1 |
| Oklahoma City    | OK | 79,000  | 366,261   | 17,659  | None   | 79,000  | 383,920   | 462,920   | 383,921 |            | 11/ |
| Yukon            | OK | 61,000  | 282,812   | 27,000  | None   | 61,000  | 309,812   | 370,812   | 307,097 |            | 5/  |
| Charleston       | SC | 140,700 | 312,498   | 25,000  | 153    | 140,700 | 337,651   | 478,351   | 334,092 |            | 3/2 |
| Columbia         | SC | 58,160  | 269,643   | None    | None   | 58,160  | 269,643   | 327,803   | 269,643 |            | 11/ |
| Columbia         | SC | 160,831 | 313,600   | None    | None   | 160,831 | 313,600   | 474,431   | 313,600 |            | 12/ |
| Goose Creek      | SC | 61,635  | 192,905   | None    | 153    | 61,635  | 193,058   | 254,693   | 193,058 |            | 12/ |
| North Charleston | SC | 125,593 | 278,947   | 12,126  | 14,855 | 125,593 | 305,928   | 431,521   | 294,743 |            | 5/2 |
| Summerville      | SC | 44,400  | 174,500   | None    | 153    | 44,400  | 174,653   | 219,053   | 174,653 |            | 12/ |
| Memphis          | TN | 238,000 | 528,608   | 157,924 | 9,063  | 238,000 | 695,595   | 933,595   | 548,212 |            | 9/3 |
| Arlington        | TX | 241,500 | 550,559   | 45,046  | 242    | 241,500 | 595,847   | 837,347   | 587,031 |            | 9/2 |
| Austin           | TX | 88,872  | 222,684   | 54,562  | 281    | 88,872  | 277,527   | 366,399   | 263,921 |            | 1/1 |
| Austin           | TX | 134,383 | 623,103   | 2,379   | 21,981 | 134,383 | 647,463   | 781,846   | 635,059 |            | 12/ |
| Austin           | TX | 191,636 | 425,629   | 15,530  | None   | 191,636 | 441,159   | 632,795   | 441,159 |            | 12/ |
| Austin           | TX | 217,878 | 483,913   | 148,301 | 9,167  | 217,878 | 641,381   | 859,259   | 543,194 |            | 6/2 |
| Bedford          | TX | 241,500 | 550,559   | 34,949  | None   | 241,500 | 585,508   | 827,008   | 585,507 |            | 9/2 |
| Carrollton       | TX | 277,850 | 617,113   | 52,614  | 261    | 277,850 | 669,988   | 947,838   | 639,435 |            | 12/ |
| Cedar Park       | TX | 168,857 | 375,036   | 5,200   | 139    | 168,857 | 380,375   | 549,232   | 380,375 |            | 11/ |
| Colleyville      | TX | 250,000 | 1,070,360 | None    | 102    | 250,000 | 1,070,462 | 1,320,462 | 736,894 | 8/17/1999  | 5/1 |
| Corinth          | TX | 285,000 | 1,041,626 | None    | None   | 285,000 | 1,041,626 | 1,326,626 | 723,925 | 6/4/1999   | 5/1 |
| Eules            | TX | 234,111 | 519,962   | None    | None   | 234,111 | 519,962   | 754,073   | 519,962 |            | 5/  |
| Flower Mound     | TX | 202,773 | 442,845   | 32,069  | 16,315 | 202,773 | 491,229   | 694,002   | 478,430 |            | 4/2 |
| Flower Mound     | TX | 281,735 | 1,099,726 | 46,581  | 31,678 | 281,735 | 1,177,985 | 1,459,720 | 803,296 | 4/23/1999  | 1/1 |
| Fort Worth       | TX | 85,518  | 396,495   | 54,750  | 12,923 | 85,518  | 464,168   | 549,686   | 426,394 |            | 12/ |
| Fort Worth       | TX | 238,000 | 528,608   | 73,662  | 91     | 238,000 | 602,361   | 840,361   | 556,856 |            | 9/2 |
| Fort Worth       | TX | 216,160 | 427,962   | None    | 54     | 216,160 | 428,016   | 644,176   | 428,015 |            | 2/  |
| Grand Prairie    | TX | 167,164 | 371,276   | 58,206  | 16,456 | 167,164 | 445,938   | 613,102   | 432,931 |            | 12/ |
| Houston          | TX | 139,125 | 308,997   | 19,128  | 286    | 139,125 | 328,411   | 467,536   | 327,793 |            | 5/2 |
| Houston          | TX | 149,109 | 323,314   | 27,979  | 245    | 149,109 | 351,538   | 500,647   | 335,903 |            | 6/2 |
| Houston          | TX | 294,582 | 919,276   | None    | None   | 294,582 | 919,276   | 1,213,858 | 654,267 | 1/11/1999  | 8/1 |
| Humble           | TX | 278,915 | 1,034,868 | None    | None   | 278,915 | 1,034,868 | 1,313,783 | 715,814 | 7/19/1999  | 5/1 |
| Katy             | TX | 309,898 | 983,041   | None    | None   | 309,898 | 983,041   | 1,292,939 | 706,177 | 11/30/1998 | 8/2 |
| Lewisville       | TX | 192,777 | 428,121   | 47,371  | 95     | 192,777 | 475,587   | 668,364   | 449,005 |            | 1/  |
| Mansfield        | TX | 181,375 | 402,839   | 46,878  | 83     | 181,375 | 449,800   | 631,175   | 436,602 |            | 12/ |
| Mesquite         | TX | 85,000  | 394,079   | 16,984  | 91     | 85,000  | 411,154   | 496,154   | 404,118 |            | 10/ |
| Mesquite         | TX | 139,466 | 326,525   | 60,455  | 680    | 139,466 | 387,660   | 527,126   | 353,833 |            | 10/ |
| Plano            | TX | 261,912 | 581,658   | 52,751  | 159    | 261,912 | 634,568   | 896,480   | 609,402 |            | 1/  |
| Plano            | TX | 250,514 | 556,399   | 33,978  | 425    | 250,514 | 590,802   | 841,316   | 572,666 |            | 12/ |
| San Antonio      | TX | 130,833 | 606,596   | 43,050  | 22,373 | 130,833 | 672,019   | 802,852   | 634,945 |            | 3/2 |
| San Antonio      | TX | 102,512 | 475,288   | 54,593  | 16,961 | 102,512 | 546,842   | 649,354   | 499,632 |            | 12/ |
| San Antonio      | TX | 81,530  | 378,007   | None    | None   | 81,530  | 378,007   | 459,537   | 378,007 |            | 12/ |
| San Antonio      | TX | 181,412 | 402,923   | None    | 139    | 181,412 | 403,062   | 584,474   | 403,063 |            | 7/  |
| San Antonio      | TX | 234,500 | 520,831   | None    | 139    | 234,500 | 520,970   | 755,470   | 520,970 |            | 12/ |
| San Antonio      | TX | 217,000 | 481,967   | 32,529  | None   | 217,000 | 514,496   | 731,496   | 514,496 |            | 10/ |
| San Antonio      | TX | 182,868 | 406,155   | 18,940  | None   | 182,868 | 425,095   | 607,963   | 425,095 |            | 12/ |
| San Antonio      | TX | 220,500 | 447,108   | None    | None   | 220,500 | 447,108   | 667,608   | 447,108 |            | 3/3 |
| Sugar Land       | TX | 339,310 | 1,000,876 | None    | None   | 339,310 | 1,000,876 | 1,340,186 | 698,943 | 5/30/1999  | 1/1 |
| Layton           | UT | 136,574 | 269,008   | None    | None   | 136,574 | 269,008   | 405,582   | 269,008 |            | 2/  |
| Sandy            | UT | 168,089 | 373,330   | None    | None   | 168,089 | 373,330   | 541,419   | 373,330 |            | 2/  |
| Centreville      | VA | 371,000 | 824,003   | None    | 463    | 371,000 | 824,466   | 1,195,466 | 824,456 |            | 9/2 |
| Chesapeake       | VA | 190,050 | 422,107   | 24,568  | None   | 190,050 | 446,675   | 636,725   | 443,585 |            | 3/2 |
| Glen Allen       | VA | 74,643  | 346,060   | None    | 153    | 74,643  | 346,213   | 420,856   | 346,214 |            | 6/2 |
| Portsmouth       | VA | 171,575 | 381,073   | 24,932  | None   | 171,575 | 406,005   | 577,580   | 402,954 |            | 12/ |
| Virginia Beach   | VA | 69,080  | 320,270   | 29,024  | None   | 69,080  | 349,294   | 418,374   | 335,096 |            | 11/ |
| Federal Way      | WA | 150,785 | 699,101   | None    | 107    | 150,785 | 699,208   | 849,993   | 699,207 |            | 12/ |
| Federal Way      | WA | 261,943 | 581,782   | 27,500  | 107    | 261,943 | 609,389   | 871,332   | 605,401 |            | 11/ |
| Kent             | WA | 128,300 | 539,141   | None    | None   | 128,300 | 539,141   | 667,441   | 539,141 |            | 6/  |
| Kent             | WA | 140,763 | 678,809   | 36,500  | None   | 140,763 | 715,309   | 856,072   | 715,309 |            | 12/ |
| Kirkland         | WA | 301,000 | 668,534   | None    | 107    | 301,000 | 668,641   | 969,641   | 668,641 |            | 3/3 |
| Puyallup         | WA | 195,552 | 434,327   | 27,000  | 107    | 195,552 | 461,434   | 656,986   | 457,860 |            | 12/ |
| Redmond          | WA | 279,830 | 621,513   | None    | 107    | 279,830 | 621,620   | 901,450   | 621,620 |            | 7/2 |
| Renton           | WA | 111,183 | 515,490   | None    | None   | 111,183 | 515,490   | 626,673   | 515,490 |            | 3/2 |



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|          |    |         |         |      |     |         |         |         |         |     |
|----------|----|---------|---------|------|-----|---------|---------|---------|---------|-----|
| Appleton | WI | 196,000 | 424,038 | None | 409 | 196,000 | 424,447 | 620,447 | 424,426 | 7/1 |
| Waukesha | WI | 233,100 | 461,500 | None | 211 | 233,100 | 461,711 | 694,811 | 461,690 | 12/ |
| Waukesha | WI | 215,950 | 427,546 | None | 409 | 215,950 | 427,955 | 643,905 | 427,933 | 12/ |

Consumer appliances

|               |    |           |            |      |      |           |            |            |           |     |
|---------------|----|-----------|------------|------|------|-----------|------------|------------|-----------|-----|
| North Liberty | IA | 6,395,970 | 19,385,806 | None | None | 6,395,970 | 19,385,806 | 25,781,776 | 2,192,442 | 1/2 |
| Greenville    | OH | 1,704,130 | 21,387,076 | None | 55   | 1,704,130 | 21,387,131 | 23,091,261 | 2,317,033 | 7/3 |
| Marion        | OH | 801,003   | 25,410,810 | None | None | 801,003   | 25,410,810 | 26,211,813 | 2,873,842 | 1/2 |

Consumer electronics

|            |    |           |           |         |        |           |           |           |           |           |
|------------|----|-----------|-----------|---------|--------|-----------|-----------|-----------|-----------|-----------|
| Tampa      | FL | 401,874   | 933,768   | 103,336 | 32,053 | 401,874   | 1,069,157 | 1,471,031 | 843,540   | 12/       |
| Smyrna     | GA | 1,094,058 | 3,090,236 | None    | None   | 1,094,058 | 3,090,236 | 4,184,294 | 2,415,420 | 6/        |
| Jackson    | MI | 550,162   | 571,590   | None    | 210    | 550,162   | 571,800   | 1,121,962 | 408,895   | 1/15/1999 |
| Pineville  | NC | 567,864   | 840,284   | 37,249  | 153    | 567,864   | 877,686   | 1,445,550 | 632,511   | 12/       |
| Albion     | NY | 170,589   | 317,424   | 100,000 | 7,680  | 170,589   | 425,104   | 595,693   | 231,329   | 3/3       |
| Wellsville | NY | 161,331   | 300,231   | 75,000  | 5,760  | 161,331   | 380,991   | 542,322   | 214,364   | 3/3       |

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REALTY INCOME CORPORATION AND SUBSIDIARIES

SCHEDULE III REAL ESTATE AND ACCUMULATED DEPRECIATION

AS OF DECEMBER 31, 2016

| Description               | Encumbrances | Initial Cost to Company |  | Cost Capitalized Subsequent to Acquisition |                | Gross Amount at Which Carried at Close of Period (Notes 3, 4, 6 and 7) |  |            | Accumulated Depreciation | Date of Construction |
|---------------------------|--------------|-------------------------|--|--|----------------|--|--|------------|--------------------------|----------------------|
|                           |              | Land                    | Buildings, Improvements and Acquisition Fees | Improvements                               | Carrying Costs | Land   | Buildings, Improvements and Acquisition Fees | Total      |                          |                      |
| Westbury                  | NY           | 6,333,590               | 3,952,773                                    | 350,880                                    | None           | 6,333,590  | 4,303,653                                    | 10,637,243 | 3,147,656                | 9                    |
| Austin                    | TX           | 3,630,000               | 5,083,734                                    | None                                       | None           | 3,630,000  | 5,083,734                                    | 8,713,734  | 482,955                  | 8                    |
| Fredericksburg            | VA           | 2,060,000               | 3,900,193                                    | None                                       | None           | 2,060,000  | 3,900,193                                    | 5,960,193  | 32,502                   | 1                    |
| <u>Consumer goods</u>     |              |                         |  |  |                |  |  |            |                          |                      |
| West Branch               | IA           | 969,797                 | 19,896,576                                   | 125,814                                    | 706            | 969,797  | 20,023,096                                   | 20,992,893 | 3,443,030                | 9                    |
| DeKalb                    | IL           | 3,507,503               | 50,808,610                                   | None                                       | None           | 3,507,503  | 50,808,610                                   | 54,316,113 | 5,746,212                | 1                    |
| Loves Park                | IL           | 1,010,778               | 10,068,142                                   | None                                       | None           | 1,010,778  | 10,068,142                                   | 11,078,920 | 1,138,659                | 1                    |
| Rural Hall                | NC           | 710,000                 | 17,739,591                                   | 63,900                                     | None           | 710,000  | 17,803,491                                   | 18,513,491 | 658,151                  | 9                    |
| Grantsville               | UT           | 1,719,381               | 40,160,295                                   | None                                       | None           | 1,719,381  | 40,160,295                                   | 41,879,676 | 4,541,938                | 1                    |
| <u>Convenience stores</u> |              |                         |  |  |                |  |  |            |                          |                      |
| Daphne                    | AL           | 140,000                 | 391,637                                      | None                                       | None           | 140,000  | 391,637                                      | 531,637    | 200,385                  | 3                    |
| Mobile                    | AL           | 190,000                 | 301,637                                      | None                                       | None           | 190,000  | 301,637                                      | 491,637    | 154,335                  | 3                    |
| Mobile                    | AL           | 180,000                 | 421,637                                      | None                                       | None           | 180,000  | 421,637                                      | 601,637    | 215,735                  | 3                    |
| North Little Rock         | AR           | 1,138,381               | 2,112,637                                    | 1,500                                      | None           | 1,138,381  | 2,114,137                                    | 3,252,518  | 320,979                  | 3                    |
| Florence                  | AZ           | 150,000                 | 371,637                                      | None                                       | None           | 150,000  | 371,637                                      | 521,637    | 190,152                  | 3                    |
| Gilbert                   | AZ           | 680,000                 | 1,111,637                                    | None                                       | None           | 680,000  | 1,111,637                                    | 1,791,637  | 568,785                  | 3                    |
| Glendale                  | AZ           | 610,000                 | 531,637                                      | None                                       | None           | 610,000  | 531,637                                      | 1,141,637  | 272,018                  | 3                    |
| Glendale                  | AZ           | 400,000                 | 931,637                                      | None                                       | None           | 400,000  | 931,637                                      | 1,331,637  | 476,685                  | 3                    |
| Maricopa                  | AZ           | 170,000                 | 361,637                                      | None                                       | None           | 170,000  | 361,637                                      | 531,637    | 185,035                  | 3                    |
| Mesa                      | AZ           | 560,000                 | 821,637                                      | None                                       | None           | 560,000  | 821,637                                      | 1,381,637  | 420,402                  | 3                    |
| Mesa                      | AZ           | 750,000                 | 1,071,637                                    | None                                       | None           | 750,000  | 1,071,637                                    | 1,821,637  | 548,318                  | 3                    |
| Mesa                      | AZ           | 810,000                 | 1,061,637                                    | None                                       | None           | 810,000  | 1,061,637                                    | 1,871,637  | 543,202                  | 3                    |
| Mesa                      | AZ           | 890,000                 | 1,081,637                                    | None                                       | None           | 890,000  | 1,081,637                                    | 1,971,637  | 553,435                  | 3                    |
| Mesa                      | AZ           | 780,000                 | 1,071,637                                    | None                                       | None           | 780,000  | 1,071,637                                    | 1,851,637  | 548,318                  | 3                    |
| Mesa                      | AZ           | 900,000                 | 1,191,637                                    | None                                       | None           | 900,000  | 1,191,637                                    | 2,091,637  | 609,718                  | 3                    |
| Payson                    | AZ           | 210,000                 | 351,637                                      | None                                       | None           | 210,000  | 351,637                                      | 561,637    | 179,918                  | 3                    |
| Payson                    | AZ           | 260,000                 | 311,637                                      | None                                       | None           | 260,000  | 311,637                                      | 571,637    | 159,452                  | 3                    |
| Peoria                    | AZ           | 520,000                 | 751,637                                      | None                                       | None           | 520,000  | 751,637                                      | 1,271,637  | 384,585                  | 3                    |
| Phoenix                   | AZ           | 440,000                 | 511,637                                      | None                                       | None           | 440,000  | 511,637                                      | 951,637    | 261,785                  | 3                    |
| Phoenix                   | AZ           | 360,000                 | 421,637                                      | None                                       | None           | 360,000  | 421,637                                      | 781,637    | 215,735                  | 3                    |
| Phoenix                   | AZ           | 710,000                 | 591,637                                      | None                                       | None           | 710,000  | 591,637                                      | 1,301,637  | 302,718                  | 3                    |
| Phoenix                   | AZ           | 320,000                 | 661,637                                      | None                                       | None           | 320,000  | 661,637                                      | 981,637    | 338,535                  | 3                    |
| Phoenix                   | AZ           | 450,000                 | 651,637                                      | None                                       | None           | 450,000  | 651,637                                      | 1,101,637  | 333,418                  | 3                    |
| Phoenix                   | AZ           | 430,000                 | 711,637                                      | None                                       | None           | 430,000  | 711,637                                      | 1,141,637  | 364,118                  | 3                    |
| Phoenix                   | AZ           | 730,000                 | 931,637                                      | None                                       | None           | 730,000  | 931,637                                      | 1,661,637  | 476,685                  | 3                    |
| Phoenix                   | AZ           | 790,000                 | 1,051,637                                    | None                                       | None           | 790,000  | 1,051,637                                    | 1,841,637  | 538,085                  | 3                    |
| Pinetop                   | AZ           | 170,000                 | 311,637                                      | None                                       | None           | 170,000  | 311,637                                      | 481,637    | 159,452                  | 3                    |

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|                  |    |           |           |       |      |           |           |           |         |
|------------------|----|-----------|-----------|-------|------|-----------|-----------|-----------|---------|
| Queen Creek      | AZ | 520,000   | 891,637   | None  | None | 520,000   | 891,637   | 1,411,637 | 456,218 |
| Scottsdale       | AZ | 210,000   | 201,637   | None  | None | 210,000   | 201,637   | 411,637   | 103,168 |
| Scottsdale       | AZ | 660,000   | 1,031,637 | None  | None | 660,000   | 1,031,637 | 1,691,637 | 527,852 |
| Sierra Vista     | AZ | 110,000   | 301,637   | None  | None | 110,000   | 301,637   | 411,637   | 154,335 |
| Tempe            | AZ | 620,000   | 1,071,637 | None  | None | 620,000   | 1,071,637 | 1,691,637 | 548,318 |
| Tempe            | AZ | 270,000   | 461,637   | None  | None | 270,000   | 461,637   | 731,637   | 236,202 |
| Tolleson         | AZ | 460,000   | 1,231,637 | None  | None | 460,000   | 1,231,637 | 1,691,637 | 630,185 |
| Tombstone        | AZ | 110,000   | 381,637   | None  | None | 110,000   | 381,637   | 491,637   | 195,268 |
| Tucson           | AZ | 180,000   | 331,637   | None  | None | 180,000   | 331,637   | 511,637   | 169,685 |
| Tucson           | AZ | 220,000   | 311,637   | None  | None | 220,000   | 311,637   | 531,637   | 159,452 |
| Tucson           | AZ | 240,000   | 341,637   | None  | None | 240,000   | 341,637   | 581,637   | 174,802 |
| Tucson           | AZ | 550,000   | 511,637   | None  | None | 550,000   | 511,637   | 1,061,637 | 261,785 |
| Tucson           | AZ | 126,000   | 234,565   | None  | None | 126,000   | 234,565   | 360,565   | 119,237 |
| Wellton          | AZ | 120,000   | 291,637   | None  | None | 120,000   | 291,637   | 411,637   | 149,218 |
| Wickenburg       | AZ | 150,000   | 291,637   | None  | None | 150,000   | 291,637   | 441,637   | 149,218 |
| Clovis           | CA | 775,775   | 1,564,225 | None  | None | 775,775   | 1,564,225 | 2,340,000 | 2,107   |
| King City        | CA | 2,323,521 | 4,086,479 | None  | None | 2,323,521 | 4,086,479 | 6,410,000 | 6,311   |
| Lake Elsinore    | CA | 962,113   | 1,867,887 | None  | None | 962,113   | 1,867,887 | 2,830,000 | 2,613   |
| Merced           | CA | 1,486,901 | 2,723,099 | None  | None | 1,486,901 | 2,723,099 | 4,210,000 | 4,039   |
| Oakhurst         | CA | 1,589,577 | 2,890,423 | None  | None | 1,589,577 | 2,890,423 | 4,480,000 | 4,317   |
| Richmond         | CA | 1,673,239 | 3,026,761 | None  | None | 1,673,239 | 3,026,761 | 4,700,000 | 4,545   |
| Sacramento       | CA | 1,372,572 | 2,536,784 | None  | None | 1,372,572 | 2,536,784 | 3,909,356 | 3,728   |
| San Jose         | CA | 2,034,507 | 3,615,493 | None  | None | 2,034,507 | 3,615,493 | 5,650,000 | 5,526   |
| Sand City        | CA | 1,365,211 | 2,524,789 | None  | None | 1,365,211 | 2,524,789 | 3,890,000 | 3,708   |
| Santa Cruz       | CA | 1,380,423 | 2,549,577 | None  | None | 1,380,423 | 2,549,577 | 3,930,000 | 3,749   |
| Santa Cruz       | CA | 1,893,803 | 3,386,197 | None  | None | 1,893,803 | 3,386,197 | 5,280,000 | 5,144   |
| Stockton         | CA | 785,819   | 1,580,594 | None  | None | 785,819   | 1,580,594 | 2,366,413 | 2,134   |
| Aurora           | CO | 870,845   | 1,719,155 | None  | None | 870,845   | 1,719,155 | 2,590,000 | 2,365   |
| Brighton         | CO | 711,127   | 1,458,873 | None  | None | 711,127   | 1,458,873 | 2,170,000 | 1,931   |
| Colorado Springs | CO | 1,103,650 | 2,048,135 | 1,500 | None | 1,103,650 | 2,049,635 | 3,153,285 | 311,196 |
| Colorado Springs | CO | 867,042   | 1,712,958 | None  | None | 867,042   | 1,712,958 | 2,580,000 | 2,355   |
| Colorado Springs | CO | 876,608   | 1,728,547 | None  | None | 876,608   | 1,728,547 | 2,605,155 | 2,381   |
| Colorado Springs | CO | 1,102,095 | 2,096,006 | None  | None | 1,102,095 | 2,096,006 | 3,198,101 | 2,993   |
| Henderson        | CO | 1,427,612 | 2,626,479 | None  | None | 1,427,612 | 2,626,479 | 4,054,091 | 3,877   |
| Peyton           | CO | 1,595,490 | 2,900,058 | None  | None | 1,595,490 | 2,900,058 | 4,495,548 | 4,333   |
| Vernon           | CT | 179,646   | 319,372   | None  | 13   | 179,646   | 319,385   | 499,031   | 278,394 |
| Westbrook        | CT | 98,247    | 373,340   | None  | None | 98,247    | 373,340   | 471,587   | 325,428 |
| Camden           | DE | 113,811   | 174,435   | None  | None | 113,811   | 174,435   | 288,246   | 96,223  |
| Camden           | DE | 250,528   | 379,165   | None  | None | 250,528   | 379,165   | 629,693   | 209,166 |
| Dewey            | DE | 147,465   | 224,665   | None  | None | 147,465   | 224,665   | 372,130   | 123,933 |
| Dover            | DE | 278,804   | 421,707   | None  | None | 278,804   | 421,707   | 700,511   | 232,635 |
| Dover            | DE | 367,137   | 554,207   | None  | None | 367,137   | 554,207   | 921,344   | 305,730 |
| Dover            | DE | 367,425   | 554,884   | None  | None | 367,425   | 554,884   | 922,309   | 306,104 |
| Felton           | DE | 307,260   | 464,391   | None  | None | 307,260   | 464,391   | 771,651   | 256,182 |
| Greenwood        | DE | 632,303   | 1,176,711 | None  | None | 632,303   | 1,176,711 | 1,809,014 | 429,498 |
| Harrington       | DE | 563,812   | 849,220   | None  | None | 563,812   | 849,220   | 1,413,032 | 468,479 |
| Milford          | DE | 310,049   | 468,575   | None  | None | 310,049   | 468,575   | 778,624   | 258,490 |
| New Castle       | DE | 589,325   | 887,488   | None  | None | 589,325   | 887,488   | 1,476,813 | 489,590 |
| Smyrna           | DE | 121,774   | 186,436   | None  | None | 121,774   | 186,436   | 308,210   | 102,843 |
| Smyrna           | DE | 401,135   | 605,332   | None  | None | 401,135   | 605,332   | 1,006,467 | 333,934 |
| Townsend         | DE | 241,416   | 365,749   | None  | None | 241,416   | 365,749   | 607,165   | 201,764 |
| Wilmington       | DE | 280,682   | 424,525   | None  | None | 280,682   | 424,525   | 705,207   | 234,189 |
| Apopka           | FL | 1,259,120 | 2,351,900 | None  | None | 1,259,120 | 2,351,900 | 3,611,020 | 3,420   |
| Archer           | FL | 296,238   | 578,145   | None  | None | 296,238   | 578,145   | 874,383   | 407,591 |
| Bradenton        | FL | 946,638   | 1,671,528 | 499   | None | 946,638   | 1,672,027 | 2,618,665 | 264,854 |
| Bradenton        | FL | 414,000   | 107,500   | 1,500 | None | 414,000   | 109,000   | 523,000   | 16,879  |
| Bushnell         | FL | 130,000   | 291,637   | None  | None | 130,000   | 291,637   | 421,637   | 149,218 |
| Cape Coral       | FL | 1,135,901 | 2,151,099 | None  | None | 1,135,901 | 2,151,099 | 3,287,000 | 3,085   |
| Cape Coral       | FL | 618,843   | 1,308,484 | None  | None | 618,843   | 1,308,484 | 1,927,327 | 1,681   |
| Casselberry      | FL | 835,045   | 1,660,814 | None  | None | 835,045   | 1,660,814 | 2,495,859 | 2,268   |
| Clearwater       | FL | 359,792   | 311,845   | None  | None | 359,792   | 311,845   | 671,637   | 159,558 |
| Cocoa            | FL | 323,827   | 287,810   | None  | None | 323,827   | 287,810   | 611,637   | 147,260 |
| Deerfield Beach  | FL | 2,256,641 | 3,977,489 | None  | None | 2,256,641 | 3,977,489 | 6,234,130 | 6,129   |
| Deltona          | FL | 140,000   | 321,637   | None  | None | 140,000   | 321,637   | 461,637   | 164,568 |
| Englewood        | FL | 270,000   | 331,637   | None  | None | 270,000   | 331,637   | 601,637   | 169,685 |

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|                 |    |           |           |      |      |           |           |           |         |   |
|-----------------|----|-----------|-----------|------|------|-----------|-----------|-----------|---------|---|
| Estero          | FL | 638,291   | 1,340,178 | None | None | 638,291   | 1,340,178 | 1,978,469 | 1,734   | 1 |
| Fort Lauderdale | FL | 1,245,803 | 2,330,197 | None | None | 1,245,803 | 2,330,197 | 3,576,000 | 3,384   | 1 |
| Fort Lauderdale | FL | 2,160,296 | 3,820,482 | None | None | 2,160,296 | 3,820,482 | 5,980,778 | 5,867   | 1 |
| Fort Myers      | FL | 1,226,387 | 2,298,557 | None | None | 1,226,387 | 2,298,557 | 3,524,944 | 3,331   | 1 |
| Fort Myers      | FL | 876,598   | 1,728,531 | None | None | 876,598   | 1,728,531 | 2,605,129 | 2,381   | 1 |
| Fort Myers      | FL | 987,955   | 1,910,001 | None | None | 987,955   | 1,910,001 | 2,897,956 | 2,683   | 1 |
| Gainesville     | FL | 515,834   | 873,187   | None | None | 515,834   | 873,187   | 1,389,021 | 615,596 |   |
| Gainesville     | FL | 480,318   | 600,633   | None | None | 480,318   | 600,633   | 1,080,951 | 423,445 |   |
| Gainesville     | FL | 347,310   | 694,859   | None | None | 347,310   | 694,859   | 1,042,169 | 489,874 |   |
| Gainesville     | FL | 339,263   | 658,807   | None | None | 339,263   | 658,807   | 998,070   | 464,458 |   |

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REALTY INCOME CORPORATION AND SUBSIDIARIES

SCHEDULE III REAL ESTATE AND ACCUMULATED DEPRECIATION

AS OF DECEMBER 31, 2016

| Description             | Encumbrances | Initial Cost to Company |  | Cost Capitalized Subsequent to Acquisition |       | Gross Amount at Which Carried at Close of Period (Notes 3, 4, 6 and 7) |  |           | Accumulated Depreciation | Date of Construction | Acquisition |
|-------------------------|--------------|-------------------------|--|--|-------|--|--|-----------|--------------------------|----------------------|-------------|
|                         |              | Land                    | Buildings, Improvements and Fees Acquisition | Improvements                               | Costs | Land   | Buildings, Improvements and Fees Acquisition | Total     |                          |                      |             |
| Gainesville             | FL           | 351,921                 | 552,557                                      | None                                       | None  | 351,921  | 552,557                                      | 904,478   | 389,551                  |                      | 5/7         |
| Gainesville             | FL           | 500,032                 | 850,291                                      | None                                       | None  | 500,032  | 850,291                                      | 1,350,323 | 599,454                  |                      | 5/7         |
| Homosassa Springs       | FL           | 740,000                 | 621,637                                      | None                                       | None  | 740,000  | 621,637                                      | 1,361,637 | 318,068                  |                      | 3/1         |
| Hudson                  | FL           | 300,000                 | 351,637                                      | None                                       | None  | 300,000  | 351,637                                      | 651,637   | 179,918                  |                      | 3/1         |
| Intercession City       | FL           | 161,776                 | 319,861                                      | None                                       | None  | 161,776  | 319,861                                      | 481,637   | 163,660                  |                      | 3/1         |
| Jacksonville            | FL           | 266,111                 | 494,206                                      | None                                       | None  | 266,111  | 494,206                                      | 760,317   | 251,221                  |                      | 4/1         |
| Jupiter                 | FL           | 2,110,993               | 3,740,136                                    | None                                       | None  | 2,110,993  | 3,740,136                                    | 5,851,129 | 5,734                    |                      | 12/2        |
| Jupiter                 | FL           | 1,788,923               | 3,215,282                                    | None                                       | None  | 1,788,923  | 3,215,282                                    | 5,004,205 | 4,859                    |                      | 12/2        |
| Key West                | FL           | 873,700                 | 627,937                                      | None                                       | None  | 873,700  | 627,937                                      | 1,501,637 | 321,292                  |                      | 3/1         |
| Key West                | FL           | 492,785                 | 208,852                                      | None                                       | None  | 492,785  | 208,852                                      | 701,637   | 106,860                  |                      | 3/1         |
| Kissimmee               | FL           | 802,394                 | 1,607,606                                    | None                                       | None  | 802,394  | 1,607,606                                    | 2,410,000 | 2,179                    |                      | 12/2        |
| Kissimmee               | FL           | 901,268                 | 1,768,732                                    | None                                       | None  | 901,268  | 1,768,732                                    | 2,670,000 | 2,448                    |                      | 12/2        |
| Lake Mary               | FL           | 1,527,924               | 2,789,949                                    | None                                       | None  | 1,527,924  | 2,789,949                                    | 4,317,873 | 4,150                    |                      | 12/2        |
| Lake Worth              | FL           | 2,381,911               | 4,181,633                                    | None                                       | None  | 2,381,911  | 4,181,633                                    | 6,563,544 | 6,469                    |                      | 12/2        |
| Lakeland                | FL           | 527,076                 | 464,561                                      | None                                       | None  | 527,076  | 464,561                                      | 991,637   | 237,698                  |                      | 3/1         |
| Lakeland                | FL           | 300,000                 | 321,637                                      | None                                       | None  | 300,000  | 321,637                                      | 621,637   | 164,568                  |                      | 3/1         |
| Land O Lakes            | FL           | 120,000                 | 361,637                                      | None                                       | None  | 120,000  | 361,637                                      | 481,637   | 185,035                  |                      | 3/1         |
| Largo                   | FL           | 900,000                 | 1,475,882                                    | None                                       | None  | 900,000  | 1,475,882                                    | 2,375,882 | 158,094                  | 4/9/2014             | 8/1         |
| Lehigh Acres            | FL           | 1,143,156               | 2,162,920                                    | None                                       | None  | 1,143,156  | 2,162,920                                    | 3,306,076 | 3,105                    |                      | 12/2        |
| Lutz                    | FL           | 480,000                 | 421,637                                      | None                                       | None  | 480,000  | 421,637                                      | 901,637   | 215,735                  |                      | 3/1         |
| Miramar                 | FL           | 1,333,334               | 2,472,840                                    | None                                       | None  | 1,333,334  | 2,472,840                                    | 3,806,174 | 3,621                    |                      | 12/2        |
| Miramar                 | FL           | 2,131,924               | 3,774,246                                    | None                                       | None  | 2,131,924  | 3,774,246                                    | 5,906,170 | 5,790                    |                      | 12/2        |
| Moore Haven             | FL           | 180,342                 | 331,295                                      | None                                       | None  | 180,342  | 331,295                                      | 511,637   | 169,510                  |                      | 3/1         |
| Mount Dora              | FL           | 1,423,518               | 2,513,578                                    | 751  | None  | 1,423,518  | 2,514,329                                    | 3,937,847 | 398,277                  |                      | 1/2         |
| Naples                  | FL           | 150,000                 | 301,637                                      | None                                       | None  | 150,000  | 301,637                                      | 451,637   | 154,335                  |                      | 3/1         |
| Naples                  | FL           | 620,000                 | 381,637                                      | None                                       | None  | 620,000  | 381,637                                      | 1,001,637 | 195,268                  |                      | 3/1         |
| Naples                  | FL           | 1,060,375               | 2,028,018                                    | None                                       | None  | 1,060,375  | 2,028,018                                    | 3,088,393 | 2,880                    |                      | 12/2        |
| Naples                  | FL           | 2,457,156               | 4,304,254                                    | None                                       | None  | 2,457,156  | 4,304,254                                    | 6,761,410 | 6,674                    |                      | 12/2        |
| New Port                | FL           | 190,000                 | 601,637                                      | None                                       | None  | 190,000  | 601,637                                      | 791,637   | 307,835                  |                      | 3/1         |
| Richey North Fort Myers | FL           | 140,000                 | 281,637                                      | None                                       | None  | 140,000  | 281,637                                      | 421,637   | 144,102                  |                      | 3/1         |
| Ocoee                   | FL           | 1,099,792               | 2,092,254                                    | None                                       | None  | 1,099,792  | 2,092,254                                    | 3,192,046 | 2,987                    |                      | 12/2        |
| Okeechobee              | FL           | 195,075                 | 346,562                                      | None                                       | None  | 195,075  | 346,562                                      | 541,637   | 177,322                  |                      | 3/1         |
| Orlando                 | FL           | 240,000                 | 301,637                                      | None                                       | None  | 240,000  | 301,637                                      | 541,637   | 154,335                  |                      | 3/1         |
| Orlando                 | FL           | 1,019,155               | 1,960,845                                    | None                                       | None  | 1,019,155  | 1,960,845                                    | 2,980,000 | 2,768                    |                      | 12/2        |
| Orlando                 | FL           | 1,380,423               | 2,549,577                                    | None                                       | None  | 1,380,423  | 2,549,577                                    | 3,930,000 | 3,749                    |                      | 12/2        |
| Orlando                 | FL           | 1,680,279               | 3,038,233                                    | None                                       | None  | 1,680,279  | 3,038,233                                    | 4,718,512 | 4,564                    |                      | 12/2        |
| Orlando                 | FL           | 928,179                 | 1,812,588                                    | None                                       | None  | 928,179  | 1,812,588                                    | 2,740,767 | 2,521                    |                      | 12/2        |
| Orlando                 | FL           | 569,316                 | 1,227,773                                    | None                                       | None  | 569,316  | 1,227,773                                    | 1,797,089 | 1,546                    |                      | 12/2        |

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|                      |    |           |           |          |      |           |           |           |         |           |
|----------------------|----|-----------|-----------|----------|------|-----------|-----------|-----------|---------|-----------|
| Orlando              | FL | 739,872   | 1,505,717 | None     | None | 739,872   | 1,505,717 | 2,245,589 | 2,010   | 12/2      |
| Oviedo               | FL | 698,027   | 1,437,525 | None     | None | 698,027   | 1,437,525 | 2,135,552 | 1,896   | 12/2      |
| Palm Bay             | FL | 230,880   | 300,757   | None     | None | 230,880   | 300,757   | 531,637   | 153,885 | 3/1       |
| Palm Beach<br>Gardns | FL | 1,669,049 | 3,019,931 | None     | None | 1,669,049 | 3,019,931 | 4,688,980 | 4,533   | 12/2      |
| Palm Harbor          | FL | 510,000   | 381,637   | None     | None | 510,000   | 381,637   | 891,637   | 195,268 | 3/1       |
| Panama City          | FL | 210,000   | 431,637   | None     | None | 210,000   | 431,637   | 641,637   | 220,852 | 3/1       |
| Pensacola            | FL | 168,000   | 312,727   | None     | None | 168,000   | 312,727   | 480,727   | 158,967 | 4/1       |
| Plantation           | FL | 1,935,946 | 3,454,874 | None     | None | 1,935,946 | 3,454,874 | 5,390,820 | 5,258   | 12/2      |
| Pompano<br>Beach     | FL | 605,398   | 1,286,575 | None     | None | 605,398   | 1,286,575 | 1,891,973 | 1,644   | 12/2      |
| Port Charlotte       | FL | 170,000   | 311,637   | None     | None | 170,000   | 311,637   | 481,637   | 159,452 | 3/1       |
| Port Charlotte       | FL | 200,000   | 356,637   | None     | None | 200,000   | 356,637   | 556,637   | 182,477 | 3/1       |
| Port Orange          | FL | 609,438   | 512,199   | None     | None | 609,438   | 512,199   | 1,121,637 | 262,073 | 3/1       |
| Port Saint<br>Lucie  | FL | 897,465   | 1,762,535 | None     | None | 897,465   | 1,762,535 | 2,660,000 | 2,438   | 12/2      |
| Punta Gorda          | FL | 400,000   | 511,637   | None     | None | 400,000   | 511,637   | 911,637   | 261,785 | 3/1       |
| Riverview            | FL | 1,930,000 | 1,423,752 | None     | None | 1,930,000 | 1,423,752 | 3,353,752 | 178,194 | 8/30/2013 |
| Sanford              | FL | 1,440,027 | 2,646,711 | None     | None | 1,440,027 | 2,646,711 | 4,086,738 | 3,911   | 12/2      |
| Sarasota             | FL | 1,447,403 | 2,658,731 | None     | None | 1,447,403 | 2,658,731 | 4,106,134 | 3,931   | 12/2      |
| Stuart               | FL | 1,682,532 | 3,041,904 | None     | None | 1,682,532 | 3,041,904 | 4,724,436 | 4,570   | 12/2      |
| Tallahassee          | FL | 600,000   | 341,637   | None     | None | 600,000   | 341,637   | 941,637   | 174,802 | 3/1       |
| Tamarac              | FL | 1,316,246 | 2,444,994 | None     | None | 1,316,246 | 2,444,994 | 3,761,240 | 3,575   | 12/2      |
| Tampa                | FL | 300,000   | 301,637   | None     | None | 300,000   | 301,637   | 601,637   | 154,335 | 3/1       |
| Tampa                | FL | 380,000   | 361,637   | None     | None | 380,000   | 361,637   | 741,637   | 185,035 | 3/1       |
| Tampa                | FL | 320,000   | 591,637   | None     | None | 320,000   | 591,637   | 911,637   | 302,718 | 3/1       |
| Webster              | FL | 640,000   | 1,071,637 | None     | None | 640,000   | 1,071,637 | 1,711,637 | 548,318 | 3/1       |
| West Palm<br>Beach   | FL | 810,656   | 1,621,069 | None     | None | 810,656   | 1,621,069 | 2,431,725 | 2,202   | 12/2      |
| Winter<br>Springs    | FL | 150,000   | 291,637   | None     | None | 150,000   | 291,637   | 441,637   | 149,218 | 3/1       |
| Augusta              | GA | 620,000   | 383,232   | None     | None | 620,000   | 383,232   | 1,003,232 | 267,618 | 7/2       |
| Augusta              | GA | 540,000   | 337,853   | None     | None | 540,000   | 337,853   | 877,853   | 235,930 | 7/2       |
| Augusta              | GA | 510,000   | 392,929   | None     | None | 510,000   | 392,929   | 902,929   | 274,391 | 7/2       |
| Augusta              | GA | 180,000   | 422,020   | None     | None | 180,000   | 422,020   | 602,020   | 294,707 | 7/2       |
| Augusta              | GA | 260,000   | 392,171   | None     | None | 260,000   | 392,171   | 652,171   | 273,863 | 7/2       |
| Augusta              | GA | 240,000   | 451,637   | None     | None | 240,000   | 451,637   | 691,637   | 231,085 | 3/1       |
| Calhoun              | GA | 122,500   | 228,742   | None     | None | 122,500   | 228,742   | 351,242   | 120,846 | 10/1      |
| Calhoun              | GA | 262,500   | 488,742   | None     | None | 262,500   | 488,742   | 751,242   | 258,212 | 10/1      |
| Cartersville         | GA | 262,500   | 488,742   | None     | None | 262,500   | 488,742   | 751,242   | 258,212 | 10/1      |
| Chatsworth           | GA | 140,000   | 261,242   | None     | None | 140,000   | 261,242   | 401,242   | 138,016 | 10/1      |
| Chatsworth           | GA | 140,000   | 261,242   | None     | None | 140,000   | 261,242   | 401,242   | 138,016 | 10/1      |
| Chatsworth           | GA | 140,000   | 261,242   | None     | None | 140,000   | 261,242   | 401,242   | 138,016 | 10/1      |
| Chickamauga          | GA | 181,731   | 338,742   | None     | None | 181,731   | 338,742   | 520,473   | 178,962 | 10/1      |
| Dalton               | GA | 171,500   | 319,742   | None     | None | 171,500   | 319,742   | 491,242   | 168,924 | 10/1      |
| Dalton               | GA | 87,500    | 163,742   | None     | None | 87,500    | 163,742   | 251,242   | 86,504  | 10/1      |
| Dalton               | GA | 485,650   | 903,162   | None     | None | 485,650   | 903,162   | 1,388,812 | 477,164 | 10/1      |
| Dalton               | GA | 146,000   | 272,385   | None     | None | 146,000   | 272,385   | 418,385   | 143,904 | 10/1      |
| Dalton               | GA | 420,000   | 781,242   | None     | None | 420,000   | 781,242   | 1,201,242 | 412,750 | 10/1      |
| Dalton               | GA | 210,000   | 391,242   | None     | None | 210,000   | 391,242   | 601,242   | 206,700 | 10/1      |
| Dalton               | GA | 332,500   | 618,742   | None     | None | 332,500   | 618,742   | 951,242   | 326,896 | 10/1      |
| Dalton               | GA | 437,500   | 813,742   | None     | None | 437,500   | 813,742   | 1,251,242 | 429,921 | 10/1      |
| Decatur              | GA | 529,383   | 532,429   | None     | 296  | 529,383   | 532,725   | 1,062,108 | 416,403 | 6/2       |
| Decatur              | GA | 1,622,631 | 2,865,162 | 856      | None | 1,622,631 | 2,866,018 | 4,488,649 | 453,986 | 1/2       |
| Dunwoody             | GA | 545,462   | 724,254   | None     | 296  | 545,462   | 724,550   | 1,270,012 | 566,338 | 6/2       |
| Flintstone           | GA | 157,500   | 293,742   | None     | None | 157,500   | 293,742   | 451,242   | 155,187 | 10/1      |
| La Fayette           | GA | 122,500   | 228,742   | None     | None | 122,500   | 228,742   | 351,242   | 120,846 | 10/1      |
| Lithonia             | GA | 386,784   | 776,436   | None     | None | 386,784   | 776,436   | 1,163,220 | 606,857 | 6/2       |
| Mableton             | GA | 491,069   | 355,957   | None     | None | 491,069   | 355,957   | 847,026   | 278,192 | 6/2       |
| Martinez             | GA | 450,000   | 402,777   | None     | None | 450,000   | 402,777   | 852,777   | 281,268 | 7/2       |
| Martinez             | GA | 830,000   | 871,637   | None     | None | 830,000   | 871,637   | 1,701,637 | 445,985 | 3/1       |
| Norcross             | GA | 384,162   | 651,273   | None     | None | 384,162   | 651,273   | 1,035,435 | 509,018 | 6/2       |
| Ringgold             | GA | 234,500   | 1,168,914 | (7,829)  | None | 226,671   | 1,168,914 | 1,395,585 | 566,347 | 10/1      |
| Ringgold             | GA | 385,000   | 716,242   | (21,175) | None | 363,825   | 716,242   | 1,080,067 | 378,408 | 10/1      |
| Ringgold             | GA | 482,251   | 896,851   | None     | None | 482,251   | 896,851   | 1,379,102 | 473,830 | 10/1      |
| Rocky Face           | GA | 164,231   | 306,241   | None     | None | 164,231   | 306,241   | 470,472   | 161,791 | 10/1      |
| Rome                 | GA | 210,000   | 391,242   | None     | None | 210,000   | 391,242   | 601,242   | 206,700 | 10/1      |
| Rome                 | GA | 199,199   | 371,183   | None     | None | 199,199   | 371,183   | 570,382   | 196,102 | 10/1      |
| Rome                 | GA | 201,791   | 375,997   | (22,030) | None | 179,761   | 375,997   | 555,758   | 198,646 | 10/1      |
| Rome                 | GA | 315,000   | 586,242   | None     | None | 315,000   | 586,242   | 901,242   | 309,725 | 10/1      |

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|              |    |         |           |       |      |         |           |           |         |      |
|--------------|----|---------|-----------|-------|------|---------|-----------|-----------|---------|------|
| Rossville    | GA | 157,500 | 293,742   | None  | None | 157,500 | 293,742   | 451,242   | 155,187 | 10/1 |
| Summerville  | GA | 66,231  | 124,242   | None  | None | 66,231  | 124,242   | 190,473   | 65,635  | 10/1 |
| Trenton      | GA | 129,231 | 241,242   | None  | None | 129,231 | 241,242   | 370,473   | 127,450 | 10/1 |
| Adair        | IA | 779,853 | 1,377,027 | 411   | None | 779,853 | 1,377,438 | 2,157,291 | 218,190 | 1/2  |
| Neola        | IA | 784,675 | 1,385,540 | 414   | None | 784,675 | 1,385,954 | 2,170,629 | 219,539 | 1/2  |
| Belvidere    | IL | 768,748 | 1,426,176 | 1,500 | None | 768,748 | 1,427,676 | 2,196,424 | 402,756 | 12/2 |
| Dekalb       | IL | 661,500 | 1,226,500 | 2,000 | None | 661,500 | 1,228,500 | 1,890,000 | 346,864 | 12/2 |
| Godfrey      | IL | 374,586 | 733,190   | None  | None | 374,586 | 733,190   | 1,107,776 | 573,046 | 6/2  |
| Granite City | IL | 362,287 | 737,255   | None  | None | 362,287 | 737,255   | 1,099,542 | 576,225 | 6/2  |
| Hartford     | IL | 599,172 | 1,110,747 | 2,000 | None | 599,172 | 1,112,747 | 1,711,919 | 314,260 | 12/2 |
| Loves Park   | IL | 547,582 | 1,016,523 | 1,500 | None | 547,582 | 1,018,023 | 1,565,605 | 368,991 | 12/2 |

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REALTY INCOME CORPORATION AND SUBSIDIARIES

SCHEDULE III REAL ESTATE AND ACCUMULATED DEPRECIATION

AS OF DECEMBER 31, 2016

| Description<br>(Note 1) | Encumbrances<br>(Note 2) | Initial Cost to Company |  | Cost Capitalized<br>Subsequent<br>to Acquisition |       | Gross Amount at Which Carried<br>at Close of Period (Notes 3, 4, 6 and<br>7) |  |           | Accumulated<br>Depreciation<br>(Note 5) | Date of<br>Construction |
|-------------------------|--------------------------|-------------------------|--|--|-------|--|--|-----------|---|-------------------------|
|                         |                          | Land                    | Buildings,<br>Improvements<br>and<br>Acquisition<br>Fees | Improvements                                     | Costs | Land   | Buildings,<br>Improvements<br>and<br>Acquisition<br>Fees | Total     |   |                         |
| Loves Park              | IL                       | 760,725                 | 1,410,775  | 2,000  | None  | 760,725  | 1,412,775  | 2,173,500 | 398,768                                 | 12/15/11                |
| Machesney<br>Park       | IL                       | 562,275                 | 1,043,225  | 1,000  | None  | 562,275  | 1,044,225  | 1,606,500 | 294,542                                 | 12/15/11                |
| Marengo                 | IL                       | 501,948                 | 930,688  | 1,500  | None  | 501,948  | 932,188  | 1,434,136 | 263,194                                 | 12/15/11                |
| Monee                   | IL                       | 671,759                 | 1,394,719  | None   | None  | 671,759  | 1,394,719  | 2,066,478 | 1,825                                   | 12/15/11                |
| Rochelle                | IL                       | 607,418                 | 1,128,145  | 1,000  | None  | 607,418  | 1,129,145  | 1,736,563 | 408,911                                 | 12/15/11                |
| Rockford                | IL                       | 463,050                 | 858,450  | 1,500  | None  | 463,050  | 859,950  | 1,323,000 | 242,847                                 | 12/15/11                |
| Rockford                | IL                       | 388,631                 | 720,244  | 1,500  | None  | 388,631  | 721,744  | 1,110,375 | 203,919                                 | 12/15/11                |
| Tuscola                 | IL                       | 752,456                 | 1,394,419  | 3,000  | None  | 752,456  | 1,397,419  | 2,149,875 | 394,861                                 | 12/15/11                |
| Albany                  | IN                       | 427,437                 | 794,632  | 2,000  | None  | 427,437  | 796,632  | 1,224,069 | 307,847                                 | 5/15/11                 |
| Alexandria              | IN                       | 139,219                 | 259,369  | None   | None  | 139,219  | 259,369  | 398,588   | 99,854                                  | 5/15/11                 |
| Anderson                | IN                       | 147,263                 | 274,307  | None   | None  | 147,263  | 274,307  | 421,570   | 105,605                                 | 5/15/11                 |
| Anderson                | IN                       | 283,430                 | 527,190  | 2,000  | None  | 283,430  | 529,190  | 812,620   | 204,881                                 | 5/15/11                 |
| Elkhart                 | IN                       | 495,914                 | 922,471  | 1,500  | None  | 495,914  | 923,971  | 1,419,885 | 356,585                                 | 5/15/11                 |
| Frankfort               | IN                       | 208,666                 | 388,345  | 2,000  | None  | 208,666  | 390,345  | 599,011   | 151,426                                 | 5/15/11                 |
| Greenwood               | IN                       | 173,250                 | 323,022  | None   | None  | 173,250  | 323,022  | 496,272   | 124,360                                 | 5/15/11                 |
| Hartford City           | IN                       | 250,310                 | 465,702  | 2,000  | None  | 250,310  | 467,702  | 718,012   | 181,208                                 | 5/15/11                 |
| Indianapolis            | IN                       | 129,938                 | 242,134  | None   | None  | 129,938  | 242,134  | 372,072   | 93,218                                  | 5/15/11                 |
| Indianapolis            | IN                       | 269,294                 | 500,939  | 1,500  | None  | 269,294  | 502,439  | 771,733   | 194,296                                 | 5/15/11                 |
| Indianapolis            | IN                       | 318,432                 | 592,193  | 1,500  | None  | 318,432  | 593,693  | 912,125   | 229,429                                 | 5/15/11                 |
| Knox                    | IN                       | 341,250                 | 633,499  | 1,500  | None  | 341,250  | 634,999  | 976,249   | 234,726                                 | 10/15/11                |
| Lafayette               | IN                       | 147,263                 | 274,309  | None   | None  | 147,263  | 274,309  | 421,572   | 105,606                                 | 5/15/11                 |
| Lafayette               | IN                       | 112,613                 | 209,959  | None   | None  | 112,613  | 209,959  | 322,572   | 80,831                                  | 5/15/11                 |
| Marion                  | IN                       | 209,196                 | 389,995  | 1,500  | None  | 209,196  | 391,495  | 600,691   | 151,582                                 | 5/15/11                 |
| Michigan City           | IN                       | 227,500                 | 422,249  | 1,500  | None  | 227,500  | 423,749  | 651,249   | 156,916                                 | 10/15/11                |
| Mishawaka               | IN                       | 123,983                 | 231,743  | 2,000  | None  | 123,983  | 233,743  | 357,726   | 91,134                                  | 5/15/11                 |
| Morristown              | IN                       | 366,590                 | 682,082  | 2,000  | None  | 366,590  | 684,082  | 1,050,672 | 264,515                                 | 5/15/11                 |
| Muncie                  | IN                       | 103,950                 | 193,870  | None   | None  | 103,950  | 193,870  | 297,820   | 74,637                                  | 5/15/11                 |
| Muncie                  | IN                       | 184,237                 | 342,974  | 2,000  | None  | 184,237  | 344,974  | 529,211   | 133,958                                 | 5/15/11                 |
| New Albany              | IN                       | 181,459                 | 289,353  | None   | None  | 181,459  | 289,353  | 470,812   | 252,220                                 | 3/15/11                 |
| New Albany              | IN                       | 262,465                 | 331,796  | None   | None  | 262,465  | 331,796  | 594,261   | 289,215                                 | 3/15/11                 |
| New Castle              | IN                       | 138,600                 | 258,672  | None   | None  | 138,600  | 258,672  | 397,272   | 99,585                                  | 5/15/11                 |
| New Castle              | IN                       | 79,854                  | 149,572  | 1,000  | None  | 79,854   | 150,572  | 230,426   | 58,540                                  | 5/15/11                 |
| New Castle              | IN                       | 203,941                 | 380,019  | 1,500  | None  | 203,941  | 381,519  | 585,460   | 147,741                                 | 5/15/11                 |
| Richmond                | IN                       | 281,248                 | 523,589  | 1,500  | None  | 281,248  | 525,089  | 806,337   | 203,016                                 | 5/15/11                 |
| Richmond                | IN                       | 255,908                 | 476,528  | 2,000  | None  | 255,908  | 478,528  | 734,436   | 185,377                                 | 5/15/11                 |
| Rushville               | IN                       | 138,600                 | 258,672  | None   | None  | 138,600  | 258,672  | 397,272   | 99,585                                  | 5/15/11                 |
| Rushville               | IN                       | 121,275                 | 226,497  | None   | None  | 121,275  | 226,497  | 347,772   | 87,198                                  | 5/15/11                 |
| South Bend              | IN                       | 372,387                 | 693,064  | 2,000  | None  | 372,387  | 695,064  | 1,067,451 | 268,743                                 | 5/15/11                 |
| Wabash                  | IN                       | 430,437                 | 800,871  | 2,000  | None  | 430,437  | 802,871  | 1,233,308 | 310,249                                 | 5/15/11                 |
| Wabash                  | IN                       | 334,923                 | 623,488  | 1,500  | 13    | 334,923  | 625,001  | 959,924   | 241,486                                 | 5/15/11                 |
| Warsaw                  | IN                       | 415,275                 | 772,713  | 1,500  | 13    | 415,275  | 774,226  | 1,189,501 | 298,938                                 | 5/15/11                 |



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|                |    |           |           |       |      |           |           |           |           |            |
|----------------|----|-----------|-----------|-------|------|-----------|-----------|-----------|-----------|------------|
| West Lafayette | IN | 1,052,628 | 1,340,855 | 2,000 | None | 1,052,628 | 1,342,855 | 2,395,483 | 517,919   | 5/2/1996   |
| Zionsville     | IN | 910,595   | 1,691,926 | 2,000 | None | 910,595   | 1,693,926 | 2,604,521 | 653,305   | 5/2/1996   |
| Berea          | KY | 252,077   | 360,815   | None  | None | 252,077   | 360,815   | 612,892   | 314,511   | 3/30/1996  |
| Elizabethtown  | KY | 286,106   | 286,106   | None  | 484  | 286,106   | 286,590   | 572,696   | 249,636   | 3/30/1996  |
| Lebanon        | KY | 158,052   | 316,105   | None  | 153  | 158,052   | 316,258   | 474,310   | 275,691   | 3/30/1996  |
| Louisville     | KY | 198,926   | 368,014   | None  | None | 198,926   | 368,014   | 566,940   | 320,785   | 3/30/1996  |
| Louisville     | KY | 216,849   | 605,697   | None  | None | 216,849   | 605,697   | 822,546   | 497,548   | 6/18/1996  |
| Mount Vernon   | KY | 327,245   | 479,593   | None  | None | 327,245   | 479,593   | 806,838   | 386,104   | 12/6/1996  |
| Washington     |    |           |           |       |      |           |           |           |           |            |
| Baton Rouge    | LA | 500,000   | 521,637   | None  | None | 500,000   | 521,637   | 1,021,637 | 266,902   | 3/31/1996  |
| Baton Rouge    | LA | 210,000   | 361,637   | None  | None | 210,000   | 361,637   | 571,637   | 185,035   | 3/31/1996  |
| Bossier City   | LA | 230,000   | 431,637   | None  | None | 230,000   | 431,637   | 661,637   | 220,852   | 3/31/1996  |
| Destrehan      | LA | 200,000   | 411,637   | None  | None | 200,000   | 411,637   | 611,637   | 210,618   | 3/31/1996  |
| Lafayette      | LA | 240,000   | 391,637   | None  | None | 240,000   | 391,637   | 631,637   | 200,385   | 3/31/1996  |
| Pineville      | LA | 170,000   | 371,637   | None  | None | 170,000   | 371,637   | 541,637   | 190,152   | 3/31/1996  |
| Shreveport     | LA | 192,500   | 358,227   | None  | None | 192,500   | 358,227   | 550,727   | 182,096   | 4/1/1996   |
| Amherst        | MA | 110,969   | 639,806   | None  | None | 110,969   | 639,806   | 750,775   | 342,296   | 8/1/1996   |
| North Reading  | MA | 574,601   | 756,174   | None  | None | 574,601   | 756,174   | 1,330,775 | 404,553   | 8/1/1996   |
| Seekonk        | MA | 298,354   | 268,518   | None  | None | 298,354   | 268,518   | 566,872   | 234,058   | 3/31/1996  |
| Berlin         | MD | 255,951   | 387,395   | None  | None | 255,951   | 387,395   | 643,346   | 213,705   | 3/31/1996  |
| Crisfield      | MD | 219,704   | 333,024   | None  | None | 219,704   | 333,024   | 552,728   | 183,711   | 3/31/1996  |
| Hebron         | MD | 376,251   | 567,844   | None  | None | 376,251   | 567,844   | 944,095   | 313,253   | 3/31/1996  |
| La Plata       | MD | 1,017,544 | 2,706,729 | None  | None | 1,017,544 | 2,706,729 | 3,724,273 | 1,556,122 | 8/1/1996   |
| Laurel         | MD | 1,048,527 | 2,008,710 | None  | None | 1,048,527 | 2,008,710 | 3,057,237 | 2,848     | 12/31/1996 |
| Mechanicsville | MD | 1,540,335 | 2,860,928 | None  | None | 1,540,335 | 2,860,928 | 4,401,263 | 1,664,047 | 6/30/1996  |
| Millersville   | MD | 830,737   | 2,696,245 | None  | None | 830,737   | 2,696,245 | 3,526,982 | 1,568,362 | 6/30/1996  |
| Breckenridge   | MI | 437,500   | 811,968   | 1,500 | None | 437,500   | 813,468   | 1,250,968 | 300,462   | 10/31/1996 |
| Carson City    | MI | 262,500   | 486,468   | 2,000 | None | 262,500   | 488,468   | 750,968   | 181,032   | 10/31/1996 |
| Charlevoix     | MI | 385,000   | 713,013   | 2,500 | None | 385,000   | 715,513   | 1,100,513 | 264,939   | 10/31/1996 |
| Cheboygan      | MI | 280,000   | 518,013   | 2,500 | None | 280,000   | 520,513   | 800,513   | 193,114   | 10/31/1996 |
| Clare          | MI | 306,250   | 567,718   | 2,000 | None | 306,250   | 569,718   | 875,968   | 210,960   | 10/31/1996 |
| Clare          | MI | 229,250   | 426,218   | 500   | None | 229,250   | 426,718   | 655,968   | 157,453   | 10/31/1996 |
| Comstock Park  | MI | 315,000   | 583,761   | 2,500 | None | 315,000   | 586,261   | 901,261   | 217,331   | 10/31/1996 |
| Farwell        | MI | 437,500   | 811,468   | 2,000 | None | 437,500   | 813,468   | 1,250,968 | 300,741   | 10/31/1996 |
| Flint          | MI | 194,492   | 476,504   | None  | 139  | 194,492   | 476,643   | 671,135   | 401,197   | 12/31/1996 |
| Gladwin        | MI | 140,000   | 259,013   | 1,500 | None | 140,000   | 260,513   | 400,513   | 96,791    | 10/31/1996 |
| Grand Rapids   | MI | 437,500   | 812,261   | 1,500 | None | 437,500   | 813,761   | 1,251,261 | 300,570   | 10/31/1996 |
| Kalamazoo      | MI | 238,000   | 442,249   | 1,000 | None | 238,000   | 443,249   | 681,249   | 163,820   | 10/31/1996 |
| Kalkaska       | MI | 437,500   | 809,513   | 3,500 | None | 437,500   | 813,013   | 1,250,513 | 301,408   | 10/31/1996 |
| Lake City      | MI | 115,500   | 213,513   | 1,500 | None | 115,500   | 215,013   | 330,513   | 80,032    | 10/31/1996 |
| Lakeview       | MI | 96,250    | 177,718   | 2,000 | None | 96,250    | 179,718   | 275,968   | 67,310    | 10/31/1996 |
| Mackinaw City  | MI | 455,000   | 844,513   | 1,000 | None | 455,000   | 845,513   | 1,300,513 | 311,987   | 10/31/1996 |
| Mecosta        | MI | 122,500   | 227,468   | 1,000 | None | 122,500   | 228,468   | 350,968   | 84,709    | 10/31/1996 |
| Midland        | MI | 437,500   | 811,013   | 2,000 | None | 437,500   | 813,013   | 1,250,513 | 300,573   | 10/31/1996 |
| Mount Pleasant | MI | 162,750   | 300,794   | 2,500 | 13   | 162,750   | 303,307   | 466,057   | 113,113   | 10/31/1996 |
| Mount Pleasant | MI | 463,750   | 860,718   | 1,500 | None | 463,750   | 862,218   | 1,325,968 | 318,419   | 10/31/1996 |
| Mount Pleasant | MI | 210,000   | 388,968   | 2,000 | None | 210,000   | 390,968   | 600,968   | 145,120   | 10/31/1996 |
| Mount Pleasant | MI | 437,500   | 810,968   | 2,500 | None | 437,500   | 813,468   | 1,250,968 | 301,019   | 10/31/1996 |
| Mount Pleasant | MI | 350,000   | 649,468   | 1,500 | None | 350,000   | 650,968   | 1,000,968 | 240,608   | 10/31/1996 |
| Mount Pleasant | MI | 175,000   | 324,468   | 1,500 | None | 175,000   | 325,968   | 500,968   | 120,900   | 10/31/1996 |
| Petoskey       | MI | 490,000   | 909,513   | 1,000 | None | 490,000   | 910,513   | 1,400,513 | 335,929   | 10/31/1996 |
| Prudenville    | MI | 133,000   | 245,013   | 2,500 | None | 133,000   | 247,513   | 380,513   | 92,559    | 10/31/1996 |
| Saginaw        | MI | 262,500   | 486,513   | 1,500 | None | 262,500   | 488,013   | 750,513   | 180,587   | 10/31/1996 |
| Standish       | MI | 92,750    | 171,263   | 1,500 | None | 92,750    | 172,763   | 265,513   | 64,469    | 10/31/1996 |
| Traverse City  | MI | 210,000   | 389,002   | 2,000 | None | 210,000   | 391,002   | 601,002   | 145,132   | 10/31/1996 |
| Walker         | MI | 586,250   | 1,088,499 | 1,500 | None | 586,250   | 1,089,999 | 1,676,249 | 402,318   | 10/31/1996 |
| Alexandria     | MN | 132,924   | 244,858   | 2,000 | None | 132,924   | 246,858   | 379,782   | 60,391    | 12/31/1996 |
| Andover        | MN | 888,706   | 1,648,454 | 2,000 | None | 888,706   | 1,650,454 | 2,539,160 | 399,593   | 12/31/1996 |
| Apple Valley   | MN | 350,000   | 648,000   | 2,000 | None | 350,000   | 650,000   | 1,000,000 | 157,817   | 12/31/1996 |
| Baxter         | MN | 350,000   | 648,000   | 2,000 | None | 350,000   | 650,000   | 1,000,000 | 157,817   | 12/31/1996 |
| Blaine         | MN | 767,270   | 1,422,929 | 2,000 | None | 767,270   | 1,424,929 | 2,192,199 | 345,091   | 12/31/1996 |
| Bloomington    | MN | 262,500   | 485,500   | 2,000 | None | 262,500   | 487,500   | 750,000   | 118,546   | 12/31/1996 |

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|                 |    |         |           |       |      |         |           |           |         |    |
|-----------------|----|---------|-----------|-------|------|---------|-----------|-----------|---------|----|
| Bloomington     | MN | 676,771 | 1,255,359 | 1,500 | None | 676,771 | 1,256,859 | 1,933,630 | 304,291 | 12 |
| Brainerd        | MN | 490,000 | 907,000   | 3,000 | None | 490,000 | 910,000   | 1,400,000 | 221,017 | 12 |
| Brooklyn Center | MN | 979,764 | 1,818,061 | 1,500 | None | 979,764 | 1,819,561 | 2,799,325 | 440,277 | 12 |
| Brooklyn Center | MN | 979,764 | 1,817,561 | 2,000 | None | 979,764 | 1,819,561 | 2,799,325 | 440,461 | 12 |
| Brooklyn Center | MN | 979,764 | 1,817,561 | 2,000 | None | 979,764 | 1,819,561 | 2,799,325 | 440,461 | 12 |
| Brooklyn Park   | MN | 830,336 | 1,540,052 | 2,000 | None | 830,336 | 1,542,052 | 2,372,388 | 373,396 | 12 |
| Brooklyn Park   | MN | 578,964 | 1,073,220 | 2,000 | None | 578,964 | 1,075,220 | 1,654,184 | 260,578 | 12 |
| Brooklyn Park   | MN | 750,697 | 1,391,651 | 2,500 | None | 750,697 | 1,394,151 | 2,144,848 | 202,706 | 5  |
| Burnsville      | MN | 615,240 | 1,141,089 | 1,500 | None | 615,240 | 1,142,589 | 1,757,829 | 276,676 | 12 |
| Burnsville      | MN | 515,298 | 954,981   | 2,000 | None | 515,298 | 956,981   | 1,472,279 | 232,004 | 12 |
| Burnsville      | MN | 350,000 | 648,000   | 2,000 | None | 350,000 | 650,000   | 1,000,000 | 157,817 | 12 |
| Burnsville      | MN | 932,558 | 1,729,892 | 2,000 | None | 932,558 | 1,731,892 | 2,664,450 | 419,274 | 12 |

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REALTY INCOME CORPORATION AND SUBSIDIARIES

SCHEDULE III REAL ESTATE AND ACCUMULATED DEPRECIATION

AS OF DECEMBER 31, 2016

| Description       | Encumbrances | Initial Cost to Company                 |           |              |                | Cost Capitalized Subsequent to Acquisition |           | Gross Amount at Which Carried at Close of Period (Notes 3, 4, 6 and 7) |         |       | Accumulated Depreciation | Date of Construction | Date of Acquisition |
|-------------------|--------------|---|-----------|--------------|----------------|--|-----------|--|---------|-------|--------------------------|----------------------|---------------------|
|                   |              | Buildings, Improvements and Acquisition |           | Improvements | Carrying Costs | Buildings, Improvements and Acquisition    |           |  |         |       |                          |                      |                     |
| (Note 1)          | (Note 2)     | Land                                    | Fees      |              |                | Improvements                               | Costs     | Land   | Fees    | Total | (Note 5)                 | Construction         | Acquisition         |
| Chaska            | MN           | 979,764                                 | 1,817,561 | 2,000        | None           | 979,764                                    | 1,819,561 | 2,799,325  | 440,461 |       | 12/1/11                  |                      |                     |
| Chaska            | MN           | 490,000                                 | 908,000   | 2,000        | None           | 490,000                                    | 910,000   | 1,400,000  | 220,650 |       | 12/1/11                  |                      |                     |
| Chaska            | MN           | 410,797                                 | 760,408   | 2,500        | None           | 410,797                                    | 762,908   | 1,173,705  | 111,176 |       | 5/1/20                   |                      |                     |
| Columbia Heights  | MN           | 673,068                                 | 1,248,483 | 1,500        | None           | 673,068                                    | 1,249,983 | 1,923,051  | 302,629 |       | 12/1/11                  |                      |                     |
| Coon Rapids       | MN           | 490,000                                 | 908,000   | 2,000        | None           | 490,000                                    | 910,000   | 1,400,000  | 220,650 |       | 12/1/11                  |                      |                     |
| Cottage Grove     | MN           | 805,888                                 | 1,494,650 | 2,000        | None           | 805,888                                    | 1,496,650 | 2,302,538  | 362,424 |       | 12/1/11                  |                      |                     |
| Crystal           | MN           | 552,641                                 | 1,024,332 | 2,000        | None           | 552,641                                    | 1,026,332 | 1,578,973  | 248,764 |       | 12/1/11                  |                      |                     |
| Crystal           | MN           | 740,518                                 | 1,373,248 | 2,000        | None           | 740,518                                    | 1,375,248 | 2,115,766  | 333,085 |       | 12/1/11                  |                      |                     |
| Eagan             | MN           | 906,287                                 | 1,680,604 | 2,500        | None           | 906,287                                    | 1,683,104 | 2,589,391  | 407,667 |       | 12/1/11                  |                      |                     |
| Eagan             | MN           | 699,277                                 | 1,296,658 | 2,000        | None           | 699,277                                    | 1,298,658 | 1,997,935  | 314,576 |       | 12/1/11                  |                      |                     |
| Eden Prairie      | MN           | 947,702                                 | 1,758,519 | 1,500        | None           | 947,702                                    | 1,760,019 | 2,707,721  | 425,888 |       | 12/1/11                  |                      |                     |
| Eden Prairie      | MN           | 485,526                                 | 899,690   | 2,000        | None           | 485,526                                    | 901,690   | 1,387,216  | 218,642 |       | 12/1/11                  |                      |                     |
| Edina             | MN           | 568,893                                 | 1,054,516 | 2,000        | None           | 568,893                                    | 1,056,516 | 1,625,409  | 256,058 |       | 12/1/11                  |                      |                     |
| Elk River         | MN           | 613,113                                 | 1,137,137 | 1,500        | None           | 613,113                                    | 1,138,637 | 1,751,750  | 275,721 |       | 12/1/11                  |                      |                     |
| Elk River         | MN           | 456,850                                 | 846,435   | 2,000        | None           | 456,850                                    | 848,435   | 1,305,285  | 205,772 |       | 12/1/11                  |                      |                     |
| Excelsior         | MN           | 262,500                                 | 485,500   | 2,000        | None           | 262,500                                    | 487,500   | 750,000  | 118,546 |       | 12/1/11                  |                      |                     |
| Falcon Heights    | MN           | 494,415                                 | 916,199   | 2,000        | None           | 494,415                                    | 918,199   | 1,412,614  | 222,631 |       | 12/1/11                  |                      |                     |
| Farmington        | MN           | 437,500                                 | 810,500   | 2,000        | None           | 437,500                                    | 812,500   | 1,250,000  | 197,088 |       | 12/1/11                  |                      |                     |
| Forest Lake       | MN           | 398,985                                 | 739,473   | 1,500        | None           | 398,985                                    | 740,973   | 1,139,958  | 179,618 |       | 12/1/11                  |                      |                     |
| Fridley           | MN           | 519,325                                 | 962,461   | 2,000        | None           | 519,325                                    | 964,461   | 1,483,786  | 233,811 |       | 12/1/11                  |                      |                     |
| Fridley           | MN           | 706,295                                 | 1,309,691 | 2,000        | None           | 706,295                                    | 1,311,691 | 2,017,986  | 317,725 |       | 12/1/11                  |                      |                     |
| Fridley           | MN           | 175,000                                 | 323,000   | 2,000        | None           | 175,000                                    | 325,000   | 500,000  | 79,275  |       | 12/1/11                  |                      |                     |
| Golden Valley     | MN           | 979,764                                 | 1,817,561 | 2,000        | None           | 979,764                                    | 1,819,561 | 2,799,325  | 440,461 |       | 12/1/11                  |                      |                     |
| Ham Lake          | MN           | 979,764                                 | 1,817,561 | 2,000        | None           | 979,764                                    | 1,819,561 | 2,799,325  | 440,461 |       | 12/1/11                  |                      |                     |
| Hastings          | MN           | 979,764                                 | 1,817,561 | 2,000        | None           | 979,764                                    | 1,819,561 | 2,799,325  | 440,461 |       | 12/1/11                  |                      |                     |
| Inver Grove Heigh | MN           | 134,705                                 | 248,666   | 1,500        | None           | 134,705                                    | 250,166   | 384,871  | 61,007  |       | 12/1/11                  |                      |                     |
| Inver Grove Heigh | MN           | 979,764                                 | 1,817,561 | 2,000        | None           | 979,764                                    | 1,819,561 | 2,799,325  | 440,461 |       | 12/1/11                  |                      |                     |
| Lakeville         | MN           | 631,855                                 | 1,171,446 | 2,000        | None           | 631,855                                    | 1,173,446 | 1,805,301  | 284,316 |       | 12/1/11                  |                      |                     |
| Lakeville         | MN           | 654,912                                 | 1,214,266 | 2,000        | None           | 654,912                                    | 1,216,266 | 1,871,178  | 294,664 |       | 12/1/11                  |                      |                     |
| Litchfield        | MN           | 388,788                                 | 720,536   | 1,500        | None           | 388,788                                    | 722,036   | 1,110,824  | 175,042 |       | 12/1/11                  |                      |                     |
| Little Falls      | MN           | 175,000                                 | 323,500   | 1,500        | None           | 175,000                                    | 325,000   | 500,000  | 79,092  |       | 12/1/11                  |                      |                     |
| Long Lake         | MN           | 808,543                                 | 1,499,579 | 2,000        | None           | 808,543                                    | 1,501,579 | 2,310,122  | 363,615 |       | 12/1/11                  |                      |                     |
| Maplewood         | MN           | 931,427                                 | 1,728,293 | 1,500        | None           | 931,427                                    | 1,729,793 | 2,661,220  | 418,583 |       | 12/1/11                  |                      |                     |
| Maplewood         | MN           | 175,000                                 | 323,000   | 2,000        | None           | 175,000                                    | 325,000   | 500,000  | 79,275  |       | 12/1/11                  |                      |                     |

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|                  |    |           |           |       |      |           |           |           |         |         |
|------------------|----|-----------|-----------|-------|------|-----------|-----------|-----------|---------|---------|
| Mendota Heights  | MN | 827,026   | 1,533,906 | 2,000 | None | 827,026   | 1,535,906 | 2,362,932 | 371,911 | 12/1/11 |
| Mendota Heights  | MN | 717,808   | 1,331,072 | 2,000 | None | 717,808   | 1,333,072 | 2,050,880 | 322,892 | 12/1/11 |
| Minneapolis      | MN | 967,640   | 1,795,045 | 2,000 | None | 967,640   | 1,797,045 | 2,764,685 | 435,019 | 12/1/11 |
| Minneapolis      | MN | 856,122   | 1,587,941 | 2,000 | None | 856,122   | 1,589,941 | 2,446,063 | 384,969 | 12/1/11 |
| Minneapolis      | MN | 979,764   | 1,817,561 | 2,000 | None | 979,764   | 1,819,561 | 2,799,325 | 440,461 | 12/1/11 |
| Minneapolis      | MN | 979,764   | 1,817,561 | 2,000 | None | 979,764   | 1,819,561 | 2,799,325 | 440,461 | 12/1/11 |
| Minneapolis      | MN | 938,237   | 1,740,440 | 2,000 | None | 938,237   | 1,742,440 | 2,680,677 | 421,823 | 12/1/11 |
| Minneapolis      | MN | 365,977   | 678,171   | 1,500 | None | 365,977   | 679,671   | 1,045,648 | 164,804 | 12/1/11 |
| Minneapolis      | MN | 979,764   | 1,817,561 | 2,000 | None | 979,764   | 1,819,561 | 2,799,325 | 440,461 | 12/1/11 |
| Minneapolis      | MN | 738,535   | 1,370,064 | 1,500 | None | 738,535   | 1,371,564 | 2,110,099 | 332,011 | 12/1/11 |
| Minneapolis      | MN | 811,510   | 1,505,590 | 1,500 | None | 811,510   | 1,507,090 | 2,318,600 | 364,763 | 12/1/11 |
| Minneapolis      | MN | 539,242   | 999,450   | 2,000 | None | 539,242   | 1,001,450 | 1,540,692 | 242,750 | 12/1/11 |
| Minneapolis      | MN | 577,070   | 1,069,702 | 2,000 | None | 577,070   | 1,071,702 | 1,648,772 | 259,728 | 12/1/11 |
| Minneapolis      | MN | 175,000   | 323,500   | 1,500 | None | 175,000   | 325,000   | 500,000   | 79,092  | 12/1/11 |
| Minneapolis      | MN | 175,000   | 323,000   | 2,000 | None | 175,000   | 325,000   | 500,000   | 79,275  | 12/1/11 |
| Minneapolis      | MN | 979,764   | 1,817,561 | 2,000 | None | 979,764   | 1,819,561 | 2,799,325 | 440,461 | 12/1/11 |
| Minneapolis      | MN | 350,000   | 648,500   | 1,500 | None | 350,000   | 650,000   | 1,000,000 | 157,633 | 12/1/11 |
| Minneapolis      | MN | 759,822   | 1,409,597 | 1,500 | None | 759,822   | 1,411,097 | 2,170,919 | 341,565 | 12/1/11 |
| Minnetonka       | MN | 582,162   | 1,079,158 | 2,000 | None | 582,162   | 1,081,158 | 1,663,320 | 157,211 | 5/1/11  |
| Monticello       | MN | 589,643   | 1,093,051 | 2,000 | None | 589,643   | 1,095,051 | 1,684,694 | 265,371 | 12/1/11 |
| Mounds View      | MN | 743,926   | 1,379,578 | 2,000 | None | 743,926   | 1,381,578 | 2,125,504 | 334,615 | 12/1/11 |
| New Brighton     | MN | 585,039   | 1,085,002 | 1,500 | None | 585,039   | 1,086,502 | 1,671,541 | 263,121 | 12/1/11 |
| New Hope         | MN | 175,000   | 323,500   | 1,500 | None | 175,000   | 325,000   | 500,000   | 79,092  | 12/1/11 |
| Newport          | MN | 967,228   | 1,794,280 | 2,000 | None | 967,228   | 1,796,280 | 2,763,508 | 434,834 | 12/1/11 |
| Oak Park Heights | MN | 635,158   | 1,177,579 | 2,000 | None | 635,158   | 1,179,579 | 1,814,737 | 285,798 | 12/1/11 |
| Pine City        | MN | 644,412   | 1,194,265 | 2,500 | None | 644,412   | 1,196,765 | 1,841,177 | 290,135 | 12/1/11 |
| Princeton        | MN | 546,257   | 1,012,476 | 2,000 | None | 546,257   | 1,014,476 | 1,560,733 | 245,898 | 12/1/11 |
| Ramsey           | MN | 650,205   | 1,205,523 | 2,000 | None | 650,205   | 1,207,523 | 1,857,728 | 292,551 | 12/1/11 |
| Richfield        | MN | 630,540   | 1,169,003 | 2,000 | None | 630,540   | 1,171,003 | 1,801,543 | 283,726 | 12/1/11 |
| Richfield        | MN | 678,216   | 1,257,543 | 2,000 | None | 678,216   | 1,259,543 | 1,937,759 | 305,123 | 12/1/11 |
| Richfield        | MN | 436,919   | 809,921   | 1,500 | None | 436,919   | 811,421   | 1,248,340 | 196,643 | 12/1/11 |
| Richfield        | MN | 839,497   | 1,557,065 | 2,000 | None | 839,497   | 1,559,065 | 2,398,562 | 377,507 | 12/1/11 |
| Rogers           | MN | 781,303   | 1,448,991 | 2,000 | None | 781,303   | 1,450,991 | 2,232,294 | 351,390 | 12/1/11 |
| Roseville        | MN | 403,786   | 748,387   | 1,500 | None | 403,786   | 749,887   | 1,153,673 | 181,773 | 12/1/11 |
| Roseville        | MN | 979,764   | 1,817,561 | 2,000 | None | 979,764   | 1,819,561 | 2,799,325 | 440,461 | 12/1/11 |
| Roseville        | MN | 979,764   | 1,817,561 | 2,000 | None | 979,764   | 1,819,561 | 2,799,325 | 440,461 | 12/1/11 |
| Roseville        | MN | 979,764   | 1,817,561 | 2,000 | None | 979,764   | 1,819,561 | 2,799,325 | 440,461 | 12/1/11 |
| Saint Cloud      | MN | 786,129   | 1,458,454 | 1,500 | None | 786,129   | 1,459,954 | 2,246,083 | 353,372 | 12/1/11 |
| Saint Cloud      | MN | 175,000   | 322,000   | 3,000 | None | 175,000   | 325,000   | 500,000   | 79,642  | 12/1/11 |
| Saint Cloud      | MN | 677,052   | 1,255,383 | 2,000 | None | 677,052   | 1,257,383 | 1,934,435 | 304,601 | 12/1/11 |
| Saint Michael    | MN | 561,604   | 1,040,480 | 2,500 | None | 561,604   | 1,042,980 | 1,604,584 | 252,970 | 12/1/11 |
| Saint Paul       | MN | 808,755   | 1,500,473 | 1,500 | None | 808,755   | 1,501,973 | 2,310,728 | 363,527 | 12/1/11 |
| Saint Paul       | MN | 418,774   | 776,223   | 1,500 | None | 418,774   | 777,723   | 1,196,497 | 188,500 | 12/1/11 |
| Saint Paul       | MN | 175,000   | 323,500   | 1,500 | None | 175,000   | 325,000   | 500,000   | 79,092  | 12/1/11 |
| Saint Paul       | MN | 832,144   | 1,543,409 | 2,000 | None | 832,144   | 1,545,409 | 2,377,553 | 374,207 | 12/1/11 |
| Saint Paul       | MN | 979,764   | 1,817,561 | 2,000 | None | 979,764   | 1,819,561 | 2,799,325 | 440,461 | 12/1/11 |
| Saint Paul       | MN | 175,000   | 323,500   | 1,500 | None | 175,000   | 325,000   | 500,000   | 79,092  | 12/1/11 |
| Saint Paul       | MN | 979,764   | 1,818,061 | 1,500 | None | 979,764   | 1,819,561 | 2,799,325 | 440,277 | 12/1/11 |
| Saint Paul       | MN | 979,764   | 1,818,061 | 1,500 | None | 979,764   | 1,819,561 | 2,799,325 | 440,277 | 12/1/11 |
| Saint Paul       | MN | 576,820   | 1,069,736 | 1,500 | None | 576,820   | 1,071,236 | 1,648,056 | 259,432 | 12/1/11 |
| Saint Paul       | MN | 979,764   | 1,818,061 | 1,500 | None | 979,764   | 1,819,561 | 2,799,325 | 440,277 | 12/1/11 |
| Saint Paul       | MN | 531,091   | 984,311   | 2,000 | None | 531,091   | 986,311   | 1,517,402 | 239,092 | 12/1/11 |
| Saint Paul       | MN | 592,617   | 1,099,075 | 1,500 | None | 592,617   | 1,100,575 | 1,693,192 | 266,522 | 12/1/11 |
| Saint Paul       | MN | 739,277   | 1,371,444 | 1,500 | None | 739,277   | 1,372,944 | 2,112,221 | 332,345 | 12/1/11 |
| Saint Paul       | MN | 788,752   | 1,463,324 | 1,500 | None | 788,752   | 1,464,824 | 2,253,576 | 354,549 | 12/1/11 |
| Saint Paul       | MN | 950,678   | 1,764,046 | 1,500 | None | 950,678   | 1,765,546 | 2,716,224 | 427,224 | 12/1/11 |
| Saint Paul       | MN | 175,000   | 323,500   | 1,500 | None | 175,000   | 325,000   | 500,000   | 79,092  | 12/1/11 |
| Saint Paul       | MN | 262,500   | 486,000   | 1,500 | None | 262,500   | 487,500   | 700,000   | 118,363 | 12/1/11 |
| Saint Paul       | MN | 541,547   | 1,004,231 | 1,500 | None | 541,547   | 1,005,731 | 1,547,278 | 243,602 | 12/1/11 |
| Saint Paul       | MN | 827,608   | 1,535,987 | 1,000 | None | 827,608   | 1,536,987 | 2,364,595 | 371,805 | 12/1/11 |
| Saint Paul       | MN | 789,790   | 1,464,752 | 2,000 | None | 789,790   | 1,466,752 | 2,256,542 | 355,198 | 12/1/11 |
| Saint Paul       | MN | 648,354   | 1,202,586 | 1,500 | None | 648,354   | 1,204,086 | 1,852,440 | 174,925 | 5/1/11  |
| Saint Paul Park  | MN | 1,925,000 | 3,575,000 | None  | None | 1,925,000 | 3,575,000 | 5,500,000 | 863,958 | 12/1/11 |

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|                 |    |         |           |         |      |         |           |           |         |           |
|-----------------|----|---------|-----------|---------|------|---------|-----------|-----------|---------|-----------|
| Sauk Rapids     | MN | 175,000 | 323,000   | 2,000   | None | 175,000 | 325,000   | 500,000   | 79,275  | 12/1/2019 |
| Savage          | MN | 605,220 | 1,122,481 | 1,500   | None | 605,220 | 1,123,981 | 1,729,201 | 272,179 | 12/1/2019 |
| Savage          | MN | 569,195 | 1,055,575 | 1,500   | None | 569,195 | 1,057,075 | 1,626,270 | 256,010 | 12/1/2019 |
| Savage          | MN | 175,000 | 323,000   | 2,000   | None | 175,000 | 325,000   | 500,000   | 79,275  | 12/1/2019 |
| Shakopee        | MN | 522,391 | 966,156   | 4,000   | None | 522,391 | 970,156   | 1,492,547 | 235,921 | 12/1/2019 |
| Shakopee        | MN | 477,517 | 883,817   | 3,000   | None | 477,517 | 886,817   | 1,364,334 | 215,414 | 12/1/2019 |
| Shakopee        | MN | 688,324 | 1,276,317 | 2,000   | None | 688,324 | 1,278,317 | 1,966,641 | 309,660 | 12/1/2019 |
| Shakopee        | MN | 783,764 | 1,454,062 | 1,500   | None | 783,764 | 1,455,562 | 2,239,326 | 352,311 | 12/1/2019 |
| Vadnais Heights | MN | 931,400 | 1,727,742 | 2,000   | None | 931,400 | 1,729,742 | 2,661,142 | 418,754 | 12/1/2019 |
| White Bear Lake | MN | 943,945 | 1,751,040 | 2,000   | None | 943,945 | 1,753,040 | 2,696,985 | 424,385 | 12/1/2019 |
| White Bear Lake | MN | 860,523 | 1,596,113 | 2,000   | None | 860,523 | 1,598,113 | 2,458,636 | 386,944 | 12/1/2019 |
| Woodbury        | MN | 962,500 | 1,786,000 | 1,500   | None | 962,500 | 1,787,500 | 2,750,000 | 432,529 | 12/1/2019 |
| Zimmerman       | MN | 979,764 | 1,817,561 | 2,000   | None | 979,764 | 1,819,561 | 2,799,325 | 440,461 | 12/1/2019 |
| Bolivar         | MO | 712,586 | 1,258,249 | 376     | None | 712,586 | 1,258,625 | 1,971,211 | 199,370 | 1/22/2020 |
| Bolivar         | MO | 734,876 | 1,297,609 | 388     | None | 734,876 | 1,297,997 | 2,032,873 | 205,607 | 1/22/2020 |
| Fair Grove      | MO | 331,197 | 584,812   | 130,479 | 127  | 331,197 | 715,418   | 1,046,615 | 116,227 | 1/22/2020 |
| Hollister       | MO | 660,909 | 1,167,001 | 349     | None | 660,909 | 1,167,350 | 1,828,259 | 184,912 | 1/22/2020 |

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REALTY INCOME CORPORATION AND SUBSIDIARIES

SCHEDULE III REAL ESTATE AND ACCUMULATED DEPRECIATION

AS OF DECEMBER 31, 2016

| Description<br>(Note 1) | Encumbrances<br>(Note 2) | Initial Cost to Company |  |              |       | Cost Capitalized<br>Subsequent<br>to Acquisition |           | Gross Amount at Which Carried<br>at Close of Period (Notes 3, 4, 6 and<br>7) |         |  | Accumulated<br>Depreciation<br>(Note 5) | Date of<br>Construction | D |
|-------------------------|--------------------------|-------------------------|--|--------------|-------|--|-----------|--|---------|--|---|-------------------------|---|
|                         |                          | Land                    | Buildings,<br>Improvements<br>and<br>Acquisition<br>Fees | Improvements | Costs | Land   | Fees      | Total  |         |  |   |                         |   |
| Monett MO               |                          | 493,610                 | 871,592  | 260          | None  | 493,610  | 871,852   | 1,365,462  | 138,104 |  | 1/22                                    |                         |   |
| Springfield MO          |                          | 471,920                 | 833,292  | 249          | None  | 471,920  | 833,541   | 1,305,461  | 132,036 |  | 1/22                                    |                         |   |
| Springfield MO          |                          | 794,438                 | 1,402,780  | 419          | None  | 794,438  | 1,403,199 | 2,197,637  | 222,271 |  | 1/22                                    |                         |   |
| Springfield MO          |                          | 805,817                 | 1,422,872  | 425          | None  | 805,817  | 1,423,297 | 2,229,114  | 225,455 |  | 1/22                                    |                         |   |
| Springfield MO          |                          | 600,117                 | 1,059,657  | 317          | None  | 600,117  | 1,059,974 | 1,660,091  | 167,903 |  | 1/22                                    |                         |   |
| Springfield MO          |                          | 735,236                 | 1,298,243  | 388          | None  | 735,236  | 1,298,631 | 2,033,867  | 205,707 |  | 1/22                                    |                         |   |
| Springfield MO          |                          | 782,041                 | 1,380,889  | 413          | None  | 782,041  | 1,381,302 | 2,163,343  | 218,802 |  | 1/22                                    |                         |   |
| Springfield MO          |                          | 1,955,824               | 3,453,498  | 1,032        | None  | 1,955,824  | 3,454,530 | 5,410,354  | 547,208 |  | 1/22                                    |                         |   |
| Springfield MO          |                          | 839,527                 | 1,482,396  | 443          | None  | 839,527  | 1,482,839 | 2,322,366  | 234,886 |  | 1/22                                    |                         |   |
| Waynesville MO          |                          | 511,912                 | 903,909  | 270          | None  | 511,912  | 904,179   | 1,416,091  | 143,225 |  | 1/22                                    |                         |   |
| Brandon MS              |                          | 671,486                 | 1,247,588  | None         | None  | 671,486  | 1,247,588 | 1,919,074  | 575,970 |  | 6/30                                    |                         |   |
| Flowood MS              |                          | 437,926                 | 813,832  | None         | None  | 437,926  | 813,832   | 1,251,758  | 375,720 |  | 6/30                                    |                         |   |
| Flowood MS              |                          | 399,972                 | 743,347  | None         | None  | 399,972  | 743,347   | 1,143,319  | 343,179 |  | 6/30                                    |                         |   |
| Jackson MS              |                          | 329,904                 | 613,221  | None         | None  | 329,904  | 613,221   | 943,125  | 283,104 |  | 6/30                                    |                         |   |
| Jackson MS              |                          | 540,108                 | 1,003,600  | None         | None  | 540,108  | 1,003,600 | 1,543,708  | 463,329 |  | 6/30                                    |                         |   |
| Marion MS               |                          | 350,341                 | 651,013  | None         | None  | 350,341  | 651,013   | 1,001,354  | 300,552 |  | 6/30                                    |                         |   |
| Meridian MS             |                          | 437,926                 | 813,671  | None         | None  | 437,926  | 813,671   | 1,251,597  | 375,645 |  | 6/30                                    |                         |   |
| Meridian MS             |                          | 405,811                 | 754,030  | None         | None  | 405,811  | 754,030   | 1,159,841  | 348,111 |  | 6/30                                    |                         |   |
| Meridian MS             |                          | 145,975                 | 271,478  | None         | None  | 145,975  | 271,478   | 417,453  | 125,333 |  | 6/30                                    |                         |   |
| Meridian MS             |                          | 280,273                 | 520,887  | None         | None  | 280,273  | 520,887   | 801,160  | 240,477 |  | 6/30                                    |                         |   |
| Meridian MS             |                          | 321,146                 | 596,794  | None         | None  | 321,146  | 596,794   | 917,940  | 273,531 |  | 7/15                                    |                         |   |
| Newton MS               |                          | 467,121                 | 867,891  | None         | None  | 467,121  | 867,891   | 1,335,012  | 400,677 |  | 6/30                                    |                         |   |
| Pearl MS                |                          | 544,488                 | 1,011,733  | None         | None  | 544,488  | 1,011,733 | 1,556,221  | 467,084 |  | 6/30                                    |                         |   |
| Philadelphia MS         |                          | 472,960                 | 878,735  | None         | None  | 472,960  | 878,735   | 1,351,695  | 405,683 |  | 6/30                                    |                         |   |
| Southaven MS            |                          | 310,000                 | 641,637  | None         | None  | 310,000  | 641,637   | 951,637  | 328,302 |  | 3/18                                    |                         |   |
| Terry MS                |                          | 583,901                 | 1,084,930  | None         | None  | 583,901  | 1,084,930 | 1,668,831  | 500,876 |  | 6/30                                    |                         |   |
| Waveland MS             |                          | 180,000                 | 331,637  | None         | None  | 180,000  | 331,637   | 511,637  | 169,685 |  | 3/18                                    |                         |   |
| Archdale NC             |                          | 410,000                 | 731,637  | None         | None  | 410,000  | 731,637   | 1,141,637  | 374,352 |  | 3/18                                    |                         |   |
| Banner Elk NC           |                          | 386,993                 | 718,861  | 2,000        | None  | 386,993  | 720,861   | 1,107,854  | 254,548 |  | 3/21                                    |                         |   |
| Banner Elk NC           |                          | 355,330                 | 660,558  | 1,500        | None  | 355,330  | 662,058   | 1,017,388  | 233,608 |  | 3/21                                    |                         |   |
| Burgaw NC               |                          | 198,774                 | 369,653  | 1,000        | None  | 198,774  | 370,653   | 569,427  | 130,869 |  | 3/21                                    |                         |   |
| Burgaw NC               |                          | 457,356                 | 849,377  | 1,500        | None  | 457,356  | 850,877   | 1,308,233  | 300,009 |  | 3/21                                    |                         |   |
| Carolina Beach NC       |                          | 457,356                 | 848,929  | 2,000        | None  | 457,356  | 850,929   | 1,308,285  | 300,289 |  | 3/21                                    |                         |   |
| Cary NC                 |                          | 255,064                 | 473,349  | 2,500        | None  | 255,064  | 475,849   | 730,913  | 168,647 |  | 3/21                                    |                         |   |
| Charlotte NC            |                          | 300,000                 | 291,637  | None         | None  | 300,000  | 291,637   | 591,637  | 149,218 |  | 3/18                                    |                         |   |
| Charlotte NC            |                          | 640,000                 | 581,637  | None         | None  | 640,000  | 581,637   | 1,221,637  | 297,602 |  | 3/18                                    |                         |   |
| Charlotte NC            |                          | 882,254                 | 1,737,746  | None         | None  | 882,254  | 1,737,746 | 2,620,000  | 2,396   |  | 12/2                                    |                         |   |
| Durham NC               |                          | 720,000                 | 851,637  | None         | None  | 720,000  | 851,637   | 1,571,637  | 435,752 |  | 3/18                                    |                         |   |
| Goldsboro NC            |                          | 460,000                 | 740,625  | None         | None  | 460,000  | 740,625   | 1,200,625  | 472,742 |  | 1/25                                    |                         |   |
| Hampstead NC            |                          | 562,900                 | 1,045,971  | 1,000        | None  | 562,900  | 1,046,971 | 1,609,871  | 368,707 |  | 3/21                                    |                         |   |
| Holly Ridge NC          |                          | 721,215                 | 1,339,486  | 1,500        | None  | 721,215  | 1,340,986 | 2,062,201  | 472,364 |  | 3/21                                    |                         |   |
| Hubert NC               |                          | 404,584                 | 750,372  | 2,500        | None  | 404,584  | 752,872   | 1,157,456  | 266,067 |  | 3/21                                    |                         |   |

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|               |    |           |           |        |        |           |           |           |           |            |
|---------------|----|-----------|-----------|--------|--------|-----------|-----------|-----------|-----------|------------|
| Jacksonville  | NC | 180,000   | 371,637   | None   | None   | 180,000   | 371,637   | 551,637   | 190,152   | 3/18       |
| Jacksonville  | NC | 140,000   | 260,727   | None   | None   | 140,000   | 260,727   | 400,727   | 132,534   | 4/14       |
| Jacksonville  | NC | 351,812   | 653,367   | 1,500  | None   | 351,812   | 654,867   | 1,006,679 | 231,079   | 3/27       |
| Kinston       | NC | 550,000   | 1,057,833 | None   | 153    | 550,000   | 1,057,986 | 1,607,986 | 812,848   | 10/27      |
| Raleigh       | NC | 740,000   | 791,637   | None   | None   | 740,000   | 791,637   | 1,531,637 | 405,052   | 3/18       |
| Richlands     | NC | 492,537   | 914,735   | 1,500  | None   | 492,537   | 916,235   | 1,408,772 | 322,993   | 3/27       |
| Richlands     | NC | 376,439   | 698,103   | 2,500  | None   | 376,439   | 700,603   | 1,077,042 | 247,686   | 3/27       |
| Riegelwood    | NC | -         | 452,416   | 1,500  | None   | -         | 453,916   | 453,916   | 169,963   | 3/27       |
| Roanoke       | NC | 834,223   | 1,551,226 | 480    | 50,351 | 834,223   | 1,602,057 | 2,436,280 | 636,737   | 11/11      |
| Rapids        |    |           |           |        |        |           |           |           |           |            |
| Roxboro       | NC | 243,112   | 368,107   | None   | None   | 243,112   | 368,107   | 611,219   | 203,065   | 3/18       |
| Shallotte     | NC | 492,537   | 914,766   | 1,500  | None   | 492,537   | 916,266   | 1,408,803 | 323,004   | 3/27       |
| Southern      | NC | 600,000   | 300,625   | None   | None   | 600,000   | 300,625   | 900,625   | 191,876   | 1/23       |
| Pines         |    |           |           |        |        |           |           |           |           |            |
| Wallace       | NC | -         | 175,408   | 2,000  | None   | -         | 177,408   | 177,408   | 86,218    | 3/27       |
| Wilmington    | NC | 527,718   | 979,145   | 2,500  | None   | 527,718   | 981,645   | 1,509,363 | 346,519   | 3/27       |
| Wilmington    | NC | 351,812   | 653,930   | 1,000  | None   | 351,812   | 654,930   | 1,006,742 | 230,839   | 3/27       |
| Wilmington    | NC | 474,946   | 881,640   | 2,000  | None   | 474,946   | 883,640   | 1,358,586 | 311,792   | 3/27       |
| Wilmington    | NC | -         | 351,366   | 2,000  | None   | -         | 353,366   | 353,366   | 219,739   | 3/27       |
| Wilmington    | NC | 364,126   | 676,287   | 1,500  | None   | 364,126   | 677,787   | 1,041,913 | 239,139   | 3/27       |
| Wilmington    | NC | 439,765   | 817,271   | 1,000  | None   | 439,765   | 818,271   | 1,258,036 | 288,281   | 3/27       |
| Wilmington    | NC | -         | 804,196   | 1,500  | None   | -         | 805,696   | 805,696   | 284,120   | 3/27       |
| Wilmington    | NC | 386,993   | 718,788   | 1,500  | None   | 386,993   | 720,288   | 1,107,281 | 254,085   | 3/27       |
| Wilmington    | NC | 527,718   | 979,102   | 2,500  | None   | 527,718   | 981,602   | 1,509,320 | 346,504   | 3/27       |
| Wilmington    | NC | 334,222   | 620,284   | 2,000  | None   | 334,222   | 622,284   | 956,506   | 219,882   | 3/27       |
| Wilmington    | NC | 334,222   | 620,751   | 1,500  | None   | 334,222   | 622,251   | 956,473   | 219,609   | 3/27       |
| Winston       | NC | 320,000   | 311,637   | None   | None   | 320,000   | 311,637   | 631,637   | 159,452   | 3/18       |
| Salem         |    |           |           |        |        |           |           |           |           |            |
| Zebulon       | NC | 306,077   | 568,087   | 2,500  | None   | 306,077   | 570,587   | 876,664   | 201,964   | 3/27       |
| Absecon       | NJ | 1,367,872 | 2,540,604 | None   | None   | 1,367,872 | 2,540,604 | 3,908,476 | 1,477,742 | 6/27       |
| Mays          | NJ | 1,539,117 | 2,858,630 | None   | None   | 1,539,117 | 2,858,630 | 4,397,747 | 1,663,663 | 6/27       |
| Landing       |    |           |           |        |        |           |           |           |           |            |
| Millville     | NJ | 953,891   | 1,771,782 | None   | None   | 953,891   | 1,771,782 | 2,725,673 | 1,030,577 | 6/27       |
| Toms River    | NJ | 1,265,861 | 2,351,154 | None   | None   | 1,265,861 | 2,351,154 | 3,617,015 | 1,367,942 | 6/27       |
| Toms River    | NJ | 982,526   | 1,824,961 | None   | None   | 982,526   | 1,824,961 | 2,807,487 | 1,061,167 | 6/27       |
| Wall          | NJ | 1,459,957 | 2,712,264 | None   | None   | 1,459,957 | 2,712,264 | 4,172,221 | 1,559,512 | 8/6        |
| Township      |    |           |           |        |        |           |           |           |           |            |
| Albuquerque   | NM | 200,000   | 271,637   | None   | None   | 200,000   | 271,637   | 471,637   | 138,985   | 3/18       |
| Amherst       | NY | 829,014   | 1,650,986 | None   | None   | 829,014   | 1,650,986 | 2,480,000 | 2,252     | 12/20      |
| Kingston      | NY | 257,763   | 456,042   | None   | None   | 257,763   | 456,042   | 713,805   | 395,996   | 4/6        |
| Rochester     | NY | 632,586   | 1,116,989 | 334    | None   | 632,586   | 1,117,323 | 1,749,909 | 176,987   | 1/23       |
| Alliance      | OH | 454,440   | 841,460   | 2,500  | None   | 454,440   | 843,960   | 1,298,400 | 221,807   | 6/22       |
| Atwater       | OH | 118,555   | 266,748   | None   | None   | 118,555   | 266,748   | 385,303   | 232,516   | 3/3        |
| Bellefontaine | OH | 560,000   | 1,039,610 | 2,500  | None   | 560,000   | 1,042,110 | 1,602,110 | 371,259   | 2/29       |
| Bellefontaine | OH | 455,000   | 845,610   | 1,500  | None   | 455,000   | 847,110   | 1,302,110 | 301,506   | 2/29       |
| Columbus      | OH | 147,296   | 304,411   | None   | None   | 147,296   | 304,411   | 451,707   | 265,345   | 3/3        |
| Columbus      | OH | 273,085   | 471,693   | 13,088 | None   | 273,085   | 484,781   | 757,866   | 403,279   | 12/22      |
| Cuyahoga      | OH | 321,792   | 1,144,619 | None   | None   | 321,792   | 1,144,619 | 1,466,411 | 623,935   | 3/3        |
| Falls         |    |           |           |        |        |           |           |           |           |            |
| De Graff      | OH | 302,750   | 561,860   | 2,500  | None   | 302,750   | 564,360   | 867,110   | 201,658   | 2/29       |
| Eaton         | OH | 164,588   | 306,934   | None   | None   | 164,588   | 306,934   | 471,522   | 118,166   | 5/23       |
| Galion        | OH | 138,981   | 327,597   | None   | None   | 138,981   | 327,597   | 466,578   | 285,556   | 3/6        |
| Jackson       | OH | 367,500   | 682,110   | 2,500  | None   | 367,500   | 684,610   | 1,052,110 | 244,347   | 2/29       |
| Center        |    |           |           |        |        |           |           |           |           |            |
| Kenton        | OH | 140,000   | 261,462   | 1,000  | None   | 140,000   | 262,462   | 402,462   | 88,413    | 8/29       |
| Marysville    | OH | 507,500   | 943,110   | 1,500  | None   | 507,500   | 944,610   | 1,452,110 | 336,118   | 2/29       |
| Marysville    | OH | 700,000   | 1,300,610 | 1,500  | None   | 700,000   | 1,302,110 | 2,002,110 | 463,031   | 2/29       |
| Marysville    | OH | 350,000   | 650,610   | 1,500  | None   | 350,000   | 652,110   | 1,002,110 | 232,281   | 2/29       |
| Perrysburg    | OH | 211,678   | 390,680   | None   | 134    | 211,678   | 390,814   | 602,492   | 313,681   | 1/10/1996  |
| Russells      | OH | 546,000   | 1,013,610 | 2,500  | None   | 546,000   | 1,016,110 | 1,562,110 | 362,029   | 2/29       |
| Point         |    |           |           |        |        |           |           |           |           |            |
| Streetsboro   | OH | 402,988   | 533,349   | None   | 114    | 402,988   | 533,463   | 936,451   | 400,125   | 1/27/1997  |
| Tiffin        | OH | 117,017   | 273,040   | None   | None   | 117,017   | 273,040   | 390,057   | 238,000   | 3/7        |
| Troy          | OH | 355,009   | 588,111   | None   | 85     | 355,009   | 588,196   | 943,205   | 446,061   | 1/31/1997  |
| Wadsworth     | OH | 266,507   | 496,917   | None   | 116    | 266,507   | 497,033   | 763,540   | 383,735   | 11/26/1996 |
| Edmond        | OK | 544,681   | 365,152   | 1,000  | None   | 365,152   | 716,425   | 1,081,577 | 101,702   | 6/27       |
| Edmond        | OK | 454,910   | 352,862   | 2,000  | None   | 352,862   | 694,398   | 1,047,260 | 98,790    | 6/27       |
| Edmond        | OK | 856,418   | 519,976   | 1,500  | None   | 519,976   | 1,019,075 | 1,539,051 | 144,681   | 6/27       |
| Edmond        | OK | 1,435,403 | 962,803   | 1,000  | None   | 962,803   | 1,887,389 | 2,850,192 | 267,588   | 6/27       |
| Midwest City  | OK | 604,624   | 405,372   | 1,000  | None   | 405,372   | 795,228   | 1,200,600 | 112,866   | 6/27       |

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|              |    |           |         |           |       |      |         |           |           |         |     |
|--------------|----|-----------|---------|-----------|-------|------|---------|-----------|-----------|---------|-----|
| Midwest City | OK | 663,965   | 445,188 | 872,239   | 1,000 | None | 445,188 | 873,239   | 1,318,427 | 123,917 | 6/2 |
| Moore        | OK | 457,500   | 306,341 | 600,193   | 2,000 | None | 306,341 | 602,193   | 908,534   | 85,727  | 6/2 |
| Moore        | OK | 440,160   | 294,864 | 577,709   | 1,500 | None | 294,864 | 579,209   | 874,073   | 82,367  | 6/2 |
| Norman       | OK | 357,463   | 248,874 | 487,810   | 2,000 | None | 248,874 | 489,810   | 738,684   | 69,806  | 6/2 |
| Norman       | OK | 481,067   | 390,000 | 521,739   | 2,000 | None | 390,000 | 523,739   | 913,739   | 74,613  | 6/2 |
| Norman       | OK | 741,775   | 470,199 | 920,644   | 2,000 | None | 470,199 | 922,644   | 1,392,843 | 131,125 | 6/2 |
| Norman       | OK | 1,040,929 | 697,964 | 1,367,492 | 1,500 | None | 697,964 | 1,368,992 | 2,066,956 | 194,253 | 6/2 |
| Norman       | OK | 244,009   | 163,252 | 319,845   | 1,500 | None | 163,252 | 321,345   | 484,597   | 45,836  | 6/2 |
| Oklahoma     | OK | 706,752   | 453,873 | 888,815   | 2,000 | None | 453,873 | 890,815   | 1,344,688 | 126,615 | 6/2 |
| City         |    |           |         |           |       |      |         |           |           |         |     |
| Oklahoma     | OK | 776,271   | 520,386 | 1,019,567 | 1,500 | None | 520,386 | 1,021,067 | 1,541,453 | 144,964 | 6/2 |
| City         |    |           |         |           |       |      |         |           |           |         |     |

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REALTY INCOME CORPORATION AND SUBSIDIARIES

SCHEDULE III REAL ESTATE AND ACCUMULATED DEPRECIATION

AS OF DECEMBER 31, 2016

| Description<br>(Note 1) | Encumbrances<br>(Note 2) | Initial Cost to Company |         |  | Cost Capitalized<br>Subsequent<br>to Acquisition |       | Gross Amount at Which Carried<br>at Close of Period (Notes 3, 4, 6 and<br>7) |           |           | Accumulated<br>Depreciation<br>(Note 5) | Date of<br>Construction | Ac |
|-------------------------|--------------------------|-------------------------|---------|--|--|-------|--|-----------|-----------|---|-------------------------|----|
|                         |                          | Land                    | Fees    | Buildings,<br>Improvements<br>and<br>Acquisition | Improvements                                     | Costs | Land   | Fees      | Total     |   |                         |    |
| Oklahoma City           | OK                       | 612,873                 | 410,750 | 804,762  | 1,500  | None  | 410,750  | 806,262   | 1,217,012 | 114,533                                 | 6/2                     |    |
| Oklahoma City           | OK                       | 628,833                 | 421,459 | 825,743  | 1,500  | None  | 421,459  | 827,243   | 1,248,702 | 117,505                                 | 6/2                     |    |
| Oklahoma City           | OK                       | 228,063                 | 166,843 | 327,194  | 2,000  | None  | 166,843  | 329,194   | 496,037   | 47,053                                  | 6/2                     |    |
| Oklahoma City           | OK                       | 637,261                 | 426,956 | 836,510  | 2,000  | None  | 426,956  | 838,510   | 1,265,466 | 119,206                                 | 6/2                     |    |
| Oklahoma City           | OK                       | 627,179                 | 456,873 | 895,930  | 2,000  | None  | 456,873  | 897,930   | 1,354,803 | 127,623                                 | 6/2                     |    |
| Oklahoma City           | OK                       | 345,167                 | 220,000 | 510,953  | 2,500  | None  | 220,000  | 513,453   | 733,453   | 73,260                                  | 6/2                     |    |
| Oklahoma City           | OK                       | 514,142                 | 344,347 | 674,656  | 2,000  | None  | 344,347  | 676,656   | 1,021,003 | 96,276                                  | 6/2                     |    |
| Oklahoma City           | OK                       | 244,009                 | 178,588 | 350,229  | 2,000  | None  | 178,588  | 352,229   | 530,817   | 50,316                                  | 6/2                     |    |
| Oklahoma City           | OK                       | 299,838                 | 200,554 | 392,926  | 2,000  | None  | 200,554  | 394,926   | 595,480   | 56,365                                  | 6/2                     |    |
| Oklahoma City           | OK                       | 677,738                 | 479,805 | 940,620  | 1,000  | None  | 479,805  | 941,620   | 1,421,425 | 133,604                                 | 6/2                     |    |
| Oklahoma City           | OK                       | 579,464                 | 388,491 | 761,152  | 1,000  | None  | 388,491  | 762,152   | 1,150,643 | 108,180                                 | 6/2                     |    |
| Oklahoma City           | OK                       | 661,812                 | 514,604 | 1,009,798  | 1,000  | None  | 514,604  | 1,010,798 | 1,525,402 | 143,405                                 | 6/2                     |    |
| Oklahoma City           | OK                       | 914,085                 | 612,698 | 1,200,429  | 2,000  | None  | 612,698  | 1,202,429 | 1,815,127 | 170,761                                 | 6/2                     |    |
| Oklahoma City           | OK                       | 331,511                 | 221,963 | 434,876  | 1,500  | None  | 221,963  | 436,376   | 658,339   | 62,132                                  | 6/2                     |    |
| Oklahoma City           | OK                       | 491,498                 | 306,360 | 599,729  | 1,000  | None  | 306,360  | 600,729   | 907,089   | 85,312                                  | 6/2                     |    |
| Oklahoma City           | OK                       | 425,198                 | 180,000 | 616,260  | 2,000  | None  | 180,000  | 618,260   | 798,260   | 88,003                                  | 6/2                     |    |
| Oklahoma City           | OK                       | 638,778                 | 440,000 | 827,361  | 2,000  | None  | 440,000  | 829,361   | 1,269,361 | 117,909                                 | 6/2                     |    |
| Oklahoma City           | OK                       | 575,459                 | 411,910 | 807,611  | 1,000  | None  | 411,910  | 808,611   | 1,220,521 | 114,762                                 | 6/2                     |    |
| Oklahoma City           | OK                       | 760,776                 | 471,600 | 923,140  | 1,500  | None  | 471,600  | 924,640   | 1,396,240 | 131,303                                 | 6/2                     |    |
| Oklahoma City           | OK                       | 620,761                 | 481,598 | 945,011  | 1,000  | None  | 481,598  | 946,011   | 1,427,609 | 134,227                                 | 6/2                     |    |
| Oklahoma City           | OK                       | 422,259                 | 275,094 | 538,804  | 1,500  | None  | 275,094  | 540,304   | 815,398   | 76,856                                  | 6/2                     |    |
| Oklahoma City           | OK                       | 604,145                 | 404,894 | 793,287  | 1,500  | None  | 404,894  | 794,787   | 1,199,681 | 112,907                                 | 6/2                     |    |

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|                  |    |           |           |           |       |      |           |           |           |         |      |
|------------------|----|-----------|-----------|-----------|-------|------|-----------|-----------|-----------|---------|------|
| Oklahoma<br>City |    |           |           |           |       |      |           |           |           |         |      |
| Tulsa            | OK |           | 126,545   | 508,266   | None  | None | 126,545   | 508,266   | 634,811   | 397,253 | 6/2  |
| Yukon            | OK | 922,218   | 618,155   | 1,211,121 | 2,000 | None | 618,155   | 1,213,121 | 1,831,276 | 172,276 | 6/2  |
| Yukon            | OK | 591,063   | 390,000   | 696,726   | 1,500 | None | 390,000   | 698,226   | 1,088,226 | 99,228  | 6/2  |
| Yukon            | OK | 988,190   | 713,299   | 1,398,650 | 1,000 | None | 713,299   | 1,399,650 | 2,112,949 | 198,492 | 6/2  |
| Yukon            | OK | 1,213,232 | 813,732   | 1,594,318 | 1,000 | None | 813,732   | 1,595,318 | 2,409,050 | 226,212 | 6/2  |
| Gresham          | OR |           | 764,719   | 1,546,209 | None  | None | 764,719   | 1,546,209 | 2,310,928 | 2,077   | 12/2 |
| Aliquippa        | PA |           | 226,195   | 452,631   | None  | None | 226,195   | 452,631   | 678,826   | 234,612 | 1/2  |
| Allentown        | PA |           | 3,922,420 | 5,970,215 | 1,565 | None | 3,922,420 | 5,971,780 | 9,894,200 | 945,897 | 1/2  |
| Beaver           | PA |           | 95,626    | 223,368   | None  | None | 95,626    | 223,368   | 318,994   | 115,777 | 1/2  |
| Beaver Falls     | PA |           | 92,207    | 230,758   | None  | None | 92,207    | 230,758   | 322,965   | 119,607 | 1/2  |
| Bensalem         | PA |           | 569,763   | 387,611   | None  | None | 569,763   | 387,611   | 957,374   | 211,242 | 5/2  |
| Downingtown      | PA |           | 1,722,222 | 576       | None  | None | 1,722,222 | 576       | 1,722,798 | 318     | 2/2  |
| Mount            | PA |           | 118,118   | 231,108   | None  | None | 118,118   | 231,108   | 349,226   | 119,789 | 1/2  |
| Washington       |    |           |           |           |       |      |           |           |           |         |      |
| Penndel          | PA |           | 739,487   | 1,003,809 | None  | None | 739,487   | 1,003,809 | 1,743,296 | 547,070 | 5/2  |
| Perryopolis      | PA |           | 148,953   | 134,299   | None  | None | 148,953   | 134,299   | 283,252   | 69,609  | 1/2  |
| Philadelphia     | PA |           | 808,681   | 256,843   | None  | None | 808,681   | 256,843   | 1,065,524 | 139,974 | 5/2  |
| Philadelphia     | PA |           | 425,928   | 167,147   | None  | None | 425,928   | 167,147   | 593,075   | 91,090  | 5/2  |
| Philadelphia     | PA |           | 390,342   | 226,919   | None  | None | 390,342   | 226,919   | 617,261   | 123,665 | 5/2  |
| Philadelphia     | PA |           | 541,792   | 236,049   | None  | None | 541,792   | 236,049   | 777,841   | 128,641 | 5/2  |
| Philadelphia     | PA |           | 614,101   | 277,277   | None  | None | 614,101   | 277,277   | 891,378   | 151,110 | 5/2  |
| Philadelphia     | PA |           | 1,011,389 | 491,302   | None  | None | 1,011,389 | 491,302   | 1,502,691 | 267,754 | 5/2  |
| Philadelphia     | PA |           | 935,672   | 448,426   | None  | None | 935,672   | 448,426   | 1,384,098 | 244,387 | 5/2  |
| Philadelphia     | PA |           | 689,172   | 426,596   | None  | None | 689,172   | 426,596   | 1,115,768 | 232,489 | 5/2  |
| Philadelphia     | PA |           | 349,294   | 134,485   | None  | None | 349,294   | 134,485   | 483,779   | 73,289  | 5/2  |
| Pittsburgh       | PA |           | 497,668   | 320,170   | None  | None | 497,668   | 320,170   | 817,838   | 165,953 | 5/2  |
| Pittsburgh       | PA |           | 296,277   | 287,540   | None  | None | 296,277   | 287,540   | 583,817   | 149,039 | 1/2  |
| Pittsburgh       | PA |           | 395,417   | 474,741   | None  | None | 395,417   | 474,741   | 870,158   | 246,072 | 1/2  |
| South Park       | PA |           | 252,247   | 436,182   | None  | None | 252,247   | 436,182   | 688,429   | 226,046 | 1/2  |
| Southampton      | PA |           | 783,279   | 163,721   | None  | None | 783,279   | 163,721   | 947,000   | 89,222  | 5/2  |
| Valencia         | PA |           | 440,565   | 278,492   | None  | None | 440,565   | 278,492   | 719,057   | 144,350 | 1/2  |
| Verona           | PA |           | 1,254,411 | -         | None  | None | 1,254,411 | -         | 1,254,411 | -       | 1/2  |
| Willow Grove     | PA |           | 329,934   | 73,123    | None  | None | 329,934   | 73,123    | 403,057   | 39,847  | 5/2  |
| Aiken            | SC |           | 400,000   | 402,665   | None  | None | 400,000   | 402,665   | 802,665   | 281,190 | 7/2  |
| Aiken            | SC |           | 320,000   | 432,527   | None  | None | 320,000   | 432,527   | 752,527   | 302,044 | 7/2  |
| Aiken            | SC |           | 330,000   | 472,679   | None  | None | 330,000   | 472,679   | 802,679   | 330,083 | 7/2  |
| Aiken            | SC |           | 560,000   | 543,588   | None  | None | 560,000   | 543,588   | 1,103,588 | 379,600 | 7/2  |
| Aiken            | SC |           | 360,000   | 542,982   | None  | None | 360,000   | 542,982   | 902,982   | 379,178 | 7/2  |
| Aiken            | SC |           | 540,000   | 388,058   | None  | None | 540,000   | 388,058   | 928,058   | 270,989 | 7/2  |
| Aiken            | SC |           | 250,000   | 251,770   | None  | None | 250,000   | 251,770   | 501,770   | 175,817 | 7/2  |
| Beech Island     | SC |           | 330,000   | 481,637   | None  | None | 330,000   | 481,637   | 811,637   | 246,435 | 3/1  |
| Belvedere        | SC |           | 490,000   | 463,080   | None  | None | 490,000   | 463,080   | 953,080   | 323,380 | 7/2  |
| Bishopville      | SC |           | 191,738   | 356,130   | 1,500 | None | 191,738   | 357,630   | 549,368   | 126,550 | 3/2  |
| Bonneau          | SC |           | 128,411   | 239,191   | 1,500 | None | 128,411   | 240,691   | 369,102   | 85,427  | 3/2  |
| Camden           | SC |           | 269,136   | 499,897   | 1,500 | None | 269,136   | 501,397   | 770,533   | 177,108 | 3/2  |
| Columbia         | SC |           | 520,000   | 471,637   | None  | None | 520,000   | 471,637   | 991,637   | 241,318 | 3/1  |
| Conway           | SC |           | -         | 251,890   | 1,000 | None | -         | 252,890   | 252,890   | 138,518 | 3/2  |
| Cordova          | SC |           | 137,207   | 255,025   | 2,000 | None | 137,207   | 257,025   | 394,232   | 91,433  | 3/2  |
| Eastover         | SC |           | 138,966   | 258,625   | 1,000 | None | 138,966   | 259,625   | 398,591   | 91,824  | 3/2  |
| Florence         | SC |           | 193,497   | 359,413   | 1,500 | None | 193,497   | 360,913   | 554,410   | 127,705 | 3/2  |
| Florence         | SC |           | 337,740   | 627,293   | 1,500 | None | 337,740   | 628,793   | 966,533   | 221,909 | 3/2  |
| Goose Creek      | SC |           | 150,000   | 241,637   | None  | None | 150,000   | 241,637   | 391,637   | 123,635 | 3/1  |
| Greenville       | SC |           | 390,000   | 462,847   | None  | None | 390,000   | 462,847   | 852,847   | 323,217 | 7/2  |
| Greenville       | SC |           | 300,000   | 402,392   | None  | None | 300,000   | 402,392   | 702,392   | 281,000 | 7/2  |
| Greenville       | SC |           | 370,000   | 432,695   | None  | None | 370,000   | 432,695   | 802,695   | 302,161 | 7/2  |
| Greenville       | SC |           | 620,000   | 483,604   | None  | None | 620,000   | 483,604   | 1,103,604 | 337,711 | 7/2  |
| Greenville       | SC |           | 680,000   | 423,604   | None  | None | 680,000   | 423,604   | 1,103,604 | 295,811 | 7/2  |
| Greer            | SC |           | 400,000   | 502,879   | None  | None | 400,000   | 502,879   | 902,879   | 351,172 | 7/2  |
| Hemingway        | SC |           | 246,269   | 458,069   | 1,500 | None | 246,269   | 459,569   | 705,838   | 162,399 | 3/2  |
| Hilton Head      | SC |           | 500,000   | 691,637   | None  | None | 500,000   | 691,637   | 1,191,637 | 353,885 | 3/1  |
| Hilton Head      | SC |           | 185,500   | 344,510   | None  | None | 185,500   | 344,510   | 530,010   | 175,126 | 4/1  |
| Irmo             | SC |           | 690,000   | 461,637   | None  | None | 690,000   | 461,637   | 1,151,637 | 236,202 | 3/1  |
| Jackson          | SC |           | 170,000   | 632,626   | None  | None | 170,000   | 632,626   | 802,626   | 441,780 | 7/2  |
| Kingstree        | SC |           | -         | 301,766   | 2,000 | None | -         | 303,766   | 303,766   | 155,510 | 3/2  |
| Kingstree        | SC |           | 209,328   | 389,965   | 1,000 | None | 209,328   | 390,965   | 600,293   | 138,012 | 3/2  |
| Lake City        | SC |           | 202,292   | 376,398   | 1,500 | None | 202,292   | 377,898   | 580,190   | 133,678 | 3/2  |
| Lexington        | SC |           | 640,000   | 563,891   | None  | None | 640,000   | 563,891   | 1,203,891 | 393,778 | 7/2  |
| Lexington        | SC |           | 540,000   | 563,588   | None  | None | 540,000   | 563,588   | 1,103,588 | 393,567 | 7/2  |

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|                   |    |         |           |       |      |         |           |           |         |     |
|-------------------|----|---------|-----------|-------|------|---------|-----------|-----------|---------|-----|
| Lexington         | SC | 360,000 | 843,891   | None  | None | 360,000 | 843,891   | 1,203,891 | 589,311 | 7/2 |
| Lugoff            | SC | 200,533 | 372,490   | 1,500 | None | 200,533 | 373,990   | 574,523   | 132,304 | 3/2 |
| Moncks<br>Corner  | SC | 351,812 | 654,578   | 1,000 | None | 351,812 | 655,578   | 1,007,390 | 231,067 | 3/2 |
| Mount<br>Pleasant | SC | 668,443 | 1,241,940 | 1,000 | None | 668,443 | 1,242,940 | 1,911,383 | 437,623 | 3/2 |
| Myrtle Beach      | SC | 492,537 | 913,807   | 2,500 | None | 492,537 | 916,307   | 1,408,844 | 323,542 | 3/2 |
| Myrtle Beach      | SC | 703,624 | 1,307,326 | 1,000 | None | 703,624 | 1,308,326 | 2,011,950 | 460,617 | 3/2 |
| Myrtle Beach      | SC | -       | 176,002   | 1,500 | None | -       | 177,502   | 177,502   | 63,205  | 3/2 |
| Myrtle Beach      | SC | -       | 753,979   | 1,500 | None | -       | 755,479   | 755,479   | 266,460 | 3/2 |
| Myrtle Beach      | SC | -       | 327,278   | 1,000 | None | -       | 328,278   | 328,278   | 210,065 | 3/2 |
| Myrtle Beach      | SC | -       | 277,019   | 1,000 | None | -       | 278,019   | 278,019   | 155,457 | 3/2 |
| North<br>Augusta  | SC | 400,000 | 452,777   | None  | None | 400,000 | 452,777   | 852,777   | 316,185 | 7/2 |
| North<br>Augusta  | SC | 490,000 | 1,221,637 | None  | None | 490,000 | 1,221,637 | 1,711,637 | 625,068 | 3/1 |
| Orangeburg        | SC | 320,000 | 691,637   | None  | None | 320,000 | 691,637   | 1,011,637 | 353,885 | 3/1 |
| Pinewood          | SC | 325,426 | 605,076   | 1,500 | None | 325,426 | 606,576   | 932,002   | 214,096 | 3/2 |
| Simpsonville      | SC | 530,000 | 573,485   | None  | None | 530,000 | 573,485   | 1,103,485 | 400,478 | 7/2 |
| Spartanburg       | SC | 470,000 | 432,879   | None  | None | 470,000 | 432,879   | 902,879   | 302,289 | 7/2 |
| Summerton         | SC | 142,484 | 265,326   | 1,500 | None | 142,484 | 266,826   | 409,310   | 94,618  | 3/2 |
| Summerville       | SC | 297,500 | 553,227   | None  | None | 297,500 | 553,227   | 850,727   | 281,221 | 4/1 |
| Sumter            | SC | 211,087 | 392,065   | 1,500 | None | 211,087 | 393,565   | 604,652   | 139,188 | 3/2 |
| Sumter            | SC | 263,859 | 490,128   | 1,500 | None | 263,859 | 491,628   | 755,487   | 173,673 | 3/2 |
| Sumter            | SC | 362,367 | 673,012   | 1,500 | None | 362,367 | 674,512   | 1,036,879 | 237,987 | 3/2 |
| Sumter            | SC | 181,183 | 336,587   | 1,500 | None | 181,183 | 338,087   | 519,270   | 119,678 | 3/2 |
| Sumter            | SC | 154,797 | 287,584   | 1,500 | None | 154,797 | 289,084   | 443,881   | 102,445 | 3/2 |
| Sumter            | SC | 351,812 | 653,469   | 1,500 | None | 351,812 | 654,969   | 1,006,781 | 231,115 | 3/2 |
| Sumter            | SC | 334,222 | 620,801   | 1,500 | None | 334,222 | 622,301   | 956,523   | 219,626 | 3/2 |

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REALTY INCOME CORPORATION AND SUBSIDIARIES

SCHEDULE III REAL ESTATE AND ACCUMULATED DEPRECIATION

AS OF DECEMBER 31, 2016

| Description<br>(Note 1) | Encumbrances<br>(Note 2) | Initial Cost to Company |  | Cost Capitalized<br>Subsequent<br>to Acquisition |       | Gross Amount at Which Carried<br>at Close of Period (Notes 3, 4, 6 and<br>7) |  |           | Accumulated<br>Depreciation<br>(Note 5) | Date of<br>Construction | D     |
|-------------------------|--------------------------|-------------------------|--|--|-------|--|--|-----------|---|-------------------------|-------|
|                         |                          | Land                    | Buildings,<br>Improvements<br>and<br>Acquisition<br>Fees | Improvements                                     | Costs | Land   | Buildings,<br>Improvements<br>and<br>Acquisition<br>Fees | Total     |   |                         |       |
| Sumter                  | SC                       | 281,450                 | 522,796  | 1,500  | None  | 281,450  | 524,296  | 805,746   | 185,161                                 |                         | 3/2/  |
| Sumter                  | SC                       | 146,002                 | 271,250  | 1,500  | None  | 146,002  | 272,750  | 418,752   | 96,701                                  |                         | 3/2/  |
| Sumter                  | SC                       | 372,921                 | 693,113  | 1,000  | None  | 372,921  | 694,113  | 1,067,034 | 244,619                                 |                         | 3/2/  |
| Sumter                  | SC                       | 149,520                 | 277,726  | 1,500  | None  | 149,520  | 279,226  | 428,746   | 98,978                                  |                         | 3/2/  |
| Sumter                  | SC                       | 262,100                 | 486,861  | 1,500  | None  | 262,100  | 488,361  | 750,461   | 172,524                                 |                         | 3/2/  |
| Sumter                  | SC                       | 184,701                 | 344,620  | None   | None  | 184,701  | 344,620  | 529,321   | 121,190                                 |                         | 3/2/  |
| West                    | SC                       | 410,000                 | 693,574  | None   | None  | 410,000  | 693,574  | 1,103,574 | 484,340                                 |                         | 7/2/  |
| Columbia<br>West        | SC                       | 336,000                 | 624,727  | None   | None  | 336,000  | 624,727  | 960,727   | 317,567                                 |                         | 4/1/  |
| Arrington               | TN                       | 385,000                 | 716,242  | None   | None  | 385,000  | 716,242  | 1,101,242 | 378,408                                 |                         | 10/1/ |
| Athens                  | TN                       | 175,000                 | 326,242  | None   | None  | 175,000  | 326,242  | 501,242   | 172,358                                 |                         | 10/1/ |
| Athens                  | TN                       | 124,179                 | 231,860  | None   | None  | 124,179  | 231,860  | 356,039   | 122,493                                 |                         | 10/1/ |
| Benton                  | TN                       | 192,500                 | 358,742  | None   | None  | 192,500  | 358,742  | 551,242   | 189,529                                 |                         | 10/1/ |
| Chattanooga             | TN                       | 181,731                 | 338,741  | None   | None  | 181,731  | 338,741  | 520,472   | 178,962                                 |                         | 10/1/ |
| Chattanooga             | TN                       | 175,000                 | 326,242  | (79,571)   | None  | 162,879  | 258,792  | 421,671   | 136,722                                 |                         | 10/1/ |
| Chattanooga             | TN                       | 159,979                 | 298,346  | None   | None  | 159,979  | 298,346  | 458,325   | 157,620                                 |                         | 10/1/ |
| Chattanooga             | TN                       | 105,000                 | 196,242  | None   | None  | 105,000  | 196,242  | 301,242   | 103,675                                 |                         | 10/1/ |
| Chattanooga             | TN                       | 245,000                 | 456,242  | None   | None  | 245,000  | 456,242  | 701,242   | 241,041                                 |                         | 10/1/ |
| Chattanooga             | TN                       | 297,500                 | 553,742  | None   | None  | 297,500  | 553,742  | 851,242   | 292,554                                 |                         | 10/1/ |
| Chattanooga             | TN                       | 323,750                 | 822,529  | None   | None  | 323,750  | 822,529  | 1,146,279 | 414,649                                 |                         | 10/1/ |
| Chattanooga             | TN                       | 280,000                 | 521,242  | None   | None  | 280,000  | 521,242  | 801,242   | 275,383                                 |                         | 10/1/ |
| Chattanooga             | TN                       | 257,250                 | 478,992  | None   | None  | 257,250  | 478,992  | 736,242   | 253,061                                 |                         | 10/1/ |
| Chattanooga             | TN                       | 283,209                 | 527,201  | None   | None  | 283,209  | 527,201  | 810,410   | 278,532                                 |                         | 10/1/ |
| Chattanooga             | TN                       | 542,500                 | 1,008,742  | None   | None  | 542,500  | 1,008,742  | 1,551,242 | 532,946                                 |                         | 10/1/ |
| Chattanooga             | TN                       | 332,500                 | 618,742  | None   | None  | 332,500  | 618,742  | 951,242   | 326,896                                 |                         | 10/1/ |
| Chattanooga             | TN                       | 300,373                 | 559,077  | (39,679)   | None  | 260,694  | 559,077  | 819,771   | 295,373                                 |                         | 10/1/ |
| Chattanooga             | TN                       | 175,000                 | 326,242  | (24,664)   | None  | 150,336  | 326,242  | 476,578   | 172,358                                 |                         | 10/1/ |
| Cleveland               | TN                       | 110,009                 | 205,545  | None   | None  | 110,009  | 205,545  | 315,554   | 108,590                                 |                         | 10/1/ |
| Cleveland               | TN                       | 227,500                 | 423,742  | None   | None  | 227,500  | 423,742  | 651,242   | 223,871                                 |                         | 10/1/ |
| Cleveland               | TN                       | 280,000                 | 521,242  | None   | None  | 280,000  | 521,242  | 801,242   | 275,383                                 |                         | 10/1/ |
| Cleveland               | TN                       | 245,000                 | 456,242  | None   | None  | 245,000  | 456,242  | 701,242   | 241,041                                 |                         | 10/1/ |
| Cleveland               | TN                       | 157,500                 | 293,742  | None   | None  | 157,500  | 293,742  | 451,242   | 155,187                                 |                         | 10/1/ |
| Cleveland               | TN                       | 122,500                 | 228,742  | None   | None  | 122,500  | 228,742  | 351,242   | 120,846                                 |                         | 10/1/ |
| Cleveland               | TN                       | 300,373                 | 559,077  | None   | None  | 300,373  | 559,077  | 859,450   | 295,373                                 |                         | 10/1/ |
| Dayton                  | TN                       | 262,500                 | 488,742  | None   | None  | 262,500  | 488,742  | 751,242   | 258,212                                 |                         | 10/1/ |
| Decatur                 | TN                       | 181,731                 | 338,742  | None   | None  | 181,731  | 338,742  | 520,473   | 178,962                                 |                         | 10/1/ |
| Dunlap                  | TN                       | 315,000                 | 586,242  | None   | None  | 315,000  | 586,242  | 901,242   | 309,725                                 |                         | 10/1/ |
| Etowah                  | TN                       | 192,500                 | 358,742  | None   | None  | 192,500  | 358,742  | 551,242   | 189,529                                 |                         | 10/1/ |
| Gallatin                | TN                       | 525,000                 | 976,242  | None   | None  | 525,000  | 976,242  | 1,501,242 | 515,775                                 |                         | 10/1/ |
| Gray                    | TN                       | 191,151                 | 355,563  | None   | None  | 191,151  | 355,563  | 546,714   | 129,779                                 |                         | 11/2/ |
| Harrison                | TN                       | 484,313                 | 900,680  | None   | None  | 484,313  | 900,680  | 1,384,993 | 475,853                                 |                         | 10/1/ |
| Hixson                  | TN                       | 350,000                 | 651,242  | None   | None  | 350,000  | 651,242  | 1,001,242 | 344,066                                 |                         | 10/1/ |

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|               |    |           |           |           |      |           |           |           |         |      |
|---------------|----|-----------|-----------|-----------|------|-----------|-----------|-----------|---------|------|
| Hixson        | TN | 271,250   | 504,992   | None      | None | 271,250   | 504,992   | 776,242   | 266,798 | 10/1 |
| Hixson        | TN | 513,215   | 954,355   | None      | None | 513,215   | 954,355   | 1,467,570 | 504,211 | 10/1 |
| Hixson        | TN | 94,500    | 176,742   | None      | None | 94,500    | 176,742   | 271,242   | 93,372  | 10/1 |
| Hixson        | TN | 300,373   | 559,077   | None      | None | 300,373   | 559,077   | 859,450   | 295,373 | 10/1 |
| Kimball       | TN | 332,500   | 618,742   | None      | None | 332,500   | 618,742   | 951,242   | 326,896 | 10/1 |
| Kingsport     | TN | 155,603   | 289,545   | None      | None | 155,603   | 289,545   | 445,148   | 105,683 | 11/2 |
| Kingsport     | TN | 310,303   | 576,845   | None      | None | 310,303   | 576,845   | 887,148   | 210,547 | 11/2 |
| La Vergne     | TN | 577,500   | 1,073,742 | (15,745)  | None | 561,755   | 1,073,742 | 1,635,497 | 567,287 | 10/1 |
| Manchester    | TN | 266,119   | 495,463   | None      | None | 266,119   | 495,463   | 761,582   | 261,763 | 10/1 |
| Manchester    | TN | 281,675   | 524,352   | None      | None | 281,675   | 524,352   | 806,027   | 277,026 | 10/1 |
| Manchester    | TN | 319,846   | 595,242   | None      | None | 319,846   | 595,242   | 915,088   | 314,480 | 10/1 |
| Monteagle     | TN | 271,173   | 504,849   | None      | None | 271,173   | 504,849   | 776,022   | 266,722 | 10/1 |
| Mount Juliet  | TN | 397,128   | 738,764   | None      | None | 397,128   | 738,764   | 1,135,892 | 390,308 | 10/1 |
| Murfreesboro  | TN | 549,500   | 1,021,742 | None      | None | 549,500   | 1,021,742 | 1,571,242 | 539,814 | 10/1 |
| Murfreesboro  | TN | 467,810   | 870,032   | None      | None | 467,810   | 870,032   | 1,337,842 | 459,661 | 10/1 |
| Murfreesboro  | TN | 300,373   | 559,077   | None      | None | 300,373   | 559,077   | 859,450   | 295,373 | 10/1 |
| Nashville     | TN | 498,628   | 927,264   | None      | None | 498,628   | 927,264   | 1,425,892 | 489,898 | 10/1 |
| Ocoee         | TN | 119,792   | 223,713   | (11,239)  | None | 108,553   | 223,713   | 332,266   | 118,189 | 10/1 |
| Ooltewah      | TN | 234,231   | 436,241   | None      | None | 234,231   | 436,241   | 670,472   | 230,475 | 10/1 |
| Ooltewah      | TN | 700,000   | 1,301,242 | (190,623) | None | 635,909   | 1,174,710 | 1,810,619 | 623,997 | 10/1 |
| Ooltewah      | TN | 105,000   | 196,242   | None      | None | 105,000   | 196,242   | 301,242   | 103,675 | 10/1 |
| Roan          | TN | 286,303   | 532,274   | None      | None | 286,303   | 532,274   | 818,577   | 194,278 | 11/2 |
| Mountain      |    |           |           |           |      |           |           |           |         |      |
| Shelbyville   | TN | 320,229   | 595,953   | None      | None | 320,229   | 595,953   | 916,182   | 314,855 | 10/1 |
| Smyrna        | TN | 426,466   | 793,251   | None      | None | 426,466   | 793,251   | 1,219,717 | 419,094 | 10/1 |
| Smyrna        | TN | 630,000   | 1,170,036 | None      | None | 630,000   | 1,170,036 | 1,800,036 | 481,664 | 9/2  |
| Soddy Daisy   | TN | 297,500   | 553,732   | None      | None | 297,500   | 553,732   | 851,232   | 292,549 | 10/1 |
| Soddy Daisy   | TN | 350,000   | 651,242   | None      | None | 350,000   | 651,242   | 1,001,242 | 344,066 | 10/1 |
| Soddy Daisy   | TN | 245,000   | 456,242   | None      | None | 245,000   | 456,242   | 701,242   | 241,041 | 10/1 |
| Sweetwater    | TN | 122,500   | 228,742   | None      | None | 122,500   | 228,742   | 351,242   | 120,846 | 10/1 |
| Sweetwater    | TN | 339,231   | 1,131,287 | None      | None | 339,231   | 1,131,287 | 1,470,518 | 520,183 | 10/1 |
| Sweetwater    | TN | 133,000   | 248,242   | None      | None | 133,000   | 248,242   | 381,242   | 131,148 | 10/1 |
| Austin        | TX | 620,920   | 1,311,870 | None      | None | 620,920   | 1,311,870 | 1,932,790 | 1,686   | 12/2 |
| Austin        | TX | 572,896   | 1,233,608 | None      | None | 572,896   | 1,233,608 | 1,806,504 | 1,556   | 12/2 |
| Carrollton    | TX | 622,963   | 1,315,199 | None      | None | 622,963   | 1,315,199 | 1,938,162 | 1,692   | 12/2 |
| Dallas        | TX | 675,268   | 1,400,436 | None      | None | 675,268   | 1,400,436 | 2,075,704 | 1,834   | 12/2 |
| Dallas        | TX | 1,332,627 | 2,471,689 | None      | None | 1,332,627 | 2,471,689 | 3,804,316 | 3,619   | 12/2 |
| Dallas        | TX | 1,408,443 | 2,595,241 | None      | None | 1,408,443 | 2,595,241 | 4,003,684 | 3,825   | 12/2 |
| Duncanville   | TX | 764,026   | 1,545,079 | None      | None | 764,026   | 1,545,079 | 2,309,105 | 2,075   | 12/2 |
| Elmendorf     | TX | 905,650   | 1,775,875 | None      | None | 905,650   | 1,775,875 | 2,681,525 | 2,460   | 12/2 |
| Flower        | TX | 503,918   | 1,121,199 | None      | None | 503,918   | 1,121,199 | 1,625,117 | 1,369   | 12/2 |
| Mound         |    |           |           |           |      |           |           |           |         |      |
| Forney        | TX | 996,338   | 1,923,662 | None      | None | 996,338   | 1,923,662 | 2,920,000 | 2,706   | 12/2 |
| Fort Worth    | TX | 912,676   | 1,787,324 | None      | None | 912,676   | 1,787,324 | 2,700,000 | 2,479   | 12/2 |
| Fort Worth    | TX | 1,007,746 | 1,942,254 | None      | None | 1,007,746 | 1,942,254 | 2,950,000 | 2,737   | 12/2 |
| Fort Worth    | TX | 508,143   | 1,128,085 | None      | None | 508,143   | 1,128,085 | 1,636,228 | 1,380   | 12/2 |
| Fort Worth    | TX | 1,509,438 | 2,759,824 | None      | None | 1,509,438 | 2,759,824 | 4,269,262 | 4,100   | 12/2 |
| Garland       | TX | 1,194,085 | 2,245,915 | None      | None | 1,194,085 | 2,245,915 | 3,440,000 | 3,243   | 12/2 |
| Grand Prairie | TX | 1,185,095 | 2,231,266 | None      | None | 1,185,095 | 2,231,266 | 3,416,361 | 3,219   | 12/2 |
| Grapevine     | TX | 1,724,069 | 3,109,593 | None      | None | 1,724,069 | 3,109,593 | 4,833,662 | 4,683   | 12/2 |
| Irving        | TX | 1,329,747 | 2,466,995 | None      | None | 1,329,747 | 2,466,995 | 3,796,742 | 3,612   | 12/2 |
| Irving        | TX | 814,003   | 1,626,524 | None      | None | 814,003   | 1,626,524 | 2,440,527 | 2,211   | 12/2 |
| Leander       | TX | 620,467   | 1,311,131 | None      | None | 620,467   | 1,311,131 | 1,931,598 | 1,685   | 12/2 |
| Roanoke       | TX | 829,014   | 1,650,986 | None      | None | 829,014   | 1,650,986 | 2,480,000 | 2,252   | 12/2 |
| San Antonio   | TX | 726,717   | 1,484,279 | None      | None | 726,717   | 1,484,279 | 2,210,996 | 1,974   | 12/2 |
| San Antonio   | TX | 742,794   | 1,510,480 | None      | None | 742,794   | 1,510,480 | 2,253,274 | 2,017   | 12/2 |
| San Antonio   | TX | 981,613   | 1,899,665 | None      | None | 981,613   | 1,899,665 | 2,881,278 | 2,666   | 12/2 |
| San Antonio   | TX | 574,336   | 1,235,955 | None      | None | 574,336   | 1,235,955 | 1,810,291 | 1,560   | 12/2 |
| San Antonio   | TX | 574,421   | 1,236,093 | None      | None | 574,421   | 1,236,093 | 1,810,514 | 1,560   | 12/2 |
| San Antonio   | TX | 528,525   | 1,161,301 | None      | None | 528,525   | 1,161,301 | 1,689,826 | 1,436   | 12/2 |
| San Antonio   | TX | 722,998   | 1,478,219 | None      | None | 722,998   | 1,478,219 | 2,201,217 | 1,964   | 12/2 |
| San Antonio   | TX | 2,372,794 | 4,166,775 | None      | None | 2,372,794 | 4,166,775 | 6,539,569 | 6,445   | 12/2 |
| San Antonio   | TX | 526,458   | 1,157,932 | None      | None | 526,458   | 1,157,932 | 1,684,390 | 1,430   | 12/2 |
| San Antonio   | TX | 1,376,985 | 2,543,975 | None      | None | 1,376,985 | 2,543,975 | 3,920,960 | 3,740   | 12/2 |
| San Antonio   | TX | 849,068   | 1,683,667 | None      | None | 849,068   | 1,683,667 | 2,532,735 | 2,306   | 12/2 |
| Schertz       | TX | 737,074   | 1,501,158 | None      | None | 737,074   | 1,501,158 | 2,238,232 | 2,002   | 12/2 |
| Temple        | TX | 558,673   | 1,210,430 | None      | None | 558,673   | 1,210,430 | 1,769,103 | 1,517   | 12/2 |
| The Colony    | TX | 973,521   | 1,886,479 | None      | None | 973,521   | 1,886,479 | 2,860,000 | 2,644   | 12/2 |
| Universal     | TX | 464,999   | 1,057,776 | None      | None | 464,999   | 1,057,776 | 1,522,775 | 1,263   | 12/2 |
| City          |    |           |           |           |      |           |           |           |         |      |

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|             |    |           |           |      |      |           |           |           |         |      |
|-------------|----|-----------|-----------|------|------|-----------|-----------|-----------|---------|------|
| Roy         | UT | 611,806   | 1,297,017 | None | None | 611,806   | 1,297,017 | 1,908,823 | 1,662   | 12/2 |
| Springville | UT | 1,405,148 | 2,589,871 | None | None | 1,405,148 | 2,589,871 | 3,995,019 | 3,816   | 12/2 |
| West Jordan | UT | 362,645   | 890,977   | None | None | 362,645   | 890,977   | 1,253,622 | 985     | 12/2 |
| Abingdon    | VA | 57,847    | 107,997   | None | None | 57,847    | 107,997   | 165,844   | 39,417  | 11/2 |
| Big Stone   | VA | 527,303   | 979,860   | None | None | 527,303   | 979,860   | 1,507,163 | 357,647 | 11/2 |
| Gap         |    |           |           |      |      |           |           |           |         |      |
| Bristol     | VA | 213,369   | 396,824   | None | None | 213,369   | 396,824   | 610,193   | 144,839 | 11/2 |

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REALTY INCOME CORPORATION AND SUBSIDIARIES

SCHEDULE III REAL ESTATE AND ACCUMULATED DEPRECIATION

AS OF DECEMBER 31, 2016

| Description         | Encumbrances | Initial Cost to Company |  | Cost Capitalized Subsequent to Acquisition |                | Gross Amount at Which Carried at Close of Period (Notes 3, 4, 6 and 7) |  |           | Accumulated Depreciation | Date of Construction |
|---------------------|--------------|-------------------------|--|--|----------------|--|--|-----------|--------------------------|----------------------|
|                     |              | Land                    | Buildings, Improvements and Acquisition Fees | Improvements                               | Carrying Costs | Land   | Buildings, Improvements and Acquisition Fees | Total     |                          |                      |
| (Note 1)            | (Note 2)     | Land                    | Fees   | Improvements                               | Costs          | Land   | Fees   | Total     | (Note 5)                 | Construction         |
| Bristol VA          |              | 268,303                 | 498,845                                      | None                                       | None           | 268,303  | 498,845                                      | 767,148   | 182,077                  | 1                    |
| Bristol VA          |              | 171,156                 | 318,428                                      | None                                       | None           | 171,156  | 318,428                                      | 489,584   | 116,225                  | 1                    |
| Carrollton VA       |              | 1,011,549               | 1,948,451                                    | None                                       | None           | 1,011,549  | 1,948,451                                    | 2,960,000 | 2,747                    | 12                   |
| Castlewood VA       |              | 387,303                 | 720,307                                      | None                                       | None           | 387,303  | 720,307                                      | 1,107,610 | 262,911                  | 1                    |
| Charlottesville VA  |              | 817,604                 | 1,619,856                                    | 2,000                                      | None           | 817,604  | 1,621,856                                    | 2,439,460 | 192,266                  | 1                    |
| Charlottesville VA  |              | 536,443                 | 1,062,813                                    | 2,500                                      | None           | 536,443  | 1,065,313                                    | 1,601,756 | 126,495                  | 1                    |
| Charlottesville VA  |              | 692,490                 | 1,371,977                                    | 2,000                                      | None           | 692,490  | 1,373,977                                    | 2,066,467 | 162,934                  | 1                    |
| Chatham VA          |              | 347,728                 | 525,031                                      | None                                       | None           | 347,728  | 525,031                                      | 872,759   | 289,635                  | 3                    |
| Chesapeake VA       |              | 225,000                 | 400,366                                      | None                                       | None           | 225,000  | 400,366                                      | 625,366   | 182,166                  | 8                    |
| Clintwood VA        |              | 378,553                 | 703,610                                      | None                                       | None           | 378,553  | 703,610                                      | 1,082,163 | 256,816                  | 1                    |
| Coeburn VA          |              | 168,934                 | 314,764                                      | None                                       | None           | 168,934  | 314,764                                      | 483,698   | 114,887                  | 1                    |
| Coeburn VA          |              | 312,303                 | 581,021                                      | None                                       | None           | 312,303  | 581,021                                      | 893,324   | 212,071                  | 1                    |
| Coeburn VA          |              | 282,303                 | 525,307                                      | None                                       | None           | 282,303  | 525,307                                      | 807,610   | 191,736                  | 1                    |
| Collinsville VA     |              | 84,465                  | 130,137                                      | None                                       | None           | 84,465   | 130,137                                      | 214,602   | 71,785                   | 3                    |
| Danville VA         |              | 149,276                 | 227,333                                      | None                                       | None           | 149,276  | 227,333                                      | 376,609   | 125,405                  | 3                    |
| Danville VA         |              | 83,644                  | 128,884                                      | None                                       | None           | 83,644   | 128,884                                      | 212,528   | 71,094                   | 3                    |
| Danville VA         |              | 266,722                 | 403,501                                      | None                                       | None           | 266,722  | 403,501                                      | 670,223   | 222,591                  | 3                    |
| Franklin VA         |              | 536,667                 | 863,699                                      | None                                       | None           | 536,667  | 863,699                                      | 1,400,366 | 392,983                  | 8                    |
| Gate City VA        |              | 422,303                 | 784,845                                      | None                                       | None           | 422,303  | 784,845                                      | 1,207,148 | 286,467                  | 1                    |
| Glen Allen VA       |              | 329,698                 | 498,015                                      | None                                       | None           | 329,698  | 498,015                                      | 827,713   | 274,731                  | 3                    |
| Gordonsville VA     |              | 770,000                 | 1,155,478                                    | 1,500                                      | None           | 770,000  | 1,156,978                                    | 1,926,978 | 137,169                  | 1                    |
| Gordonsville VA     |              | 2,190,000               | 2,286,653                                    | 3,000                                      | None           | 2,190,000  | 2,289,653                                    | 4,479,653 | 271,462                  | 1                    |
| Hampton VA          |              | 433,985                 | 459,108                                      | None                                       | None           | 433,985  | 459,108                                      | 893,093   | 343,555                  | 4                    |
| Highland Springs VA |              | 396,720                 | 598,547                                      | None                                       | None           | 396,720  | 598,547                                      | 995,267   | 330,191                  | 3                    |
| Honaker VA          |              | 492,303                 | 915,307                                      | None                                       | None           | 492,303  | 915,307                                      | 1,407,610 | 334,086                  | 1                    |
| Martinsville VA     |              | 246,820                 | 373,653                                      | None                                       | None           | 246,820  | 373,653                                      | 620,473   | 206,125                  | 3                    |
| Martinsville VA     |              | 83,521                  | 128,706                                      | None                                       | None           | 83,521   | 128,706                                      | 212,227   | 70,995                   | 3                    |
| Midlothian VA       |              | 325,000                 | 302,872                                      | None                                       | 153            | 325,000  | 303,025                                      | 628,025   | 234,832                  | 8                    |
| Newport News VA     |              | 490,616                 | 605,304                                      | None                                       | None           | 490,616  | 605,304                                      | 1,095,920 | 423,627                  | 1/20/2000            |
| Newport News VA     |              | 1,186,479               | 2,233,521                                    | None                                       | None           | 1,186,479  | 2,233,521                                    | 3,420,000 | 3,223                    | 12                   |
| Newport News VA     |              | 787,183                 | 1,582,817                                    | None                                       | None           | 787,183  | 1,582,817                                    | 2,370,000 | 2,138                    | 12                   |
| Norfolk VA          |              | 1,045,775               | 2,004,225                                    | None                                       | None           | 1,045,775  | 2,004,225                                    | 3,050,000 | 2,840                    | 12                   |
| Norfolk VA          |              | 1,026,761               | 1,973,239                                    | None                                       | None           | 1,026,761  | 1,973,239                                    | 3,000,000 | 2,789                    | 12                   |
| Norton VA           |              | 157,826                 | 293,688                                      | None                                       | None           | 157,826  | 293,688                                      | 451,514   | 107,194                  | 1                    |
| Norton VA           |              | 457,303                 | 849,860                                      | None                                       | None           | 457,303  | 849,860                                      | 1,307,163 | 310,197                  | 1                    |
| Norton VA           |              | 222,256                 | 413,344                                      | None                                       | None           | 222,256  | 413,344                                      | 635,600   | 150,869                  | 1                    |
| Pound VA            |              | 256,170                 | 476,327                                      | None                                       | None           | 256,170  | 476,327                                      | 732,497   | 173,858                  | 1                    |
| Pound VA            |              | 276,303                 | 513,717                                      | None                                       | None           | 276,303  | 513,717                                      | 790,020   | 187,505                  | 1                    |

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|                               |    |           |            |          |      |           |            |            |           |             |
|-------------------------------|----|-----------|------------|----------|------|-----------|------------|------------|-----------|-------------|
| Richlands                     | VA | 492,303   | 915,307    | None     | None | 492,303   | 915,307    | 1,407,610  | 334,086   | 1           |
| Richlands                     | VA | 140,051   | 261,125    | None     | None | 140,051   | 261,125    | 401,176    | 95,309    | 1           |
| Richmond                      | VA | 700,000   | 400,740    | None     | None | 700,000   | 400,740    | 1,100,740  | 299,879   | 4           |
| Richmond                      | VA | 400,000   | 250,875    | None     | None | 400,000   | 250,875    | 650,875    | 187,729   | 4           |
| Richmond                      | VA | 1,000,000 | 740        | None     | None | 1,000,000 | 740        | 1,000,740  | 546       | 4           |
| Richmond                      | VA | 700,000   | 100,695    | None     | None | 700,000   | 100,695    | 800,695    | 75,346    | 4           |
| Richmond                      | VA | 1,144,841 | 3,371,146  | None     | None | 1,144,841 | 3,371,146  | 4,515,987  | 1,936,569 | 8           |
| Richmond                      | VA | 298,227   | 451,014    | None     | None | 298,227   | 451,014    | 749,241    | 248,802   | 3           |
| Richmond                      | VA | 213,982   | 324,659    | None     | None | 213,982   | 324,659    | 538,641    | 179,096   | 3           |
| Richmond                      | VA | 482,735   | 727,776    | None     | None | 482,735   | 727,776    | 1,210,511  | 401,483   | 3           |
| Richmond                      | VA | 350,453   | 529,365    | None     | None | 350,453   | 529,365    | 879,818    | 292,026   | 3           |
| Richmond                      | VA | 323,496   | 488,918    | None     | None | 323,496   | 488,918    | 812,414    | 269,712   | 3           |
| Richmond                      | VA | 278,443   | 421,584    | None     | None | 278,443   | 421,584    | 700,027    | 232,567   | 3           |
| Roanoke                       | VA | 325,000   | 575,366    | None     | None | 325,000   | 575,366    | 900,366    | 261,791   | 8           |
| Rosedale                      | VA | 211,147   | 393,160    | None     | None | 211,147   | 393,160    | 604,307    | 143,502   | 1           |
| Saint Paul                    | VA | 334,803   | 622,807    | None     | None | 334,803   | 622,807    | 957,610    | 227,323   | 1           |
| Saint Paul                    | VA | 422,303   | 785,307    | None     | None | 422,303   | 785,307    | 1,207,610  | 286,636   | 1           |
| Sandston                      | VA | 152,535   | 232,528    | None     | None | 152,535   | 232,528    | 385,063    | 128,271   | 3           |
| South Boston                  | VA | 160,893   | 244,778    | None     | None | 160,893   | 244,778    | 405,671    | 135,029   | 3           |
| Stafford                      | VA | 271,865   | 601,997    | None     | 161  | 271,865   | 602,158    | 874,023    | 482,761   | 12          |
| Staunton                      | VA | 675,000   | 1,000,366  | None     | None | 675,000   | 1,000,366  | 1,675,366  | 455,166   | 8           |
| Suffolk                       | VA | 700,000   | 1,000,366  | None     | None | 700,000   | 1,000,366  | 1,700,366  | 455,166   | 8           |
| Tazewell                      | VA | 153,382   | 285,882    | None     | None | 153,382   | 285,882    | 439,264    | 104,345   | 1           |
| Troutville                    | VA | 575,000   | 975,366    | (93,309) | None | 481,691   | 975,366    | 1,457,057  | 443,791   | 8           |
| Virginia                      | VA | 1,194,560 | 2,218,773  | None     | None | 1,194,560 | 2,218,773  | 3,413,333  | 1,290,571 | 6           |
| Beach                         | VA |           |            |          |      |           |            |            |           |             |
| Virginia                      | VA | 566,987   | 1,223,979  | None     | None | 566,987   | 1,223,979  | 1,790,966  | 1,540     | 12          |
| Beach                         | VA |           |            |          |      |           |            |            |           |             |
| Warrenton                     | VA | 515,971   | 649,125    | None     | 161  | 515,971   | 649,286    | 1,165,257  | 520,543   | 12          |
| Weber City                    | VA | 369,803   | 687,345    | None     | None | 369,803   | 687,345    | 1,057,148  | 250,879   | 1           |
| Williamsburg                  | VA | 838,172   | 1,556,910  | None     | None | 838,172   | 1,556,910  | 2,395,082  | 905,527   | 6           |
| Wise                          | VA | 334,803   | 622,360    | None     | None | 334,803   | 622,360    | 957,163    | 227,160   | 1           |
| Wise                          | VA | 66,733    | 124,517    | None     | None | 66,733    | 124,517    | 191,250    | 45,447    | 1           |
| Wise                          | VA | 527,303   | 979,860    | None     | None | 527,303   | 979,860    | 1,507,163  | 357,647   | 1           |
| Wytheville                    | VA | 1,222,535 | 1,577,830  | None     | None | 1,222,535 | 1,577,830  | 2,800,365  | 717,913   | 8           |
| Yorktown                      | VA | 309,435   | 447,144    | None     | None | 309,435   | 447,144    | 756,579    | 334,597   | 4           |
| Yorktown                      | VA | 2,121,289 | 4,701,469  | 1,623    | None | 2,121,289 | 4,703,092  | 6,824,381  | 745,035   | 1           |
| Tumwater                      | WA | 422,960   | 989,269    | None     | None | 422,960   | 989,269    | 1,412,229  | 1,149     | 12          |
| East Troy                     | WI | 578,813   | 1,072,938  | 2,000    | None | 578,813   | 1,074,938  | 1,653,751  | 303,611   | 12          |
| Ellsworth                     | WI | 175,000   | 323,500    | 1,500    | None | 175,000   | 325,000    | 500,000    | 79,092    | 1           |
| Menomonie                     | WI | 770,442   | 1,428,821  | 2,000    | None | 770,442   | 1,430,821  | 2,201,263  | 346,515   | 1           |
| Menomonie                     | WI | 175,000   | 323,000    | 2,000    | None | 175,000   | 325,000    | 500,000    | 79,275    | 1           |
| Menomonie                     | WI | 441,256   | 817,975    | 1,500    | None | 441,256   | 819,475    | 1,260,731  | 198,590   | 1           |
| Mondovi                       | WI | 175,000   | 323,500    | 1,500    | None | 175,000   | 325,000    | 500,000    | 79,092    | 1           |
| Osseo                         | WI | 613,373   | 1,136,622  | 2,500    | None | 613,373   | 1,139,122  | 1,752,495  | 276,204   | 1           |
| <b>Crafts and novelties</b>   |    |           |            |          |      |           |            |            |           |             |
| Enterprise                    | AL | 1,187,964 | 2,667,017  | None     | None | 1,187,964 | 2,667,017  | 3,854,981  | 4,445     | 12          |
| Morgan Hill                   | CA | 319,063   | 2,518,205  | None     | None | 319,063   | 2,518,205  | 2,837,268  | 432,292   | 9           |
| Rancho Cucamonga              | CA | 2,790,740 | 4,713,106  | 45,796   | None | 2,790,740 | 4,758,902  | 7,549,642  | 817,252   | 9           |
| Roseville                     | CA | 1,415,674 | 4,367,269  | None     | None | 1,415,674 | 4,367,269  | 5,782,943  | 749,715   | 9           |
| Temecula                      | CA | 2,027,441 | 4,644,558  | 9,194    | None | 2,027,441 | 4,653,752  | 6,681,193  | 798,056   | 9           |
| Clermont                      | FL | 980,500   | 4,587,292  | None     | None | 980,500   | 4,587,292  | 5,567,792  | 683,565   | 5/10/2013   |
| Cutler Bay                    | FL | 743,498   | 657,485    | 437,136  | 205  | 743,498   | 1,094,826  | 1,838,324  | 691,829   | 12          |
| Albany                        | GA | 653,464   | 12,112,986 | 372      | None | 653,464   | 12,113,358 | 12,766,822 | 1,335,620 | 1           |
| Rockford                      | IL | 159,587   | 618,398    | 178,656  | 211  | 159,587   | 797,265    | 956,852    | 537,486   | 1           |
| Hickory                       | NC | 1,400,000 | 2,975,082  | None     | None | 1,400,000 | 2,975,082  | 4,375,082  | 37        | In-progress |
| Minot                         | ND | 500,000   | 2,514,029  | None     | None | 500,000   | 2,514,029  | 3,014,029  | 29,330    | 9           |
| Clovis                        | NM | 150,000   | 2,939,618  | 53,910   | None | 150,000   | 2,993,528  | 3,143,528  | 310,092   | 6           |
| Stony Brook                   | NY | 980,000   | 1,801,586  | 78,970   | None | 980,000   | 1,880,556  | 2,860,556  | 1,303,289 | 1           |
| Columbia                      | SC | 1,102,910 | 4,391,377  | None     | None | 1,102,910 | 4,391,377  | 5,494,287  | 511,964   | 1/27/2014   |
| <b>Diversified industrial</b> |    |           |            |          |      |           |            |            |           |             |
| Jacksonville                  | FL | 2,210,000 | 41,394,890 | None     | None | 2,210,000 | 41,394,890 | 43,604,890 | 2,016,006 | 10/30/2014  |
| West Point                    | GA | 430,000   | 12,263,738 | 96,954   | None | 430,000   | 12,360,692 | 12,790,692 | 308,755   | 2           |



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|               |    |            |           |            |      |      |           |            |            |           |
|---------------|----|------------|-----------|------------|------|------|-----------|------------|------------|-----------|
| Cedar Rapids  | IA |            | 1,000,000 | 12,981,440 | None | None | 1,000,000 | 12,981,440 | 13,981,440 | 1,189,965 |
| Buffalo Grove | IL | 10,084,963 | 3,130,000 | 17,353,386 | None | None | 3,130,000 | 17,353,386 | 20,483,386 | 1,342,822 |
| Portland      | TN | 9,687,113  | 1,481,370 | 10,969,189 | None | None | 1,481,370 | 10,969,189 | 12,450,559 | 1,883,044 |
| Deer Park     | TX | 9,790,000  | 2,410,000 | 13,364,183 | None | None | 2,410,000 | 13,364,183 | 15,774,183 | 1,034,133 |

Dollar stores

|            |    |  |         |           |      |      |         |           |           |         |
|------------|----|--|---------|-----------|------|------|---------|-----------|-----------|---------|
| Andalusia  | AL |  | 334,025 | 1,085,582 | None | None | 334,025 | 1,085,582 | 1,419,607 | 171,884 |
| Ariton     | AL |  | 113,182 | 824,898   | None | None | 113,182 | 824,898   | 938,080   | 97,613  |
| Bessemer   | AL |  | 391,797 | 1,273,339 | None | None | 391,797 | 1,273,339 | 1,665,136 | 201,612 |
| Bessemer   | AL |  | 279,833 | 1,100,867 | None | None | 279,833 | 1,100,867 | 1,380,700 | 148,617 |
| Birmingham | AL |  | 707,673 | 1,314,251 | None | None | 707,673 | 1,314,251 | 2,021,924 | 238,756 |
| Birmingham | AL |  | 322,861 | 599,600   | None | None | 322,861 | 599,600   | 922,461   | 96,935  |
| Birmingham | AL |  | 248,925 | 979,275   | None | None | 248,925 | 979,275   | 1,228,200 | 132,202 |

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REALTY INCOME CORPORATION AND SUBSIDIARIES

SCHEDULE III REAL ESTATE AND ACCUMULATED DEPRECIATION

AS OF DECEMBER 31, 2016

| Description       | Encumbrances | Initial Cost to Company |  | Cost Capitalized Subsequent to Acquisition |       | Gross Amount at Which Carried at Close of Period (Notes 3, 4, 6 and 7) |  |           | Accumulated Depreciation | Date of Construction | Date Acquired |
|-------------------|--------------|-------------------------|--|--|-------|--|--|-----------|--------------------------|----------------------|---------------|
|                   |              | Land                    | Buildings, Improvements and Acquisition Fees | Improvements                               | Costs | Land   | Buildings, Improvements and Acquisition Fees | Total     |                          |                      |               |
| (Note 1)          | (Note 2)     | Land                    | Fees   | Improvements                               | Costs | Land   | Fees   | Total     | (Note 5)                 | Construction         | Acquire       |
| Birmingham AL     |              | 235,245                 | 925,455                                      | None                                       | None  | 235,245  | 925,455                                      | 1,160,700 | 124,936                  |                      | 8/22/2011     |
| Birmingham AL     |              | 265,160                 | 1,043,140                                    | None                                       | None  | 265,160  | 1,043,140                                    | 1,308,300 | 140,824                  |                      | 8/22/2011     |
| Birmingham AL     |              | 312,444                 | 1,229,156                                    | None                                       | None  | 312,444  | 1,229,156                                    | 1,541,600 | 165,936                  |                      | 8/22/2011     |
| Birmingham AL     |              | 266,882                 | 1,049,918                                    | None                                       | None  | 266,882  | 1,049,918                                    | 1,316,800 | 141,739                  |                      | 8/22/2011     |
| Camp Hill AL      |              | 127,780                 | 851,515                                      | None                                       | None  | 127,780  | 851,515                                      | 979,295   | 100,763                  |                      | 1/24/2011     |
| Castleberry AL    |              | 121,658                 | 810,716                                      | None                                       | None  | 121,658  | 810,716                                      | 932,374   | 95,935                   |                      | 1/24/2011     |
| Cedar Bluff AL    |              | 160,037                 | 836,150                                      | None                                       | None  | 160,037  | 836,150                                      | 996,187   | 98,944                   |                      | 1/24/2011     |
| Center Point AL   |              | 232,043                 | 912,857                                      | None                                       | None  | 232,043  | 912,857                                      | 1,144,900 | 123,236                  |                      | 8/22/2011     |
| Clanton AL        |              | 300,000                 | 962,598                                      | None                                       | None  | 300,000  | 962,598                                      | 1,262,598 | 113,907                  |                      | 1/31/2011     |
| Crossville AL     |              | 268,814                 | 873,647                                      | None                                       | None  | 268,814  | 873,647                                      | 1,142,461 | 138,327                  |                      | 1/22/2011     |
| Cullman AL        |              | 277,067                 | 685,954                                      | None                                       | None  | 277,067  | 685,954                                      | 963,021   | 81,171                   |                      | 1/24/2011     |
| Decatur AL        |              | 301,085                 | 559,159                                      | None                                       | None  | 301,085  | 559,159                                      | 860,244   | 101,580                  |                      | 6/1/2011      |
| Decatur AL        |              | 269,275                 | 765,035                                      | None                                       | None  | 269,275  | 765,035                                      | 1,034,310 | 90,529                   |                      | 1/31/2011     |
| Duncanville AL    |              | 162,574                 | 786,023                                      | None                                       | None  | 162,574  | 786,023                                      | 948,597   | 93,013                   |                      | 1/31/2011     |
| Enterprise AL     |              | 294,944                 | 837,962                                      | None                                       | None  | 294,944  | 837,962                                      | 1,132,906 | 99,159                   |                      | 1/31/2011     |
| Eufaula AL        |              | 201,712                 | 1,053,886                                    | None                                       | None  | 201,712  | 1,053,886                                    | 1,255,598 | 124,710                  |                      | 1/24/2011     |
| Evergreen AL      |              | 193,413                 | 1,010,529                                    | None                                       | None  | 193,413  | 1,010,529                                    | 1,203,942 | 119,579                  |                      | 1/24/2011     |
| Florence AL       |              | 419,440                 | 778,959                                      | None                                       | None  | 419,440  | 778,959                                      | 1,198,399 | 125,932                  |                      | 12/14/2010    |
| Forestdale AL     |              | 287,839                 | 1,132,361                                    | None                                       | None  | 287,839  | 1,132,361                                    | 1,420,200 | 152,869                  |                      | 8/22/2011     |
| Frisco City AL    |              | 163,025                 | 788,202                                      | None                                       | None  | 163,025  | 788,202                                      | 951,227   | 93,271                   |                      | 1/31/2011     |
| Gilbertown AL     |              | 171,006                 | 1,246,332                                    | None                                       | None  | 171,006  | 1,246,332                                    | 1,417,338 | 147,483                  |                      | 1/31/2011     |
| Huntsville AL     |              | 501,318                 | 931,020                                      | None                                       | None  | 501,318  | 931,020                                      | 1,432,338 | 169,135                  |                      | 6/1/2011      |
| Jasper AL         |              | 276,246                 | 897,800                                      | None                                       | None  | 276,246  | 897,800                                      | 1,174,046 | 142,152                  |                      | 1/22/2011     |
| Jasper AL         |              | 282,574                 | 918,366                                      | None                                       | None  | 282,574  | 918,366                                      | 1,200,940 | 145,408                  |                      | 1/22/2011     |
| Jasper AL         |              | 280,753                 | 912,446                                      | None                                       | None  | 280,753  | 912,446                                      | 1,193,199 | 144,471                  |                      | 1/22/2011     |
| Lillian AL        |              | 203,832                 | 985,500                                      | None                                       | None  | 203,832  | 985,500                                      | 1,189,332 | 116,618                  |                      | 1/31/2011     |
| Livingston AL     |              | 239,319                 | 941,481                                      | None                                       | None  | 239,319  | 941,481                                      | 1,180,800 | 127,100                  |                      | 8/22/2011     |
| Marbury AL        |              | 160,000                 | 1,006,765                                    | None                                       | None  | 160,000  | 1,006,765                                    | 1,166,765 | 119,134                  |                      | 1/31/2011     |
| Mobile AL         |              | 212,971                 | 837,829                                      | None                                       | None  | 212,971  | 837,829                                      | 1,050,800 | 113,107                  |                      | 8/22/2011     |
| Montgomery AL     |              | 532,170                 | 988,317                                      | None                                       | None  | 532,170  | 988,317                                      | 1,520,487 | 159,778                  |                      | 12/14/2010    |
| Montgomery AL     |              | 366,980                 | 681,533                                      | None                                       | None  | 366,980  | 681,533                                      | 1,048,513 | 110,181                  |                      | 12/14/2010    |
| Moundville AL     |              | 230,583                 | 907,117                                      | None                                       | None  | 230,583  | 907,117                                      | 1,137,700 | 122,461                  |                      | 8/22/2011     |
| Odenville AL      |              | 176,981                 | 855,676                                      | None                                       | None  | 176,981  | 855,676                                      | 1,032,657 | 101,255                  |                      | 1/31/2011     |
| Opelika AL        |              | 331,598                 | 1,077,694                                    | None                                       | None  | 331,598  | 1,077,694                                    | 1,409,292 | 170,635                  |                      | 1/22/2011     |
| Prichard AL       |              | 429,411                 | 797,478                                      | None                                       | None  | 429,411  | 797,478                                      | 1,226,889 | 128,926                  |                      | 12/14/2010    |
| Remlap AL         |              | 177,711                 | 859,208                                      | None                                       | None  | 177,711  | 859,208                                      | 1,036,919 | 101,673                  |                      | 1/31/2011     |
| Samson AL         |              | 181,064                 | 1,319,631                                    | None                                       | None  | 181,064  | 1,319,631                                    | 1,500,695 | 156,156                  |                      | 1/31/2011     |
| Shelby AL         |              | 277,350                 | 901,388                                      | None                                       | None  | 277,350  | 901,388                                      | 1,178,738 | 142,720                  |                      | 1/22/2011     |
| Slocomb AL        |              | 268,240                 | 1,055,260                                    | None                                       | None  | 268,240  | 1,055,260                                    | 1,323,500 | 142,460                  |                      | 8/22/2011     |
| Slocomb AL        |              | 280,000                 | 2,597,341                                    | None                                       | None  | 280,000  | 2,597,341                                    | 2,877,341 | 307,352                  |                      | 1/31/2011     |
| Smiths Station AL |              | 359,391                 | 1,168,019                                    | None                                       | None  | 359,391  | 1,168,019                                    | 1,527,410 | 184,936                  |                      | 1/22/2011     |
| Sycamore AL       |              | 50,000                  | 885,687                                      | None                                       | None  | 50,000   | 885,687                                      | 935,687   | 104,806                  |                      | 1/31/2011     |

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|                 |    |         |           |        |      |         |           |           |         |          |
|-----------------|----|---------|-----------|--------|------|---------|-----------|-----------|---------|----------|
| Sylacauga       | AL | 147,110 | 980,328   | None   | None | 147,110 | 980,328   | 1,127,438 | 116,006 | 1/24/20  |
| Thorsby         | AL | 298,516 | 970,178   | None   | None | 298,516 | 970,178   | 1,268,694 | 153,611 | 1/22/20  |
| Troy            | AL | 257,985 | 1,014,915 | None   | None | 257,985 | 1,014,915 | 1,272,900 | 137,014 | 8/22/20  |
| Uriah           | AL | 140,000 | 776,826   | None   | None | 140,000 | 776,826   | 916,826   | 91,924  | 1/31/20  |
| Weaver          | AL | 220,771 | 627,231   | 19,229 | None | 220,771 | 646,460   | 867,231   | 77,830  | 12/20/20 |
| Webb            | AL | 173,294 | 905,411   | None   | None | 173,294 | 905,411   | 1,078,705 | 107,140 | 1/24/20  |
| Wedowee         | AL | 251,256 | 988,444   | None   | None | 251,256 | 988,444   | 1,239,700 | 133,440 | 8/22/20  |
| York            | AL | 218,727 | 860,473   | None   | None | 218,727 | 860,473   | 1,079,200 | 116,164 | 8/22/20  |
| Atkins          | AR | 264,657 | 491,507   | None   | None | 264,657 | 491,507   | 756,164   | 79,460  | 12/14/20 |
| Black Rock      | AR | 137,428 | 915,809   | None   | None | 137,428 | 915,809   | 1,053,237 | 108,371 | 1/24/20  |
| Cabot           | AR | 479,323 | 1,186,692 | None   | None | 479,323 | 1,186,692 | 1,666,015 | 140,425 | 1/24/20  |
| Clarendon       | AR | 156,618 | 1,043,684 | None   | None | 156,618 | 1,043,684 | 1,200,302 | 123,503 | 1/24/20  |
| Dermott         | AR | 137,299 | 540,136   | None   | None | 137,299 | 540,136   | 677,435   | 71,118  | 9/18/20  |
| Drasco          | AR | 135,176 | 900,796   | None   | None | 135,176 | 900,796   | 1,035,972 | 106,594 | 1/24/20  |
| England         | AR | 147,813 | 985,008   | None   | None | 147,813 | 985,008   | 1,132,821 | 116,559 | 1/24/20  |
| Greenbrier      | AR | 277,423 | 1,449,455 | None   | None | 277,423 | 1,449,455 | 1,726,878 | 171,519 | 1/24/20  |
| Gurdon          | AR | 99,815  | 727,471   | None   | None | 99,815  | 727,471   | 827,286   | 90,934  | 11/20/20 |
| Hampton         | AR | 128,214 | 854,405   | None   | None | 128,214 | 854,405   | 982,619   | 101,105 | 1/24/20  |
| Haskell         | AR | 191,254 | 999,249   | None   | None | 191,254 | 999,249   | 1,190,503 | 118,245 | 1/24/20  |
| Hope            | AR | 421,413 | 782,623   | None   | None | 421,413 | 782,623   | 1,204,036 | 142,177 | 6/1/20   |
| Huntsville      | AR | 168,806 | 1,124,906 | None   | None | 168,806 | 1,124,906 | 1,293,712 | 133,114 | 1/24/20  |
| Jasper          | AR | 110,000 | 835,511   | None   | None | 110,000 | 835,511   | 945,511   | 98,869  | 1/24/20  |
| Jonesboro       | AR | 240,000 | 867,698   | None   | None | 240,000 | 867,698   | 1,107,698 | 102,678 | 1/24/20  |
| Jonesboro       | AR | 380,000 | 806,115   | None   | None | 380,000 | 806,115   | 1,186,115 | 95,390  | 1/24/20  |
| Little Rock     | AR | 248,520 | 977,680   | None   | None | 248,520 | 977,680   | 1,226,200 | 131,987 | 8/22/20  |
| Little Rock     | AR | 157,195 | 618,405   | None   | None | 157,195 | 618,405   | 775,600   | 83,485  | 8/22/20  |
| Malvern         | AR | 139,776 | 570,280   | None   | None | 139,776 | 570,280   | 710,056   | 90,294  | 1/24/20  |
| Marianna        | AR | 230,373 | 427,836   | None   | None | 230,373 | 427,836   | 658,209   | 69,167  | 12/14/20 |
| Ola             | AR | 126,412 | 842,394   | None   | None | 126,412 | 842,394   | 968,806   | 99,683  | 1/24/20  |
| Pine Bluff      | AR | 562,282 | 1,044,237 | None   | None | 562,282 | 1,044,237 | 1,606,519 | 189,703 | 6/1/20   |
| Pine Bluff      | AR | 579,851 | 1,076,865 | None   | None | 579,851 | 1,076,865 | 1,656,716 | 174,093 | 12/14/20 |
| Pine Bluff      | AR | 243,412 | 602,631   | None   | None | 243,412 | 602,631   | 846,043   | 71,311  | 1/24/20  |
| Pine Bluff      | AR | 279,924 | 693,026   | None   | None | 279,924 | 693,026   | 972,950   | 82,008  | 1/24/20  |
| Prescott        | AR | 119,075 | 793,501   | None   | None | 119,075 | 793,501   | 912,576   | 93,898  | 1/24/20  |
| Sherwood        | AR | 225,665 | 887,766   | None   | None | 225,665 | 887,766   | 1,113,431 | 122,808 | 7/9/20   |
| West Fork       | AR | 281,211 | 1,469,249 | None   | None | 281,211 | 1,469,249 | 1,750,460 | 173,861 | 1/24/20  |
| West Helena     | AR | 331,612 | 615,851   | None   | None | 331,612 | 615,851   | 947,463   | 99,563  | 12/14/20 |
| Bisbee          | AZ | 181,118 | 946,292   | None   | None | 181,118 | 946,292   | 1,127,410 | 111,978 | 1/24/20  |
| Camp Verde      | AZ | 244,826 | 454,678   | None   | None | 244,826 | 454,678   | 699,504   | 82,600  | 6/1/20   |
| Douglas         | AZ | 188,809 | 986,472   | None   | None | 188,809 | 986,472   | 1,175,281 | 116,733 | 1/24/20  |
| Gila Bend       | AZ | 161,460 | 1,075,950 | None   | None | 161,460 | 1,075,950 | 1,237,410 | 127,321 | 1/24/20  |
| Phoenix         | AZ | 712,708 | 1,323,600 | None   | None | 712,708 | 1,323,600 | 2,036,308 | 240,454 | 6/1/20   |
| Phoenix         | AZ | 642,917 | 1,193,990 | None   | None | 642,917 | 1,193,990 | 1,836,907 | 216,908 | 6/1/20   |
| Phoenix         | AZ | 721,637 | 1,340,182 | None   | None | 721,637 | 1,340,182 | 2,061,819 | 243,466 | 6/1/20   |
| Phoenix         | AZ | 580,167 | 1,077,452 | None   | None | 580,167 | 1,077,452 | 1,657,619 | 195,737 | 6/1/20   |
| Salome          | AZ | 251,540 | 989,560   | None   | None | 251,540 | 989,560   | 1,241,100 | 133,591 | 8/22/20  |
| Tolleson        | AZ | 581,123 | 1,079,228 | None   | None | 581,123 | 1,079,228 | 1,660,351 | 196,060 | 6/1/20   |
| Tucson          | AZ | 461,061 | 856,257   | None   | None | 461,061 | 856,257   | 1,317,318 | 155,553 | 6/1/20   |
| Tucson          | AZ | 259,447 | 1,020,665 | None   | None | 259,447 | 1,020,665 | 1,280,112 | 144,594 | 6/21/20  |
| Williams        | AZ | 160,391 | 1,168,960 | None   | None | 160,391 | 1,168,960 | 1,329,351 | 150,017 | 10/15/20 |
| Yuma            | AZ | 225,609 | 418,988   | None   | None | 225,609 | 418,988   | 644,597   | 76,116  | 6/1/20   |
| Yuma            | AZ | 276,672 | 1,088,428 | None   | None | 276,672 | 1,088,428 | 1,365,100 | 146,938 | 8/22/20  |
| Yuma            | AZ | 418,158 | 1,188,024 | None   | None | 418,158 | 1,188,024 | 1,606,182 | 132,663 | 3/14/20  |
| Akron           | CO | 318,751 | 1,035,939 | None   | None | 318,751 | 1,035,939 | 1,354,690 | 164,024 | 1/22/20  |
| Federal Heights | CO | 561,752 | 1,043,254 | None   | None | 561,752 | 1,043,254 | 1,605,006 | 189,524 | 6/1/20   |
| Holyoke         | CO | 361,977 | 1,176,425 | None   | None | 361,977 | 1,176,425 | 1,538,402 | 186,267 | 1/22/20  |
| Keenesburg      | CO | 339,959 | 1,104,866 | None   | None | 339,959 | 1,104,866 | 1,444,825 | 174,937 | 1/22/20  |
| Silver Cliff    | CO | 245,520 | 797,939   | 1,950  | None | 245,520 | 799,889   | 1,045,409 | 127,986 | 1/22/20  |
| Anthony         | FL | 259,074 | 1,353,588 | None   | None | 259,074 | 1,353,588 | 1,612,662 | 160,175 | 1/24/20  |
| Baldwin         | FL | 252,938 | 995,062   | None   | None | 252,938 | 995,062   | 1,248,000 | 134,333 | 8/22/20  |
| Bartow          | FL | 476,372 | 884,692   | None   | None | 476,372 | 884,692   | 1,361,064 | 143,025 | 12/14/20 |
| Bradenton       | FL | 255,520 | 739,091   | 573    | None | 255,520 | 739,664   | 995,184   | 40,484  | 10/9/20  |
| Brandon         | FL | 605,652 | 1,124,782 | None   | None | 605,652 | 1,124,782 | 1,730,434 | 181,840 | 12/14/20 |
| Cape Coral      | FL | 310,235 | 1,220,465 | None   | None | 310,235 | 1,220,465 | 1,530,700 | 164,763 | 8/22/20  |
| Cape Coral      | FL | 299,371 | 1,177,729 | None   | None | 299,371 | 1,177,729 | 1,477,100 | 158,993 | 8/22/20  |
| Casselberry     | FL | 314,673 | 1,237,927 | None   | None | 314,673 | 1,237,927 | 1,552,600 | 167,120 | 8/22/20  |
| Century         | FL | 215,484 | 847,716   | None   | None | 215,484 | 847,716   | 1,063,200 | 114,442 | 8/22/20  |
|                 | FL | 210,810 | 1,101,421 | None   | None | 210,810 | 1,101,421 | 1,312,231 | 130,335 | 1/24/20  |

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|                |    |         |           |      |      |         |           |           |         |          |
|----------------|----|---------|-----------|------|------|---------|-----------|-----------|---------|----------|
| Citrus Springs |    |         |           |      |      |         |           |           |         |          |
| Cottondale     | FL | 458,337 | 851,196   | None | None | 458,337 | 851,196   | 1,309,533 | 137,610 | 12/14/20 |
| Cross City     | FL | 308,087 | 1,609,668 | None | None | 308,087 | 1,609,668 | 1,917,755 | 190,477 | 1/24/20  |
| Crystal River  | FL | 432,782 | 803,739   | None | None | 432,782 | 803,739   | 1,236,521 | 129,938 | 12/14/20 |
| Daytona Beach  | FL | 315,423 | 1,240,877 | None | None | 315,423 | 1,240,877 | 1,556,300 | 167,518 | 8/22/20  |

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REALTY INCOME CORPORATION AND SUBSIDIARIES

SCHEDULE III REAL ESTATE AND ACCUMULATED DEPRECIATION

AS OF DECEMBER 31, 2016

| Description      | Encumbrances | Initial Cost to Company |  | Cost Capitalized Subsequent to Acquisition |                | Gross Amount at Which Carried at Close of Period (Notes 3, 4, 6 and 7) |  |           | Accumulated Depreciation | Date of Construction | Date Acquired |
|------------------|--------------|-------------------------|--|--|----------------|--|--|-----------|--------------------------|----------------------|---------------|
|                  |              | Land                    | Buildings, Improvements and Acquisition Fees | Improvements                               | Carrying Costs | Land   | Buildings, Improvements and Acquisition Fees | Total     |                          |                      |               |
| (Note 1)         | (Note 2)     | Land                    | Fees   | Improvements                               | Costs          | Land   | Fees   | Total     | (Note 5)                 | Construction         | Acquire       |
| Debary           | FL           | 257,762                 | 1,014,038                                    | None                                       | None           | 257,762  | 1,014,038                                    | 1,271,800 | 136,895                  |                      | 8/22/2016     |
| DeFuniak Springs | FL           | 282,063                 | 1,109,637                                    | None                                       | None           | 282,063  | 1,109,637                                    | 1,391,700 | 149,801                  |                      | 8/22/2016     |
| Deland           | FL           | 471,921                 | 1,168,367                                    | None                                       | None           | 471,921  | 1,168,367                                    | 1,640,288 | 138,257                  |                      | 1/24/2016     |
| Destin           | FL           | 420,175                 | 2,195,293                                    | None                                       | None           | 420,175  | 2,195,293                                    | 2,615,468 | 259,776                  |                      | 1/24/2016     |
| Dover            | FL           | 432,677                 | 1,071,208                                    | None                                       | None           | 432,677  | 1,071,208                                    | 1,503,885 | 126,760                  |                      | 1/24/2016     |
| Dundee           | FL           | 250,810                 | 986,690                                      | None                                       | None           | 250,810  | 986,690                                      | 1,237,500 | 133,203                  |                      | 8/22/2016     |
| Dunedin          | FL           | 353,830                 | 1,391,970                                    | None                                       | None           | 353,830  | 1,391,970                                    | 1,745,800 | 187,916                  |                      | 8/22/2016     |
| Edgewater        | FL           | 579,101                 | 1,433,719                                    | None                                       | None           | 579,101  | 1,433,719                                    | 2,012,820 | 169,657                  |                      | 1/24/2016     |
| Eustis           | FL           | 572,540                 | 1,417,475                                    | None                                       | None           | 572,540  | 1,417,475                                    | 1,990,015 | 167,735                  |                      | 1/24/2016     |
| Fanning Springs  | FL           | 440,000                 | 1,647,482                                    | None                                       | None           | 440,000  | 1,647,482                                    | 2,087,482 | 194,952                  |                      | 1/24/2016     |
| Fern Park        | FL           | 663,492                 | 1,232,199                                    | None                                       | None           | 663,492  | 1,232,199                                    | 1,895,691 | 199,206                  |                      | 12/14/2016    |
| Florahome        | FL           | 197,567                 | 1,316,563                                    | None                                       | None           | 197,567  | 1,316,563                                    | 1,514,130 | 155,793                  |                      | 1/24/2016     |
| Floral City      | FL           | 259,079                 | 1,019,221                                    | None                                       | None           | 259,079  | 1,019,221                                    | 1,278,300 | 137,595                  |                      | 8/22/2016     |
| Fort Meade       | FL           | 261,728                 | 1,367,452                                    | None                                       | None           | 261,728  | 1,367,452                                    | 1,629,180 | 161,815                  |                      | 1/24/2016     |
| Fort Myers       | FL           | 352,006                 | 1,384,794                                    | None                                       | None           | 352,006  | 1,384,794                                    | 1,736,800 | 186,947                  |                      | 8/22/2016     |
| Fort Myers       | FL           | 313,964                 | 1,235,136                                    | None                                       | None           | 313,964  | 1,235,136                                    | 1,549,100 | 166,743                  |                      | 8/22/2016     |
| Fort Myers       | FL           | 282,549                 | 1,111,551                                    | None                                       | None           | 282,549  | 1,111,551                                    | 1,394,100 | 150,059                  |                      | 8/22/2016     |
| Ft White         | FL           | 200,000                 | 947,109                                      | 61,239                                     | None           | 200,000  | 1,008,348                                    | 1,208,348 | 112,782                  |                      | 1/15/2016     |
| Ft. Walton Beach | FL           | 294,345                 | 1,157,955                                    | None                                       | None           | 294,345  | 1,157,955                                    | 1,452,300 | 156,324                  |                      | 8/22/2016     |
| Ft. White        | FL           | 204,195                 | 803,305                                      | None                                       | None           | 204,195  | 803,305                                      | 1,007,500 | 108,446                  |                      | 8/22/2016     |
| Gainesville      | FL           | 491,957                 | 913,635                                      | None                                       | None           | 491,957  | 913,635                                      | 1,405,592 | 147,704                  |                      | 12/14/2016    |
| Gainesville      | FL           | 578,261                 | 1,431,639                                    | None                                       | None           | 578,261  | 1,431,639                                    | 2,009,900 | 169,411                  |                      | 1/24/2016     |
| Gainesville      | FL           | 868,725                 | 1,621,793                                    | None                                       | None           | 868,725  | 1,621,793                                    | 2,490,518 | 191,912                  |                      | 1/24/2016     |
| Greensboro       | FL           | 185,185                 | 1,234,053                                    | None                                       | None           | 185,185  | 1,234,053                                    | 1,419,238 | 146,030                  |                      | 1/24/2016     |
| Groveland        | FL           | 101,782                 | 189,258                                      | None                                       | None           | 101,782  | 189,258                                      | 291,040   | 134,686                  |                      | 3/31/1996     |
| Groveland        | FL           | 730,550                 | 1,363,839                                    | None                                       | None           | 730,550  | 1,363,839                                    | 2,094,389 | 161,388                  |                      | 1/24/2016     |
| Hilliard         | FL           | 461,328                 | 1,499,315                                    | None                                       | None           | 461,328  | 1,499,315                                    | 1,960,643 | 237,392                  |                      | 1/22/2016     |
| Holiday          | FL           | 287,353                 | 1,130,447                                    | None                                       | None           | 287,353  | 1,130,447                                    | 1,417,800 | 152,610                  |                      | 8/22/2016     |
| Holiday          | FL           | 296,473                 | 1,166,327                                    | None                                       | None           | 296,473  | 1,166,327                                    | 1,462,800 | 157,454                  |                      | 8/22/2016     |
| Homosassa        | FL           | 331,697                 | 1,733,022                                    | None                                       | None           | 331,697  | 1,733,022                                    | 2,064,719 | 205,074                  |                      | 1/24/2016     |
| Hudson           | FL           | 485,785                 | 902,173                                      | None                                       | None           | 485,785  | 902,173                                      | 1,387,958 | 145,851                  |                      | 12/14/2016    |
| Hudson           | FL           | 917,578                 | 1,712,997                                    | None                                       | None           | 917,578  | 1,712,997                                    | 2,630,575 | 202,705                  |                      | 1/24/2016     |
| Immokalee        | FL           | 659,438                 | 1,224,671                                    | None                                       | None           | 659,438  | 1,224,671                                    | 1,884,109 | 222,482                  |                      | 6/1/2016      |
| Inglis           | FL           | 221,544                 | 871,556                                      | None                                       | None           | 221,544  | 871,556                                      | 1,093,100 | 117,660                  |                      | 8/22/2016     |
| Inglis           | FL           | 231,860                 | 1,545,090                                    | None                                       | None           | 231,860  | 1,545,090                                    | 1,776,950 | 182,836                  |                      | 1/24/2016     |
| Jacksonville     | FL           | 479,745                 | 890,954                                      | None                                       | None           | 479,745  | 890,954                                      | 1,370,699 | 161,857                  |                      | 6/1/2016      |
| Jacksonville     | FL           | 635,245                 | 1,179,740                                    | None                                       | None           | 635,245  | 1,179,740                                    | 1,814,985 | 190,725                  |                      | 12/14/2016    |
| Jacksonville     | FL           | 577,368                 | 1,072,255                                    | None                                       | None           | 577,368  | 1,072,255                                    | 1,649,623 | 173,348                  |                      | 12/14/2016    |
| Jacksonville     | FL           | 774,832                 | 1,438,974                                    | None                                       | None           | 774,832  | 1,438,974                                    | 2,213,806 | 232,634                  |                      | 12/14/2016    |
| Jacksonville     | FL           | 580,539                 | 1,078,144                                    | None                                       | None           | 580,539  | 1,078,144                                    | 1,658,683 | 174,300                  |                      | 12/14/2016    |

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|                  |    |         |           |        |      |         |           |           |         |          |
|------------------|----|---------|-----------|--------|------|---------|-----------|-----------|---------|----------|
| Jacksonville     | FL | 484,992 | 1,576,223 | None   | None | 484,992 | 1,576,223 | 2,061,215 | 249,569 | 1/22/201 |
| Jacksonville     | FL | 284,535 | 1,119,365 | None   | None | 284,535 | 1,119,365 | 1,403,900 | 151,114 | 8/22/201 |
| Jacksonville     | FL | 316,457 | 1,244,943 | None   | None | 316,457 | 1,244,943 | 1,561,400 | 168,067 | 8/22/201 |
| Jacksonville     | FL | 717,739 | 1,181,877 | None   | None | 717,739 | 1,181,877 | 1,899,616 | 64,426  | 10/9/201 |
| Jacksonville     | FL | 501,314 | 806,878   | None   | None | 501,314 | 806,878   | 1,308,192 | 45,173  | 10/9/201 |
| Jasper           | FL | 397,823 | 738,814   | None   | None | 397,823 | 738,814   | 1,136,637 | 119,442 | 12/14/20 |
| Kissimmee        | FL | 283,238 | 1,114,262 | None   | None | 283,238 | 1,114,262 | 1,397,500 | 150,425 | 8/22/201 |
| Kissimmee        | FL | 444,433 | 1,268,502 | None   | None | 444,433 | 1,268,502 | 1,712,935 | 120,508 | 8/15/201 |
| Lake City        | FL | 262,680 | 1,372,428 | None   | None | 262,680 | 1,372,428 | 1,635,108 | 162,404 | 1/24/201 |
| Lake City        | FL | 275,994 | 1,441,991 | None   | None | 275,994 | 1,441,991 | 1,717,985 | 170,636 | 1/24/201 |
| Lakeland         | FL | 342,755 | 636,546   | None   | None | 342,755 | 636,546   | 979,301   | 115,639 | 6/1/201  |
| Lakeland         | FL | 455,575 | 846,067   | None   | None | 455,575 | 846,067   | 1,301,642 | 136,781 | 12/14/20 |
| Lakeland         | FL | 249,452 | 981,348   | None   | None | 249,452 | 981,348   | 1,230,800 | 132,482 | 8/22/201 |
| Largo            | FL | 567,646 | 1,054,201 | None   | None | 567,646 | 1,054,201 | 1,621,847 | 170,429 | 12/14/20 |
| Laurel Hill      | FL | 330,715 | 1,074,825 | None   | None | 330,715 | 1,074,825 | 1,405,540 | 170,181 | 1/22/201 |
| Lawtey           | FL | 186,088 | 1,240,070 | None   | None | 186,088 | 1,240,070 | 1,426,158 | 146,742 | 1/24/201 |
| Lehigh Acres     | FL | 560,116 | 1,040,215 | None   | None | 560,116 | 1,040,215 | 1,600,331 | 168,168 | 12/14/20 |
| Lehigh Acres     | FL | 391,588 | 1,540,512 | None   | None | 391,588 | 1,540,512 | 1,932,100 | 207,969 | 8/22/201 |
| Masaryktown      | FL | 290,081 | 1,141,181 | None   | None | 290,081 | 1,141,181 | 1,431,262 | 161,667 | 6/10/201 |
| Mascotte         | FL | 279,063 | 1,097,837 | None   | None | 279,063 | 1,097,837 | 1,376,900 | 148,208 | 8/22/201 |
| Miami            | FL | 648,087 | 1,203,591 | None   | None | 648,087 | 1,203,591 | 1,851,678 | 194,581 | 12/14/20 |
| Micco            | FL | 276,043 | 1,085,957 | None   | None | 276,043 | 1,085,957 | 1,362,000 | 146,604 | 8/22/201 |
| Milton           | FL | 150,059 | 784,013   | None   | None | 150,059 | 784,013   | 934,072   | 92,775  | 1/24/201 |
| Milton           | FL | 660,000 | 1,295,281 | None   | None | 660,000 | 1,295,281 | 1,955,281 | 153,275 | 1/24/201 |
| Monticello       | FL | 335,167 | 1,751,150 | None   | None | 335,167 | 1,751,150 | 2,086,317 | 207,219 | 1/24/201 |
| Ocala            | FL | 482,475 | 896,026   | None   | None | 482,475 | 896,026   | 1,378,501 | 144,858 | 12/14/20 |
| Ocala            | FL | 258,877 | 1,018,423 | None   | None | 258,877 | 1,018,423 | 1,277,300 | 137,487 | 8/22/201 |
| Ocala            | FL | 500,472 | 1,239,053 | None   | None | 500,472 | 1,239,053 | 1,739,525 | 146,621 | 1/24/201 |
| Ocala            | FL | 470,580 | 1,165,046 | None   | None | 470,580 | 1,165,046 | 1,635,626 | 137,864 | 1/24/201 |
| Ocklawaha        | FL | 261,265 | 1,365,037 | None   | None | 261,265 | 1,365,037 | 1,626,302 | 161,529 | 1/24/201 |
| Opa Locka        | FL | 665,870 | 1,236,615 | None   | None | 665,870 | 1,236,615 | 1,902,485 | 224,652 | 6/1/201  |
| Orlando          | FL | 351,337 | 1,382,163 | None   | None | 351,337 | 1,382,163 | 1,733,500 | 186,592 | 8/22/201 |
| Orlando          | FL | 401,945 | 1,560,171 | None   | None | 401,945 | 1,560,171 | 1,962,116 | 96,211  | 8/22/201 |
| Pace             | FL | 322,488 | 798,404   | None   | None | 322,488 | 798,404   | 1,120,892 | 94,478  | 1/24/201 |
| Palatka          | FL | 311,775 | 1,226,525 | None   | None | 311,775 | 1,226,525 | 1,538,300 | 165,581 | 8/22/201 |
| Palm Bay         | FL | 290,940 | 1,144,560 | None   | None | 290,940 | 1,144,560 | 1,435,500 | 154,516 | 8/22/201 |
| Panama City      | FL | 468,060 | 869,253   | None   | None | 468,060 | 869,253   | 1,337,313 | 140,529 | 12/14/20 |
| Panama City      | FL | 462,383 | 1,144,753 | None   | None | 462,383 | 1,144,753 | 1,607,136 | 135,462 | 1/24/201 |
| Panama City      | FL | 486,671 | 1,204,883 | None   | None | 486,671 | 1,204,883 | 1,691,554 | 142,578 | 1/24/201 |
| Pensacola        | FL | 324,665 | 1,166,541 | None   | None | 324,665 | 1,166,541 | 1,491,206 | 61,733  | 10/9/201 |
| Perry            | FL | 244,021 | 959,979   | None   | None | 244,021 | 959,979   | 1,204,000 | 129,597 | 8/22/201 |
| Perry            | FL | 213,916 | 1,117,652 | None   | None | 213,916 | 1,117,652 | 1,331,568 | 132,255 | 1/24/201 |
| Pinellas Park    | FL | 324,807 | 1,277,793 | None   | None | 324,807 | 1,277,793 | 1,602,600 | 172,502 | 8/22/201 |
| Port St Joe      | FL | 950,000 | 2,678,477 | None   | None | 950,000 | 2,678,477 | 3,628,477 | 316,953 | 1/31/201 |
| Punta Gorda      | FL | 544,349 | 1,347,680 | None   | None | 544,349 | 1,347,680 | 1,892,029 | 159,475 | 1/24/201 |
| Riverview        | FL | 318,240 | 1,251,960 | None   | None | 318,240 | 1,251,960 | 1,570,200 | 169,015 | 8/22/201 |
| Riviera Beach    | FL | 395,095 | 1,554,305 | None   | None | 395,095 | 1,554,305 | 1,949,400 | 209,831 | 8/22/201 |
| Rockledge        | FL | 246,149 | 968,351   | None   | None | 246,149 | 968,351   | 1,214,500 | 130,727 | 8/22/201 |
| Saint Cloud      | FL | 403,749 | 1,588,351 | None   | None | 403,749 | 1,588,351 | 1,992,100 | 214,427 | 8/22/201 |
| San Antonio      | FL | 258,167 | 1,015,633 | None   | None | 258,167 | 1,015,633 | 1,273,800 | 137,110 | 8/22/201 |
| San Mateo        | FL | 455,279 | 1,479,656 | None   | None | 455,279 | 1,479,656 | 1,934,935 | 234,279 | 1/22/201 |
| Santa Rosa Beach | FL | 316,256 | 1,652,348 | None   | None | 316,256 | 1,652,348 | 1,968,604 | 195,528 | 1/24/201 |
| Seminole         | FL | 541,317 | 1,005,304 | None   | None | 541,317 | 1,005,304 | 1,546,621 | 162,524 | 12/14/20 |
| Sneads           | FL | 222,497 | 875,303   | None   | None | 222,497 | 875,303   | 1,097,800 | 118,166 | 8/22/201 |
| Sorrento         | FL | 253,303 | 996,497   | None   | None | 253,303 | 996,497   | 1,249,800 | 134,527 | 8/22/201 |
| South Daytona    | FL | 652,903 | 1,212,534 | None   | None | 652,903 | 1,212,534 | 1,865,437 | 196,026 | 12/14/20 |
| Spring Hill      | FL | 315,224 | 1,286,099 | None   | None | 315,224 | 1,286,099 | 1,601,323 | 186,484 | 5/23/201 |
| Spring Hill      | FL | 314,531 | 1,237,369 | None   | None | 314,531 | 1,237,369 | 1,551,900 | 167,045 | 8/22/201 |
| Tampa            | FL | 559,416 | 1,038,915 | None   | None | 559,416 | 1,038,915 | 1,598,331 | 188,736 | 6/1/201  |
| Tampa            | FL | 552,447 | 1,025,973 | None   | None | 552,447 | 1,025,973 | 1,578,420 | 186,385 | 6/1/201  |
| Tampa            | FL | 549,314 | 1,020,154 | None   | None | 549,314 | 1,020,154 | 1,569,468 | 164,925 | 12/14/20 |
| Tampa            | FL | 611,153 | 1,134,998 | None   | None | 611,153 | 1,134,998 | 1,746,151 | 183,491 | 12/14/20 |
| Tampa            | FL | 634,199 | 1,177,799 | None   | None | 634,199 | 1,177,799 | 1,811,998 | 190,411 | 12/14/20 |
| Tampa            | FL | 378,121 | 1,228,892 | 12,109 | None | 378,121 | 1,241,001 | 1,619,122 | 195,954 | 1/22/201 |
| Tavares          | FL | 534,612 | 1,323,575 | None   | None | 534,612 | 1,323,575 | 1,858,187 | 156,623 | 1/24/201 |
| Temple Terrace   | FL | 666,400 | 1,237,599 | None   | None | 666,400 | 1,237,599 | 1,903,999 | 224,831 | 6/1/201  |

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|                |    |         |           |        |      |         |           |           |         |          |
|----------------|----|---------|-----------|--------|------|---------|-----------|-----------|---------|----------|
| Waldo          | FL | 150,203 | 1,000,934 | None   | None | 150,203 | 1,000,934 | 1,151,137 | 118,444 | 1/24/201 |
| Webster        | FL | 244,703 | 962,663   | 12,302 | None | 244,703 | 974,965   | 1,219,668 | 131,969 | 8/2/201  |
| Weirsdale      | FL | 440,625 | 1,090,885 | None   | None | 440,625 | 1,090,885 | 1,531,510 | 129,088 | 1/24/201 |
| Wildwood       | FL | 553,758 | 1,370,976 | None   | None | 553,758 | 1,370,976 | 1,924,734 | 162,232 | 1/24/201 |
| Winter Haven   | FL | 441,079 | 819,148   | None   | None | 441,079 | 819,148   | 1,260,227 | 148,812 | 6/1/201  |
| Winter Haven   | FL | 437,109 | 811,775   | None   | None | 437,109 | 811,775   | 1,248,884 | 131,237 | 12/14/20 |
| Winter Springs | FL | 336,947 | 1,325,553 | None   | None | 336,947 | 1,325,553 | 1,662,500 | 178,950 | 8/22/201 |
| Yulee          | FL | 331,698 | 1,304,902 | None   | None | 331,698 | 1,304,902 | 1,636,600 | 176,162 | 8/22/201 |

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REALTY INCOME CORPORATION AND SUBSIDIARIES

SCHEDULE III REAL ESTATE AND ACCUMULATED DEPRECIATION

AS OF DECEMBER 31, 2016

| Description<br>(Note 1) | Encumbrances<br>(Note 2) | Initial Cost to Company |  |              |                   | Cost Capitalized<br>Subsequent<br>to Acquisition |           | Gross Amount at Which Carried<br>at Close of Period (Notes 3, 4, 6<br>and 7) |         |  | Accumulated<br>Depreciation<br>(Note 5) | Date of<br>Construction | Date |
|-------------------------|--------------------------|-------------------------|--|--------------|-------------------|--|-----------|--|---------|--|---|-------------------------|------|
|                         |                          | Land                    | Buildings,<br>Improvements<br>and<br>Acquisition<br>Fees | Improvements | Carrying<br>Costs | Land   | Fees      | Total  |         |  |   |                         |      |
| Zephyrhills             | FL                       | 304,398                 | 1,197,502  | None         | None              | 304,398  | 1,197,502 | 1,501,900  | 161,663 |  | 8/22/20                                 |                         |      |
| Zolfo Springs           | FL                       | 420,000                 | 1,144,259  | None         | None              | 420,000  | 1,144,259 | 1,564,259  | 135,404 |  | 1/24/20                                 |                         |      |
| Athens                  | GA                       | 396,815                 | 982,422  | None         | None              | 396,815  | 982,422   | 1,379,237  | 116,253 |  | 1/24/20                                 |                         |      |
| Atlanta                 | GA                       | 368,101                 | 1,045,807  | None         | None              | 368,101  | 1,045,807 | 1,413,908  | 127,240 |  | 12/4/20                                 |                         |      |
| Atlanta                 | GA                       | 386,653                 | 1,098,516  | None         | None              | 386,653  | 1,098,516 | 1,485,169  | 122,668 |  | 3/28/20                                 |                         |      |
| Atlanta                 | GA                       | 477,551                 | 1,363,030  | None         | None              | 477,551  | 1,363,030 | 1,840,581  | 129,488 |  | 8/1/20                                  |                         |      |
| Auburn                  | GA                       | 234,333                 | 921,867  | None         | None              | 234,333  | 921,867   | 1,156,200  | 124,452 |  | 8/22/20                                 |                         |      |
| Augusta                 | GA                       | 572,784                 | 1,063,741  | None         | None              | 572,784  | 1,063,741 | 1,636,525  | 193,246 |  | 6/1/20                                  |                         |      |
| Augusta                 | GA                       | 396,046                 | 735,513  | None         | None              | 396,046  | 735,513   | 1,131,559  | 118,908 |  | 12/14/20                                |                         |      |
| Augusta                 | GA                       | 244,244                 | 960,856  | None         | None              | 244,244  | 960,856   | 1,205,100  | 129,716 |  | 8/22/20                                 |                         |      |
| Augusta                 | GA                       | 240,656                 | 946,744  | None         | None              | 240,656  | 946,744   | 1,187,400  | 127,810 |  | 8/22/20                                 |                         |      |
| Bogart                  | GA                       | 341,583                 | 970,468  | None         | None              | 341,583  | 970,468   | 1,312,051  | 118,074 |  | 12/4/20                                 |                         |      |
| Brooklet                | GA                       | 189,211                 | 988,573  | None         | None              | 189,211  | 988,573   | 1,177,784  | 116,981 |  | 1/24/20                                 |                         |      |
| Brunswick               | GA                       | 525,784                 | 976,455  | None         | None              | 525,784  | 976,455   | 1,502,239  | 157,860 |  | 12/14/20                                |                         |      |
| Brunswick               | GA                       | 374,722                 | 695,913  | None         | None              | 374,722  | 695,913   | 1,070,635  | 112,506 |  | 12/14/20                                |                         |      |
| Carrollton              | GA                       | 184,110                 | 724,290  | None         | None              | 184,110  | 724,290   | 908,400  | 97,779  |  | 8/22/20                                 |                         |      |
| Carrollton              | GA                       | 266,882                 | 1,049,918  | None         | None              | 266,882  | 1,049,918 | 1,316,800  | 141,739 |  | 8/22/20                                 |                         |      |
| Collins                 | GA                       | 120,219                 | 876,179  | None         | None              | 120,219  | 876,179   | 996,398  | 103,681 |  | 1/31/20                                 |                         |      |
| Conyers                 | GA                       | 737,753                 | 1,370,114  | None         | None              | 737,753  | 1,370,114 | 2,107,867  | 248,904 |  | 6/1/20                                  |                         |      |
| Dalton                  | GA                       | 401,120                 | 748,837  | None         | None              | 401,120  | 748,837   | 1,149,957  | 88,612  |  | 1/24/20                                 |                         |      |
| Dawson                  | GA                       | 413,732                 | 768,359  | None         | None              | 413,732  | 768,359   | 1,182,091  | 124,218 |  | 12/14/20                                |                         |      |
| Dewy Rose               | GA                       | 190,003                 | 747,472  | None         | None              | 190,003  | 747,472   | 937,475  | 100,909 |  | 8/20/20                                 |                         |      |
| Dexter                  | GA                       | 58,236                  | 424,437  | 22,815       | None              | 58,236   | 447,252   | 505,488  | 58,676  |  | 12/20/20                                |                         |      |
| Dublin                  | GA                       | 208,680                 | 1,008,938  | None         | None              | 208,680  | 1,008,938 | 1,217,618  | 119,391 |  | 1/31/20                                 |                         |      |
| Elberton                | GA                       | 194,222                 | 764,071  | None         | None              | 194,222  | 764,071   | 958,293  | 103,150 |  | 8/20/20                                 |                         |      |
| Forest Park             | GA                       | 288,001                 | 1,132,999  | None         | None              | 288,001  | 1,132,999 | 1,421,000  | 152,955 |  | 8/22/20                                 |                         |      |
| Glennville              | GA                       | 245,706                 | 966,610  | None         | None              | 245,706  | 966,610   | 1,212,316  | 133,714 |  | 7/3/20                                  |                         |      |
| Gordon                  | GA                       | 179,124                 | 704,676  | None         | None              | 179,124  | 704,676   | 883,800  | 95,131  |  | 8/22/20                                 |                         |      |
| Greenville              | GA                       | 170,000                 | 880,648  | None         | None              | 170,000  | 880,648   | 1,050,648  | 104,210 |  | 1/24/20                                 |                         |      |
| Hartwell                | GA                       | 222,699                 | 876,101  | None         | None              | 222,699  | 876,101   | 1,098,800  | 118,274 |  | 8/22/20                                 |                         |      |
| Hoschton                | GA                       | 312,038                 | 1,227,562  | None         | None              | 312,038  | 1,227,562 | 1,539,600  | 165,721 |  | 8/22/20                                 |                         |      |
| Irwinton                | GA                       | 331,310                 | 1,076,757  | None         | None              | 331,310  | 1,076,757 | 1,408,067  | 170,487 |  | 1/22/20                                 |                         |      |
| Jonesboro               | GA                       | 316,862                 | 1,246,538  | None         | None              | 316,862  | 1,246,538 | 1,563,400  | 168,283 |  | 8/22/20                                 |                         |      |
| LaGrange                | GA                       | 270,000                 | 831,559  | None         | None              | 270,000  | 831,559   | 1,101,559  | 98,401  |  | 1/31/20                                 |                         |      |
| Lilburn                 | GA                       | 323,652                 | 1,273,248  | None         | None              | 323,652  | 1,273,248 | 1,596,900  | 171,889 |  | 8/22/20                                 |                         |      |
| Ludowici                | GA                       | 344,543                 | 1,119,765  | 12,235       | None              | 344,543  | 1,132,000 | 1,476,543  | 184,523 |  | 1/22/20                                 |                         |      |
| Macon                   | GA                       | 245,825                 | 967,075  | None         | None              | 245,825  | 967,075   | 1,212,900  | 130,555 |  | 8/22/20                                 |                         |      |
| Marietta                | GA                       | 289,116                 | 1,137,384  | None         | None              | 289,116  | 1,137,384 | 1,426,500  | 153,547 |  | 8/22/20                                 |                         |      |
| Midway                  | GA                       | 243,028                 | 956,072  | None         | None              | 243,028  | 956,072   | 1,199,100  | 129,070 |  | 8/22/20                                 |                         |      |
| Milledgeville           | GA                       | 245,290                 | 696,890  | None         | None              | 245,290  | 696,890   | 942,180  | 82,465  |  | 1/31/20                                 |                         |      |
| Monticello              | GA                       | 146,301                 | 1,066,274  | None         | None              | 146,301  | 1,066,274 | 1,212,575  | 119,067 |  | 3/28/20                                 |                         |      |
| Nicholls                | GA                       | 198,723                 | 781,777  | None         | None              | 198,723  | 781,777   | 980,500  | 105,540 |  | 8/22/20                                 |                         |      |
| Pooler                  | GA                       | 279,935                 | 1,101,265  | None         | None              | 279,935  | 1,101,265 | 1,381,200  | 148,671 |  | 8/22/20                                 |                         |      |



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|                  |    |         |           |       |      |         |           |           |         |          |
|------------------|----|---------|-----------|-------|------|---------|-----------|-----------|---------|----------|
| Powder Springs   | GA | 290,373 | 1,142,327 | None  | None | 290,373 | 1,142,327 | 1,432,700 | 154,214 | 8/22/20  |
| Resaca           | GA | 600,000 | 2,830,403 | None  | None | 600,000 | 2,830,403 | 3,430,403 | 334,931 | 1/31/20  |
| Richmond Hill    | GA | 297,203 | 1,169,197 | None  | None | 297,203 | 1,169,197 | 1,466,400 | 157,842 | 8/22/20  |
| Savannah         | GA | 450,992 | 1,774,208 | None  | None | 450,992 | 1,774,208 | 2,225,200 | 239,518 | 8/22/20  |
| Screven          | GA | 198,288 | 780,067   | None  | None | 198,288 | 780,067   | 978,355   | 105,309 | 8/8/20   |
| Stockbridge      | GA | 348,721 | 863,351   | None  | None | 348,721 | 863,351   | 1,212,072 | 102,163 | 1/24/20  |
| Talbotton        | GA | 128,449 | 855,969   | None  | None | 128,449 | 855,969   | 984,418   | 101,290 | 1/24/20  |
| Thomasville      | GA | 407,954 | 757,629   | None  | None | 407,954 | 757,629   | 1,165,583 | 122,483 | 12/14/20 |
| Tifton           | GA | 202,011 | 824,197   | None  | None | 202,011 | 824,197   | 1,026,208 | 119,509 | 5/23/20  |
| Uvalda           | GA | 187,576 | 737,924   | None  | None | 187,576 | 737,924   | 925,500   | 99,620  | 8/22/20  |
| Vienna           | GA | 340,000 | 2,529,310 | None  | None | 340,000 | 2,529,310 | 2,869,310 | 299,302 | 1/31/20  |
| Warrenton        | GA | 298,668 | 554,669   | None  | None | 298,668 | 554,669   | 853,337   | 89,671  | 12/14/20 |
| Waycross         | GA | 417,843 | 775,994   | None  | None | 417,843 | 775,994   | 1,193,837 | 125,452 | 12/14/20 |
| Waynesville      | GA | 132,112 | 880,378   | None  | None | 132,112 | 880,378   | 1,012,490 | 104,178 | 1/24/20  |
| Whigham          | GA | 123,430 | 822,527   | None  | None | 123,430 | 822,527   | 945,957   | 97,332  | 1/24/20  |
| Wrightsville     | GA | 274,254 | 509,328   | None  | None | 274,254 | 509,328   | 783,582   | 82,341  | 12/14/20 |
| Wrightsville     | GA | 166,239 | 868,552   | None  | None | 166,239 | 868,552   | 1,034,791 | 102,779 | 1/24/20  |
| Des Moines       | IA | 455,336 | 845,625   | None  | None | 455,336 | 845,625   | 1,300,961 | 153,622 | 6/1/20   |
| Des Moines       | IA | 214,167 | 842,533   | None  | None | 214,167 | 842,533   | 1,056,700 | 113,742 | 8/22/20  |
| Mason City       | IA | 242,135 | 449,678   | None  | None | 242,135 | 449,678   | 691,813   | 81,692  | 6/1/20   |
| Montrose         | IA | 307,533 | 999,483   | None  | None | 307,533 | 999,483   | 1,307,016 | 158,251 | 1/22/20  |
| Waterloo         | IA | 366,422 | 1,190,872 | None  | None | 366,422 | 1,190,872 | 1,557,294 | 188,555 | 1/22/20  |
| Calumet City     | IL | 561,828 | 1,043,394 | None  | None | 561,828 | 1,043,394 | 1,605,222 | 189,550 | 6/1/20   |
| Catlin           | IL | 373,096 | 1,212,561 | None  | None | 373,096 | 1,212,561 | 1,585,657 | 191,989 | 1/22/20  |
| Cerro Gordo      | IL | 312,718 | 1,016,334 | None  | None | 312,718 | 1,016,334 | 1,329,052 | 160,920 | 1/22/20  |
| Columbia         | IL | 383,895 | 1,247,660 | None  | None | 383,895 | 1,247,660 | 1,631,555 | 197,546 | 1/22/20  |
| Dwight           | IL | 355,224 | 659,701   | None  | None | 355,224 | 659,701   | 1,014,925 | 106,652 | 12/14/20 |
| East Saint Louis | IL | 564,367 | 1,048,111 | None  | None | 564,367 | 1,048,111 | 1,612,478 | 169,445 | 12/14/20 |
| Farina           | IL | 161,831 | 1,078,428 | None  | None | 161,831 | 1,078,428 | 1,240,259 | 127,614 | 1/24/20  |
| Galesburg        | IL | 325,959 | 605,353   | None  | None | 325,959 | 605,353   | 931,312   | 109,972 | 6/1/20   |
| Gillespie        | IL | 346,508 | 1,126,153 | None  | None | 346,508 | 1,126,153 | 1,472,661 | 178,308 | 1/22/20  |
| Goreville        | IL | 175,538 | 690,566   | None  | None | 175,538 | 690,566   | 866,104   | 90,925  | 9/13/20  |
| Harvey           | IL | 356,530 | 662,127   | None  | None | 356,530 | 662,127   | 1,018,657 | 107,044 | 12/14/20 |
| Joliet           | IL | 396,961 | 737,212   | None  | None | 396,961 | 737,212   | 1,134,173 | 119,183 | 12/14/20 |
| La Salle         | IL | 457,726 | 1,487,609 | None  | None | 457,726 | 1,487,609 | 1,945,335 | 235,538 | 1/22/20  |
| Marseilles       | IL | 364,551 | 1,184,791 | None  | None | 364,551 | 1,184,791 | 1,549,342 | 187,592 | 1/22/20  |
| Metropolis       | IL | 522,911 | 971,120   | None  | None | 522,911 | 971,120   | 1,494,031 | 156,998 | 12/14/20 |
| Mount Zion       | IL | 344,938 | 1,121,050 | 1,723 | None | 344,938 | 1,122,773 | 1,467,711 | 177,697 | 1/22/20  |
| Peoria           | IL | 378,198 | 702,367   | None  | None | 378,198 | 702,367   | 1,080,565 | 127,597 | 6/1/20   |
| Quincy           | IL | 351,325 | 869,798   | None  | None | 351,325 | 869,798   | 1,221,123 | 102,926 | 1/24/20  |
| Virden           | IL | 546,679 | 1,015,261 | None  | None | 546,679 | 1,015,261 | 1,561,940 | 164,134 | 12/14/20 |
| Anderson         | IN | 634,963 | 1,179,216 | None  | None | 634,963 | 1,179,216 | 1,814,179 | 190,640 | 12/14/20 |
| Anderson         | IN | 335,312 | 830,155   | None  | None | 335,312 | 830,155   | 1,165,467 | 98,235  | 1/24/20  |
| Indianapolis     | IN | 454,789 | 844,607   | None  | None | 454,789 | 844,607   | 1,299,396 | 153,437 | 6/1/20   |
| Muncie           | IN | 347,731 | 860,902   | None  | None | 347,731 | 860,902   | 1,208,633 | 101,873 | 1/24/20  |
| Muncie           | IN | 327,861 | 811,707   | None  | None | 327,861 | 811,707   | 1,139,568 | 96,052  | 1/24/20  |
| New Albany       | IN | 437,343 | 812,209   | None  | None | 437,343 | 812,209   | 1,249,552 | 131,307 | 12/14/20 |
| New Carlisle     | IN | 210,347 | 1,099,005 | None  | None | 210,347 | 1,099,005 | 1,309,352 | 130,049 | 1/24/20  |
| Oxford           | IN | 60,000  | 940,000   | None  | None | 60,000  | 940,000   | 1,000,000 | 111,233 | 1/24/20  |
| Parker City      | IN | 266,530 | 494,983   | None  | None | 266,530 | 494,983   | 761,513   | 89,922  | 6/1/20   |
| Rockport         | IN | 203,782 | 378,451   | None  | None | 203,782 | 378,451   | 582,233   | 61,183  | 12/14/20 |
| South Bend       | IN | 507,845 | 943,140   | None  | None | 507,845 | 943,140   | 1,450,985 | 152,474 | 12/14/20 |
| Arma             | KS | 170,875 | 793,860   | None  | None | 170,875 | 793,860   | 964,735   | 138,925 | 8/30/20  |
| Basehor          | KS | 171,627 | 872,548   | None  | None | 171,627 | 872,548   | 1,044,175 | 152,696 | 8/30/20  |
| Burlington       | KS | 173,930 | 806,439   | None  | None | 173,930 | 806,439   | 980,369   | 141,127 | 8/30/20  |
| Cheney           | KS | 161,300 | 770,354   | None  | None | 161,300 | 770,354   | 931,654   | 134,812 | 8/30/20  |
| Cherryvale       | KS | 90,248  | 811,836   | None  | None | 90,248  | 811,836   | 902,084   | 142,071 | 8/30/20  |
| Coffeyville      | KS | 519,254 | 964,328   | None  | None | 519,254 | 964,328   | 1,483,582 | 155,900 | 12/14/20 |
| Edwardsville     | KS | 161,785 | 906,004   | None  | None | 161,785 | 906,004   | 1,067,789 | 158,551 | 8/30/20  |
| Elkhart          | KS | 119,882 | 848,233   | None  | None | 119,882 | 848,233   | 968,115   | 148,441 | 8/30/20  |
| Elwood           | KS | 273,826 | 677,929   | None  | None | 273,826 | 677,929   | 951,755   | 80,222  | 1/24/20  |
| Fort Scott       | KS | 486,062 | 752,183   | None  | None | 486,062 | 752,183   | 1,238,245 | 126,617 | 10/31/20 |
| Fredonia         | KS | 412,134 | 637,779   | None  | None | 412,134 | 637,779   | 1,049,913 | 107,359 | 10/31/20 |
| Galena           | KS | 419,578 | 649,300   | None  | None | 419,578 | 649,300   | 1,068,878 | 109,299 | 10/31/20 |
| Girard           | KS | 129,389 | 862,237   | None  | None | 129,389 | 862,237   | 991,626   | 102,031 | 1/24/20  |
| Great Bend       | KS | 190,000 | 886,627   | None  | None | 190,000 | 886,627   | 1,076,627 | 36,943  | 12/15/20 |
| Herington        | KS | 200,000 | 1,101,329 | None  | None | 200,000 | 1,101,329 | 1,301,329 | 45,889  | 12/15/20 |
| Horton           | KS | 101,571 | 844,142   | None  | None | 101,571 | 844,142   | 945,713   | 147,725 | 8/30/20  |

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|              |    |         |           |      |      |         |           |           |         |         |
|--------------|----|---------|-----------|------|------|---------|-----------|-----------|---------|---------|
| Hoxie        | KS | 393,962 | 609,658   | None | None | 393,962 | 609,658   | 1,003,620 | 102,626 | 10/31/2 |
| Independence | KS | 370,000 | 671,122   | None | None | 370,000 | 671,122   | 1,041,122 | 112,972 | 10/31/2 |
| Kansas City  | KS | 577,037 | 1,071,640 | None | None | 577,037 | 1,071,640 | 1,648,677 | 194,681 | 6/1/20  |

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REALTY INCOME CORPORATION AND SUBSIDIARIES

SCHEDULE III REAL ESTATE AND ACCUMULATED DEPRECIATION

AS OF DECEMBER 31, 2016

| Description  | Encumbrances | Initial Cost to Company |  |              | Cost Capitalized Subsequent to Acquisition |         | Gross Amount at Which Carried at Close of Period (Notes 3, 4, 6 and 7) |           |          | Accumulated Depreciation | Date of Construction | Date Acquired |
|--------------|--------------|-------------------------|--|--------------|--|---------|--|-----------|----------|--------------------------|----------------------|---------------|
|              |              | Land                    | Buildings, Improvements and Acquisition Fees | Improvements | Carrying Costs                             | Land    | Buildings, Improvements and Acquisition Fees                           | Total     |          |                          |                      |               |
| (Note 1)     | (Note 2)     | Land                    | Fees   | Improvements | Costs                                      | Land    | Fees   | Total     | (Note 5) | Construction             | Acquire              |               |
| Kansas City  | KS           | 140,147                 | 922,934                                      | None         | None                                       | 140,147 | 922,934  | 1,063,081 | 161,513  |                          | 8/30/20              |               |
| Kansas City  | KS           | 147,689                 | 581,011                                      | None         | None                                       | 147,689 | 581,011  | 728,700   | 78,436   |                          | 8/22/20              |               |
| Lawrence     | KS           | 236,948                 | 965,247                                      | None         | None                                       | 236,948 | 965,247  | 1,202,195 | 168,918  |                          | 8/30/20              |               |
| Leavenworth  | KS           | 430,140                 | 665,644                                      | None         | None                                       | 430,140 | 665,644  | 1,095,784 | 112,050  |                          | 10/31/20             |               |
| Liberal      | KS           | 394,833                 | 611,006                                      | None         | None                                       | 394,833 | 611,006  | 1,005,839 | 102,853  |                          | 10/31/20             |               |
| Lyndon       | KS           | 100,642                 | 822,510                                      | None         | None                                       | 100,642 | 822,510  | 923,152   | 143,939  |                          | 8/30/20              |               |
| Neodesha     | KS           | 124,388                 | 867,203                                      | None         | None                                       | 124,388 | 867,203  | 991,591   | 151,761  |                          | 8/30/20              |               |
| Newton       | KS           | 110,986                 | 873,540                                      | None         | None                                       | 110,986 | 873,540  | 984,526   | 152,869  |                          | 8/30/20              |               |
| Norton       | KS           | 142,749                 | 951,265                                      | None         | None                                       | 142,749 | 951,265  | 1,094,014 | 112,566  |                          | 1/24/20              |               |
| Oskaloosa    | KS           | 152,298                 | 1,014,896                                    | None         | None                                       | 152,298 | 1,014,896  | 1,167,194 | 120,096  |                          | 1/24/20              |               |
| Phillipsburg | KS           | 146,172                 | 974,073                                      | None         | None                                       | 146,172 | 974,073  | 1,120,245 | 115,265  |                          | 1/24/20              |               |
| Salina       | KS           | 194,508                 | 889,894                                      | None         | None                                       | 194,508 | 889,894  | 1,084,402 | 155,731  |                          | 8/30/20              |               |
| Topeka       | KS           | 395,822                 | 612,536                                      | None         | None                                       | 395,822 | 612,536  | 1,008,358 | 103,110  |                          | 10/31/20             |               |
| Wakeeney     | KS           | 124,960                 | 832,723                                      | None         | None                                       | 124,960 | 832,723  | 957,683   | 98,539   |                          | 1/24/20              |               |
| Washington   | KS           | 81,586                  | 828,885                                      | None         | None                                       | 81,586  | 828,885  | 910,471   | 145,055  |                          | 8/30/20              |               |
| Wichita      | KS           | 533,216                 | 825,154                                      | None         | None                                       | 533,216 | 825,154  | 1,358,370 | 138,901  |                          | 10/31/20             |               |
| Wichita      | KS           | 530,000                 | 901,373                                      | None         | None                                       | 530,000 | 901,373  | 1,431,373 | 151,731  |                          | 10/31/20             |               |
| Wichita      | KS           | 625,585                 | 968,095                                      | None         | None                                       | 625,585 | 968,095  | 1,593,680 | 162,963  |                          | 10/31/20             |               |
| Wichita      | KS           | 541,521                 | 838,007                                      | None         | None                                       | 541,521 | 838,007  | 1,379,528 | 141,064  |                          | 10/31/20             |               |
| Wichita      | KS           | 498,745                 | 771,810                                      | None         | None                                       | 498,745 | 771,810  | 1,270,555 | 129,921  |                          | 10/31/20             |               |
| Benton       | KY           | 132,553                 | 883,318                                      | None         | None                                       | 132,553 | 883,318  | 1,015,871 | 104,526  |                          | 1/24/20              |               |
| Bronston     | KY           | 297,256                 | 966,082                                      | None         | None                                       | 297,256 | 966,082  | 1,263,338 | 152,963  |                          | 1/22/20              |               |
| Corydon      | KY           | 161,985                 | 766,073                                      | None         | None                                       | 161,985 | 766,073  | 928,058   | 90,652   |                          | 1/24/20              |               |
| Dayton       | KY           | 141,508                 | 508,446                                      | None         | None                                       | 141,508 | 508,446  | 649,954   | 26,907   |                          | 10/9/20              |               |
| Dorton       | KY           | 283,556                 | 921,558                                      | None         | None                                       | 283,556 | 921,558  | 1,205,114 | 145,913  |                          | 1/22/20              |               |
| Fordsville   | KY           | 130,000                 | 785,971                                      | None         | None                                       | 130,000 | 785,971  | 915,971   | 93,007   |                          | 1/24/20              |               |
| Ledbetter    | KY           | 100,000                 | 771,540                                      | None         | None                                       | 100,000 | 771,540  | 871,540   | 91,299   |                          | 1/24/20              |               |
| Louisville   | KY           | 499,759                 | 928,124                                      | None         | None                                       | 499,759 | 928,124  | 1,427,883 | 150,047  |                          | 12/14/20             |               |
| Louisville   | KY           | 265,221                 | 1,043,379                                    | None         | None                                       | 265,221 | 1,043,379  | 1,308,600 | 140,856  |                          | 8/22/20              |               |
| Louisville   | KY           | 251,195                 | 988,205                                      | None         | None                                       | 251,195 | 988,205  | 1,239,400 | 133,408  |                          | 8/22/20              |               |
| Louisville   | KY           | 456,605                 | 1,297,257                                    | None         | None                                       | 456,605 | 1,297,257  | 1,753,862 | 166,481  |                          | 10/11/20             |               |
| Louisville   | KY           | 409,904                 | 1,164,574                                    | None         | None                                       | 409,904 | 1,164,574  | 1,574,478 | 122,280  |                          | 5/28/20              |               |
| Mount Vernon | KY           | 470,619                 | 874,008                                      | None         | None                                       | 470,619 | 874,008  | 1,344,627 | 141,298  |                          | 12/14/20             |               |
| Paducah      | KY           | 200,750                 | 789,750                                      | None         | None                                       | 200,750 | 789,750  | 990,500   | 106,616  |                          | 8/22/20              |               |
| Prestonsburg | KY           | 223,906                 | 1,082,554                                    | None         | None                                       | 223,906 | 1,082,554  | 1,306,460 | 138,928  |                          | 10/11/20             |               |
| Providence   | KY           | 199,919                 | 786,481                                      | None         | None                                       | 199,919 | 786,481  | 986,400   | 106,175  |                          | 8/22/20              |               |
| Radcliff     | KY           | 280,806                 | 1,104,694                                    | None         | None                                       | 280,806 | 1,104,694  | 1,385,500 | 149,134  |                          | 8/22/20              |               |
| Sacramento   | KY           | 113,547                 | 756,668                                      | None         | None                                       | 113,547 | 756,668  | 870,215   | 89,539   |                          | 1/24/20              |               |
| Somersets    | KY           | 456,467                 | 847,725                                      | None         | None                                       | 456,467 | 847,725  | 1,304,192 | 154,003  |                          | 6/1/20               |               |
| Somersets    | KY           | 330,419                 | 818,041                                      | None         | None                                       | 330,419 | 818,041  | 1,148,460 | 96,802   |                          | 1/24/20              |               |
| Wingo        | KY           | 106,789                 | 711,629                                      | None         | None                                       | 106,789 | 711,629  | 818,418   | 84,209   |                          | 1/24/20              |               |
| Abbeville    | LA           | 386,990                 | 1,257,716                                    | None         | None                                       | 386,990 | 1,257,716  | 1,644,706 | 199,138  |                          | 1/22/20              |               |

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|              |    |         |           |        |      |         |           |           |         |          |
|--------------|----|---------|-----------|--------|------|---------|-----------|-----------|---------|----------|
| Bastrop      | LA | 179,126 | 935,881   | None   | None | 179,126 | 935,881   | 1,115,007 | 110,746 | 1/24/20  |
| Baton Rouge  | LA | 563,114 | 1,045,783 | None   | None | 563,114 | 1,045,783 | 1,608,897 | 189,984 | 6/1/20   |
| Baton Rouge  | LA | 433,213 | 804,539   | None   | None | 433,213 | 804,539   | 1,237,752 | 130,067 | 12/14/20 |
| Baton Rouge  | LA | 279,327 | 1,098,873 | None   | None | 279,327 | 1,098,873 | 1,378,200 | 148,348 | 8/22/20  |
| Baton Rouge  | LA | 188,485 | 535,504   | 20,913 | None | 188,485 | 556,417   | 744,902   | 70,229  | 12/20/20 |
| Baton Rouge  | LA | 342,664 | 848,357   | None   | None | 342,664 | 848,357   | 1,191,021 | 100,389 | 1/24/20  |
| Baton Rouge  | LA | 422,535 | 1,046,098 | None   | None | 422,535 | 1,046,098 | 1,468,633 | 123,788 | 1/24/20  |
| Blanchard    | LA | 177,898 | 860,109   | 56,090 | None | 177,898 | 916,199   | 1,094,097 | 113,692 | 12/20/20 |
| Colfax       | LA | 148,313 | 583,465   | None   | None | 148,313 | 583,465   | 731,778   | 78,768  | 8/21/20  |
| Deridder     | LA | 250,446 | 985,254   | None   | None | 250,446 | 985,254   | 1,235,700 | 133,009 | 8/22/20  |
| Dixie Inn    | LA | 318,870 | 592,187   | None   | None | 318,870 | 592,187   | 911,057   | 95,737  | 12/14/20 |
| Duson        | LA | 355,640 | 1,155,831 | None   | None | 355,640 | 1,155,831 | 1,511,471 | 183,007 | 1/22/20  |
| Florien      | LA | 323,203 | 1,050,409 | None   | None | 323,203 | 1,050,409 | 1,373,612 | 166,315 | 1/22/20  |
| Franklinton  | LA | 150,109 | 1,000,309 | None   | None | 150,109 | 1,000,309 | 1,150,418 | 118,370 | 1/24/20  |
| Geismar      | LA | 489,660 | 909,368   | None   | None | 489,660 | 909,368   | 1,399,028 | 147,015 | 12/14/20 |
| Gretna       | LA | 880,000 | 839,022   | None   | None | 880,000 | 839,022   | 1,719,022 | 99,284  | 1/24/20  |
| Hammond      | LA | 417,284 | 774,955   | None   | None | 417,284 | 774,955   | 1,192,239 | 140,784 | 6/1/20   |
| Lafayette    | LA | 402,767 | 1,308,994 | None   | None | 402,767 | 1,308,994 | 1,711,761 | 207,257 | 1/22/20  |
| Lafayette    | LA | 262,452 | 745,651   | 31,902 | None | 262,452 | 777,553   | 1,040,005 | 96,706  | 12/20/20 |
| Lafitte      | LA | 259,861 | 1,228,959 | None   | None | 259,861 | 1,228,959 | 1,488,820 | 145,427 | 1/24/20  |
| Logansport   | LA | 494,202 | 917,805   | None   | None | 494,202 | 917,805   | 1,412,007 | 148,378 | 12/14/20 |
| Many         | LA | 199,395 | 1,041,784 | None   | None | 199,395 | 1,041,784 | 1,241,179 | 123,278 | 1/24/20  |
| Melville     | LA | 367,000 | 1,192,748 | None   | None | 367,000 | 1,192,748 | 1,559,748 | 188,852 | 1/22/20  |
| Minden       | LA | 339,679 | 630,832   | None   | None | 339,679 | 630,832   | 970,511   | 114,601 | 6/1/20   |
| Monroe       | LA | 667,232 | 1,073,926 | None   | None | 667,232 | 1,073,926 | 1,741,158 | 60,123  | 10/9/20  |
| Moreauville  | LA | 186,423 | 974,008   | None   | None | 186,423 | 974,008   | 1,160,431 | 115,258 | 1/24/20  |
| Morse        | LA | 352,771 | 1,146,506 | None   | None | 352,771 | 1,146,506 | 1,499,277 | 181,530 | 1/22/20  |
| Natchitoches | LA | 250,162 | 984,138   | None   | None | 250,162 | 984,138   | 1,234,300 | 132,859 | 8/22/20  |
| Opelousas    | LA | 350,277 | 1,138,401 | None   | None | 350,277 | 1,138,401 | 1,488,678 | 180,247 | 1/22/20  |
| Opelousas    | LA | 365,368 | 1,187,446 | None   | None | 365,368 | 1,187,446 | 1,552,814 | 188,012 | 1/22/20  |
| Port Vincent | LA | 398,039 | 1,293,627 | None   | None | 398,039 | 1,293,627 | 1,691,666 | 204,824 | 1/22/20  |
| Robeline     | LA | 329,964 | 1,072,382 | None   | None | 329,964 | 1,072,382 | 1,402,346 | 169,794 | 1/22/20  |
| Saint        | LA | 447,884 | 831,784   | None   | None | 447,884 | 831,784   | 1,279,668 | 151,107 | 6/1/20   |
| Bernard      |    |         |           |        |      |         |           |           |         |          |
| Shreveport   | LA | 605,336 | 1,124,196 | None   | None | 605,336 | 1,124,196 | 1,729,532 | 204,229 | 6/1/20   |
| Shreveport   | LA | 719,595 | 1,336,390 | None   | None | 719,595 | 1,336,390 | 2,055,985 | 216,050 | 12/14/20 |
| Sibley       | LA | 180,316 | 942,101   | None   | None | 180,316 | 942,101   | 1,122,417 | 111,482 | 1/24/20  |
| Tallulah     | LA | 287,313 | 473,108   | None   | None | 287,313 | 473,108   | 760,421   | 25,790  | 10/9/20  |
| Violet       | LA | 342,764 | 848,603   | None   | None | 342,764 | 848,603   | 1,191,367 | 100,418 | 1/24/20  |
| West Monroe  | LA | 362,591 | 1,178,420 | None   | None | 362,591 | 1,178,420 | 1,541,011 | 186,583 | 1/22/20  |
| West Monroe  | LA | 262,241 | 1,031,659 | None   | None | 262,241 | 1,031,659 | 1,293,900 | 139,274 | 8/22/20  |
| West Monroe  | LA | 160,000 | 755,108   | None   | None | 160,000 | 755,108   | 915,108   | 89,354  | 1/24/20  |
| Pittsfield   | MA | 350,000 | 1,195,114 | None   | None | 350,000 | 1,195,114 | 1,545,114 | 49,796  | 12/15/20 |
| Alanson      | MI | 314,390 | 1,021,767 | 5,337  | None | 314,390 | 1,027,104 | 1,341,494 | 162,080 | 1/22/20  |
| Bangor       | MI | 513,772 | 954,149   | None   | None | 513,772 | 954,149   | 1,467,921 | 173,337 | 6/1/20   |
| Battle Creek | MI | 438,869 | 815,042   | None   | None | 438,869 | 815,042   | 1,253,911 | 148,066 | 6/1/20   |
| Beaverton    | MI | 242,135 | 449,678   | None   | None | 242,135 | 449,678   | 691,813   | 81,692  | 6/1/20   |
| Brockway     | MI | 248,856 | 462,160   | None   | None | 248,856 | 462,160   | 711,016   | 83,959  | 6/1/20   |
| Buckley      | MI | 296,289 | 962,940   | None   | None | 296,289 | 962,940   | 1,259,229 | 152,466 | 1/22/20  |
| Clinton      | MI | 326,088 | 1,059,786 | None   | None | 326,088 | 1,059,786 | 1,385,874 | 167,799 | 1/22/20  |
| Copemish     | MI | 292,975 | 952,167   | None   | None | 292,975 | 952,167   | 1,245,142 | 150,760 | 1/22/20  |
| Croswell     | MI | 387,461 | 719,571   | None   | None | 387,461 | 719,571   | 1,107,032 | 130,722 | 6/1/20   |
| Dearborn     | MI | 522,650 | 970,637   | None   | None | 522,650 | 970,637   | 1,493,287 | 176,332 | 6/1/20   |
| Detroit      | MI | 264,876 | 860,847   | 5,054  | None | 264,876 | 865,901   | 1,130,777 | 139,151 | 1/22/20  |
| Farmington   | MI | 325,172 | 1,279,228 | None   | None | 325,172 | 1,279,228 | 1,604,400 | 172,696 | 8/22/20  |
| Flat Rock    | MI | 264,268 | 1,039,632 | None   | None | 264,268 | 1,039,632 | 1,303,900 | 140,350 | 8/22/20  |
| Flint        | MI | 510,751 | 948,537   | None   | None | 510,751 | 948,537   | 1,459,288 | 172,318 | 6/1/20   |
| Gladwin      | MI | 265,925 | 864,258   | None   | None | 265,925 | 864,258   | 1,130,183 | 136,841 | 1/22/20  |
| Grand        | MI | 526,567 | 977,911   | None   | None | 526,567 | 977,911   | 1,504,478 | 158,096 | 12/14/20 |
| Rapids       |    |         |           |        |      |         |           |           |         |          |
| Grand        | MI | 225,609 | 363,123   | None   | None | 225,609 | 363,123   | 588,732   | 20,329  | 10/9/20  |
| Rapids       |    |         |           |        |      |         |           |           |         |          |
| Jackson      | MI | 473,329 | 879,039   | None   | None | 473,329 | 879,039   | 1,352,368 | 159,692 | 6/1/20   |
| Jackson      | MI | 592,388 | 1,100,149 | None   | None | 592,388 | 1,100,149 | 1,692,537 | 177,857 | 12/14/20 |
| Litchfield   | MI | 314,519 | 1,022,185 | None   | None | 314,519 | 1,022,185 | 1,336,704 | 161,846 | 1/22/20  |
| Mancelona    | MI | 294,344 | 956,617   | None   | None | 294,344 | 956,617   | 1,250,961 | 151,464 | 1/22/20  |
| Marion       | MI | 354,869 | 659,042   | None   | None | 354,869 | 659,042   | 1,013,911 | 106,545 | 12/14/20 |
| Muskegon     | MI | 318,001 | 1,033,502 | None   | None | 318,001 | 1,033,502 | 1,351,503 | 163,638 | 1/22/20  |
| New          | MI | 237,040 | 932,516   | None   | None | 237,040 | 932,516   | 1,169,556 | 132,107 | 6/25/20  |
| Baltimore    |    |         |           |        |      |         |           |           |         |          |

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|              |    |         |           |      |      |         |           |           |         |          |
|--------------|----|---------|-----------|------|------|---------|-----------|-----------|---------|----------|
| Onaway       | MI | 510,098 | 947,326   | None | None | 510,098 | 947,326   | 1,457,424 | 153,151 | 12/14/20 |
| Pinckney     | MI | 305,815 | 993,898   | None | None | 305,815 | 993,898   | 1,299,713 | 157,367 | 1/22/20  |
| Romulus      | MI | 578,474 | 1,074,310 | None | None | 578,474 | 1,074,310 | 1,652,784 | 195,166 | 6/1/20   |
| Sheridan     | MI | 307,737 | 1,000,144 | None | None | 307,737 | 1,000,144 | 1,307,881 | 158,356 | 1/22/20  |
| Spring Arbor | MI | 325,553 | 1,058,048 | None | None | 325,553 | 1,058,048 | 1,383,601 | 167,524 | 1/22/20  |
| St John s    | MI | 324,325 | 1,054,055 | None | None | 324,325 | 1,054,055 | 1,378,380 | 166,892 | 1/22/20  |

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REALTY INCOME CORPORATION AND SUBSIDIARIES

SCHEDULE III REAL ESTATE AND ACCUMULATED DEPRECIATION

AS OF DECEMBER 31, 2016

| Description  | Encumbrances | Initial Cost to Company |           |   |              | Cost Capitalized Subsequent to Acquisition |           | Gross Amount at Which Carried at Close of Period (Notes 3, 4, 6 and 7) |           |          | Accumulated Depreciation | Date of Construction | Date Acquired |
|--------------|--------------|-------------------------|-----------|---|--------------|--|-----------|--|-----------|----------|--------------------------|----------------------|---------------|
|              |              | Land                    | Fees      | Buildings, Improvements and Acquisition | Improvements | Carrying Costs                             | Land      | Fees   | Total     | (Note 5) |                          |                      |               |
| Tekonsha     | MI           | 269,258                 | 875,089   | None                                    | None         | 269,258                                    | 875,089   | 1,144,347  | 138,556   |          | 1/22/20                  |                      |               |
| Wellston     | MI           | 270,942                 | 880,562   | None                                    | None         | 270,942                                    | 880,562   | 1,151,504  | 139,422   |          | 1/22/20                  |                      |               |
| Advance      | MO           | 327,985                 | 1,065,951 | None                                    | None         | 327,985                                    | 1,065,951 | 1,393,936  | 168,776   |          | 1/22/20                  |                      |               |
| Bonne Terre  | MO           | 254,437                 | 826,921   | None                                    | None         | 254,437                                    | 826,921   | 1,081,358  | 130,929   |          | 1/22/20                  |                      |               |
| Buckner      | MO           | 188,702                 | 985,916   | None                                    | None         | 188,702                                    | 985,916   | 1,174,618  | 116,667   |          | 1/24/20                  |                      |               |
| Cole Camp    | MO           | 296,537                 | 963,746   | None                                    | None         | 296,537                                    | 963,746   | 1,260,283  | 152,593   |          | 1/22/20                  |                      |               |
| Crocker      | MO           | 139,188                 | 927,532   | None                                    | None         | 139,188                                    | 927,532   | 1,066,720  | 109,758   |          | 1/24/20                  |                      |               |
| Garden City  | MO           | 139,163                 | 927,369   | None                                    | None         | 139,163                                    | 927,369   | 1,066,532  | 109,739   |          | 1/24/20                  |                      |               |
| Jackson      | MO           | 396,040                 | 1,287,131 | None                                    | None         | 396,040                                    | 1,287,131 | 1,683,171  | 203,796   |          | 1/22/20                  |                      |               |
| Jackson      | MO           | 201,264                 | 791,776   | None                                    | None         | 201,264                                    | 791,776   | 993,040  | 104,250   |          | 9/13/20                  |                      |               |
| Kansas City  | MO           | 443,895                 | 824,377   | None                                    | None         | 443,895                                    | 824,377   | 1,268,272  | 149,762   |          | 6/1/20                   |                      |               |
| Kansas City  | MO           | 557,439                 | 1,035,244 | None                                    | None         | 557,439                                    | 1,035,244 | 1,592,683  | 188,069   |          | 6/1/20                   |                      |               |
| Kansas City  | MO           | 414,347                 | 641,204   | None                                    | None         | 414,347                                    | 641,204   | 1,055,551  | 107,936   |          | 10/31/20                 |                      |               |
| Kansas City  | MO           | 277,016                 | 995,336   | None                                    | None         | 277,016                                    | 995,336   | 1,272,352  | 52,673    |          | 10/9/20                  |                      |               |
| Louisiana    | MO           | 186,741                 | 734,640   | None                                    | None         | 186,741                                    | 734,640   | 921,381  | 104,074   |          | 6/28/20                  |                      |               |
| Mansfield    | MO           | 152,932                 | 1,019,125 | None                                    | None         | 152,932                                    | 1,019,125 | 1,172,057  | 120,596   |          | 1/24/20                  |                      |               |
| Oronogo      | MO           | 327,756                 | 1,065,207 | None                                    | None         | 327,756                                    | 1,065,207 | 1,392,963  | 168,658   |          | 1/22/20                  |                      |               |
| Queen City   | MO           | 309,915                 | 1,007,222 | None                                    | None         | 309,915                                    | 1,007,222 | 1,317,137  | 159,477   |          | 1/22/20                  |                      |               |
| Richland     | MO           | 137,522                 | 916,435   | None                                    | None         | 137,522                                    | 916,435   | 1,053,957  | 108,445   |          | 1/24/20                  |                      |               |
| Rolla        | MO           | 340,000                 | 899,367   | None                                    | None         | 340,000                                    | 899,367   | 1,239,367  | 106,425   |          | 1/24/20                  |                      |               |
| Russellville | MO           | 122,033                 | 813,218   | None                                    | None         | 122,033                                    | 813,218   | 935,251  | 96,231    |          | 1/24/20                  |                      |               |
| Sikeston     | MO           | 409,114                 | 2,005,416 | None                                    | 2,579        | 409,114                                    | 2,007,995 | 2,417,109  | 1,200,948 |          | 1/24/20                  |                      |               |
| St. Louis    | MO           | 647,256                 | 1,202,046 | None                                    | None         | 647,256                                    | 1,202,046 | 1,849,302  | 218,372   |          | 6/1/20                   |                      |               |
| Unionville   | MO           | 324,616                 | 1,055,004 | None                                    | None         | 324,616                                    | 1,055,004 | 1,379,620  | 167,042   |          | 1/22/20                  |                      |               |
| Amory        | MS           | 191,439                 | 1,000,215 | None                                    | None         | 191,439                                    | 1,000,215 | 1,191,654  | 118,359   |          | 1/24/20                  |                      |               |
| Belzoni      | MS           | 222,063                 | 873,597   | None                                    | None         | 222,063                                    | 873,597   | 1,095,660  | 120,848   |          | 7/24/20                  |                      |               |
| Brookhaven   | MS           | 198,152                 | 779,533   | None                                    | None         | 198,152                                    | 779,533   | 977,685  | 102,638   |          | 9/30/20                  |                      |               |
| Brooksville  | MS           | 114,899                 | 765,676   | None                                    | None         | 114,899                                    | 765,676   | 880,575  | 90,605    |          | 1/24/20                  |                      |               |
| Canton       | MS           | 960,000                 | 2,510,516 | None                                    | None         | 960,000                                    | 2,510,516 | 3,470,516  | 297,078   |          | 1/31/20                  |                      |               |
| Coldwater    | MS           | 169,202                 | 884,035   | None                                    | None         | 169,202                                    | 884,035   | 1,053,237  | 104,611   |          | 1/24/20                  |                      |               |
| Crenshaw     | MS           | 129,543                 | 863,263   | None                                    | None         | 129,543                                    | 863,263   | 992,806  | 102,153   |          | 1/24/20                  |                      |               |
| Durant       | MS           | 259,403                 | 1,020,492 | None                                    | None         | 259,403                                    | 1,020,492 | 1,279,895  | 144,570   |          | 6/26/20                  |                      |               |
| Fayette      | MS           | 120,531                 | 803,210   | None                                    | None         | 120,531                                    | 803,210   | 923,741  | 95,046    |          | 1/24/20                  |                      |               |
| Fulton       | MS           | 192,188                 | 1,004,128 | None                                    | None         | 192,188                                    | 1,004,128 | 1,196,316  | 118,822   |          | 1/24/20                  |                      |               |
| Hickory Flat | MS           | 132,720                 | 884,431   | None                                    | None         | 132,720                                    | 884,431   | 1,017,151  | 104,658   |          | 1/24/20                  |                      |               |
| Horn Lake    | MS           | 369,539                 | 914,893   | None                                    | None         | 369,539                                    | 914,893   | 1,284,432  | 108,262   |          | 1/24/20                  |                      |               |
| Iuka         | MS           | 161,047                 | 841,427   | None                                    | None         | 161,047                                    | 841,427   | 1,002,474  | 99,569    |          | 1/24/20                  |                      |               |
| Jackson      | MS           | 465,674                 | 864,824   | None                                    | None         | 465,674                                    | 864,824   | 1,330,498  | 157,110   |          | 6/1/20                   |                      |               |
| Jackson      | MS           | 668,518                 | 1,241,534 | None                                    | None         | 668,518                                    | 1,241,534 | 1,910,052  | 225,545   |          | 6/1/20                   |                      |               |
| Jackson      | MS           | 219,884                 | 865,026   | None                                    | None         | 219,884                                    | 865,026   | 1,084,910  | 122,545   |          | 6/6/20                   |                      |               |
| Jackson      | MS           | 234,313                 | 921,789   | None                                    | None         | 234,313                                    | 921,789   | 1,156,102  | 130,587   |          | 6/26/20                  |                      |               |
| Jackson      | MS           | 218,911                 | 861,196   | None                                    | None         | 218,911                                    | 861,196   | 1,080,107  | 116,261   |          | 8/22/20                  |                      |               |
| Jackson      | MS           | 220,000                 | 807,338   | None                                    | None         | 220,000                                    | 807,338   | 1,027,338  | 95,535    |          | 1/24/20                  |                      |               |

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|              |    |         |           |        |      |         |           |           |         |          |
|--------------|----|---------|-----------|--------|------|---------|-----------|-----------|---------|----------|
| Jackson      | MS | 288,120 | 713,319   | None   | None | 288,120 | 713,319   | 1,001,439 | 84,409  | 1/24/20  |
| Jackson      | MS | 273,913 | 678,145   | None   | None | 273,913 | 678,145   | 952,058   | 80,247  | 1/24/20  |
| Kossuth      | MS | 280,000 | 725,755   | None   | None | 280,000 | 725,755   | 1,005,755 | 85,881  | 1/24/20  |
| Lauderdale   | MS | 141,934 | 945,836   | None   | None | 141,934 | 945,836   | 1,087,770 | 111,924 | 1/24/20  |
| Liberty      | MS | 432,170 | 802,601   | None   | None | 432,170 | 802,601   | 1,234,771 | 145,806 | 6/1/20   |
| Lucedale     | MS | 185,603 | 730,164   | None   | None | 185,603 | 730,164   | 915,767   | 103,440 | 6/26/20  |
| Moselle      | MS | 119,405 | 795,703   | None   | None | 119,405 | 795,703   | 915,108   | 94,158  | 1/24/20  |
| Moss Point   | MS | 205,776 | 809,525   | None   | None | 205,776 | 809,525   | 1,015,301 | 114,683 | 6/26/20  |
| Myrtle       | MS | 112,646 | 750,663   | None   | None | 112,646 | 750,663   | 863,309   | 88,828  | 1/24/20  |
| Oakland      | MS | 143,737 | 957,846   | None   | None | 143,737 | 957,846   | 1,101,583 | 113,345 | 1/24/20  |
| Okolona      | MS | 170,244 | 1,134,490 | None   | None | 170,244 | 1,134,490 | 1,304,734 | 134,248 | 1/24/20  |
| Picayune     | MS | 203,708 | 801,388   | None   | None | 203,708 | 801,388   | 1,005,096 | 113,530 | 6/26/20  |
| Pope         | MS | 170,478 | 890,701   | None   | None | 170,478 | 890,701   | 1,061,179 | 105,400 | 1/24/20  |
| Shaw         | MS | 121,095 | 806,963   | None   | None | 121,095 | 806,963   | 928,058   | 95,491  | 1/24/20  |
| Southaven    | MS | 284,495 | 1,119,205 | None   | None | 284,495 | 1,119,205 | 1,403,700 | 151,093 | 8/22/20  |
| Starkville   | MS | 170,000 | 745,108   | None   | None | 170,000 | 745,108   | 915,108   | 88,171  | 1/24/20  |
| Thaxton      | MS | 122,784 | 818,223   | None   | None | 122,784 | 818,223   | 941,007   | 96,823  | 1/24/20  |
| Tunica       | MS | 166,859 | 656,426   | 24,912 | None | 166,859 | 681,338   | 848,197   | 88,978  | 9/13/20  |
| Tupelo       | MS | 350,960 | 868,896   | None   | None | 350,960 | 868,896   | 1,219,856 | 102,819 | 1/24/20  |
| Vicksburg    | MS | 577,491 | 1,072,483 | None   | None | 577,491 | 1,072,483 | 1,649,974 | 194,834 | 6/1/20   |
| Waynesboro   | MS | 126,164 | 840,743   | None   | None | 126,164 | 840,743   | 966,907   | 99,488  | 1/24/20  |
| Benson       | NC | 880,000 | 1,245,899 | None   | None | 880,000 | 1,245,899 | 2,125,899 | 147,431 | 1/24/20  |
| Bridgeton    | NC | 266,399 | 756,863   | 23,662 | None | 266,399 | 780,525   | 1,046,924 | 94,559  | 12/20/20 |
| Burgaw       | NC | 239,304 | 1,250,293 | None   | None | 239,304 | 1,250,293 | 1,489,597 | 147,951 | 1/24/20  |
| Candler      | NC | 650,000 | 2,637,579 | None   | None | 650,000 | 2,637,579 | 3,287,579 | 312,114 | 1/31/20  |
| Candor       | NC | 203,498 | 800,561   | None   | None | 203,498 | 800,561   | 1,004,059 | 105,407 | 9/6/20   |
| Charlotte    | NC | 404,476 | 1,149,152 | None   | None | 404,476 | 1,149,152 | 1,553,628 | 120,661 | 5/8/20   |
| Chocowinity  | NC | 225,493 | 920,001   | None   | None | 225,493 | 920,001   | 1,145,494 | 136,467 | 4/4/20   |
| Dublin       | NC | 130,369 | 681,142   | None   | None | 130,369 | 681,142   | 811,511   | 80,602  | 1/24/20  |
| Durham       | NC | 442,367 | 821,540   | None   | None | 442,367 | 821,540   | 1,263,907 | 132,816 | 12/14/20 |
| Engelhard    | NC | 107,915 | 719,135   | None   | None | 107,915 | 719,135   | 827,050   | 85,098  | 1/24/20  |
| Erwin        | NC | 132,370 | 639,988   | 6,335  | None | 132,370 | 646,323   | 778,693   | 78,516  | 12/20/20 |
| Fairmont     | NC | 163,886 | 856,258   | None   | None | 163,886 | 856,258   | 1,020,144 | 101,324 | 1/24/20  |
| Gibonsville  | NC | 196,942 | 774,770   | None   | None | 196,942 | 774,770   | 971,712   | 102,011 | 9/10/20  |
| Greensboro   | NC | 325,349 | 1,279,926 | None   | None | 325,349 | 1,279,926 | 1,605,275 | 172,790 | 8/8/20   |
| Greensboro   | NC | 282,204 | 801,768   | None   | None | 282,204 | 801,768   | 1,083,972 | 89,531  | 3/27/20  |
| Greenville   | NC | 516,944 | 1,279,833 | None   | None | 516,944 | 1,279,833 | 1,796,777 | 151,447 | 1/24/20  |
| Henderson    | NC | 428,455 | 1,060,754 | None   | None | 428,455 | 1,060,754 | 1,489,209 | 125,523 | 1/24/20  |
| Hertford     | NC | 213,160 | 1,030,599 | None   | None | 213,160 | 1,030,599 | 1,243,759 | 121,954 | 1/31/20  |
| Hudson       | NC | 222,436 | 875,064   | None   | None | 222,436 | 875,064   | 1,097,500 | 118,134 | 8/22/20  |
| Kannapolis   | NC | 351,788 | 870,946   | None   | None | 351,788 | 870,946   | 1,222,734 | 103,062 | 1/24/20  |
| Kings        | NC | 492,867 | 915,324   | None   | None | 492,867 | 915,324   | 1,408,191 | 147,977 | 12/14/20 |
| Mountain     |    |         |           |        |      |         |           |           |         |          |
| Kinston      | NC | 261,745 | 1,029,709 | None   | None | 261,745 | 1,029,709 | 1,291,454 | 145,875 | 6/11/20  |
| Lexington    | NC | 242,683 | 954,717   | None   | None | 242,683 | 954,717   | 1,197,400 | 128,887 | 8/22/20  |
| Lincolnton   | NC | 343,797 | 638,479   | None   | None | 343,797 | 638,479   | 982,276   | 103,221 | 12/14/20 |
| Lumberton    | NC | 459,702 | 853,731   | None   | None | 459,702 | 853,731   | 1,313,433 | 138,020 | 12/14/20 |
| Marion       | NC | 475,680 | 883,406   | None   | None | 475,680 | 883,406   | 1,359,086 | 142,817 | 12/14/20 |
| Morganton    | NC | 197,304 | 776,196   | None   | None | 197,304 | 776,196   | 973,500   | 104,786 | 8/22/20  |
| Mount Airy   | NC | 336,314 | 832,635   | None   | None | 336,314 | 832,635   | 1,168,949 | 98,529  | 1/24/20  |
| North        | NC | 147,567 | 770,994   | None   | None | 147,567 | 770,994   | 918,561   | 91,234  | 1/24/20  |
| Wilkesboro   |    |         |           |        |      |         |           |           |         |          |
| Rocky Mount  | NC | 218,842 | 860,925   | None   | None | 218,842 | 860,925   | 1,079,767 | 113,355 | 9/19/20  |
| Snow Hill    | NC | 224,094 | 914,294   | None   | None | 224,094 | 914,294   | 1,138,388 | 135,620 | 4/4/20   |
| Spring Hope  | NC | 226,533 | 1,183,568 | None   | None | 226,533 | 1,183,568 | 1,410,101 | 140,056 | 1/24/20  |
| Stantonsburg | NC | 173,832 | 1,158,398 | None   | None | 173,832 | 1,158,398 | 1,332,230 | 137,077 | 1/24/20  |
| Statesville  | NC | 166,429 | 869,543   | None   | None | 166,429 | 869,543   | 1,035,972 | 102,896 | 1/24/20  |
| Taylorsville | NC | 336,401 | 624,744   | None   | None | 336,401 | 624,744   | 961,145   | 101,000 | 12/14/20 |
| Taylorsville | NC | 222,473 | 875,210   | None   | None | 222,473 | 875,210   | 1,097,683 | 121,071 | 7/3/20   |
| Winterville  | NC | 250,429 | 465,082   | None   | None | 250,429 | 465,082   | 715,511   | 84,490  | 6/1/20   |
| Holdrege     | NE | 216,987 | 1,049,100 | None   | None | 216,987 | 1,049,100 | 1,266,087 | 131,138 | 11/15/20 |
| Lexington    | NE | 370,620 | 688,294   | None   | None | 370,620 | 688,294   | 1,058,914 | 111,274 | 12/14/20 |
| Loup City    | NE | 190,000 | 922,534   | None   | None | 190,000 | 922,534   | 1,112,534 | 38,439  | 12/15/20 |
| Minden       | NE | 330,000 | 898,300   | None   | None | 330,000 | 898,300   | 1,228,300 | 37,429  | 12/15/20 |
| Nebraska     | NE | 190,852 | 354,439   | None   | None | 190,852 | 354,439   | 545,291   | 57,301  | 12/14/20 |
| City         |    |         |           |        |      |         |           |           |         |          |
| Norfolk      | NE | 222,044 | 873,523   | 10,147 | None | 222,044 | 883,670   | 1,105,714 | 115,965 | 9/25/20  |
| Pierce       | NE | 170,000 | 989,610   | None   | None | 170,000 | 989,610   | 1,159,610 | 41,234  | 12/15/20 |
| Red Cloud    | NE | 160,000 | 957,280   | None   | None | 160,000 | 957,280   | 1,117,280 | 39,887  | 12/15/20 |
|              | NE | 290,379 | 539,274   | None   | None | 290,379 | 539,274   | 829,653   | 97,968  | 6/1/20   |

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South Sioux

City

|            |    |         |           |      |      |         |           |           |         |         |
|------------|----|---------|-----------|------|------|---------|-----------|-----------|---------|---------|
| Valentine  | NE | 146,625 | 1,068,632 | None | None | 146,625 | 1,068,632 | 1,215,257 | 133,579 | 11/15/2 |
| Manchester | NH | 457,288 | 849,249   | None | None | 457,288 | 849,249   | 1,306,537 | 137,295 | 12/14/2 |
| Walpole    | NH | 477,671 | 887,103   | None | None | 477,671 | 887,103   | 1,364,774 | 143,415 | 12/14/2 |
| Malaga     | NJ | 513,159 | 953,010   | None | None | 513,159 | 953,010   | 1,466,169 | 154,070 | 12/14/2 |

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REALTY INCOME CORPORATION AND SUBSIDIARIES

SCHEDULE III REAL ESTATE AND ACCUMULATED DEPRECIATION

AS OF DECEMBER 31, 2016

| Description<br>(Note 1) | Encumbrances<br>(Note 2) | Initial Cost to Company |   | Cost Capitalized<br>Subsequent<br>to Acquisition | Carrying<br>Costs | Gross Amount at Which Carried<br>at Close of Period (Notes 3, 4, 6<br>and 7) |   |           | Accumulated<br>Depreciation<br>(Note 5) | Date of<br>Construction | Date<br>Acquired |
|-------------------------|--------------------------|-------------------------|---|--|-------------------|--|---|-----------|---|-------------------------|------------------|
|                         |                          | Land                    | Buildings,<br>Improvements<br>and<br>Fees Acquisition |  |                   | Land   | Buildings,<br>Improvements<br>and<br>Fees Acquisition | Total     |   |                         |                  |
| Penns Grove NJ          |                          | 416,842                 | 1,639,858   | None   | None              | 416,842  | 1,639,858   | 2,056,700 | 221,381                                 |                         | 8/22/12          |
| Albuquerque NM          |                          | 281,887                 | 523,504   | None   | None              | 281,887  | 523,504   | 805,391   | 95,103                                  |                         | 6/1/2013         |
| Albuquerque NM          |                          | 395,457                 | 1,123,530   | None   | None              | 395,457  | 1,123,530   | 1,518,987 | 125,461                                 |                         | 3/14/2013        |
| Albuquerque NM          |                          | 470,559                 | 1,343,072   | None   | None              | 470,559  | 1,343,072   | 1,813,631 | 118,638                                 |                         | 10/6/2013        |
| Belen NM                |                          | 195,662                 | 1,022,280   | None   | None              | 195,662  | 1,022,280   | 1,217,942 | 120,970                                 |                         | 1/24/2014        |
| Bloomfield NM           |                          | 458,086                 | 850,732   | None   | None              | 458,086  | 850,732   | 1,308,818 | 154,550                                 |                         | 6/1/2013         |
| Chama NM                |                          | 392,836                 | 729,552   | None   | None              | 392,836  | 729,552   | 1,122,388 | 117,944                                 |                         | 12/14/2013       |
| Clovis NM               |                          | 194,637                 | 765,705   | None   | None              | 194,637  | 765,705   | 960,342   | 108,475                                 |                         | 6/21/2013        |
| Cuba NM                 |                          | 543,339                 | 1,009,059   | None   | None              | 543,339  | 1,009,059   | 1,552,398 | 183,312                                 |                         | 6/1/2013         |
| Kirtland NM             |                          | 688,532                 | 1,278,703   | None   | None              | 688,532  | 1,278,703   | 1,967,235 | 232,298                                 |                         | 6/1/2013         |
| Las Cruces NM           |                          | 331,422                 | 615,497   | None   | None              | 331,422  | 615,497   | 946,919   | 111,815                                 |                         | 6/1/2013         |
| Los Lunas NM            |                          | 505,257                 | 938,335   | None   | None              | 505,257  | 938,335   | 1,443,592 | 170,464                                 |                         | 6/1/2013         |
| Roswell NM              |                          | 334,874                 | 829,069   | None   | None              | 334,874  | 829,069   | 1,163,943 | 98,106                                  |                         | 1/24/2014        |
| Tularosa NM             |                          | 233,037                 | 432,782   | None   | None              | 233,037  | 432,782   | 665,819   | 69,966                                  |                         | 12/14/2013       |
| Tularosa NM             |                          | 192,325                 | 1,004,841   | None   | None              | 192,325  | 1,004,841   | 1,197,166 | 118,906                                 |                         | 1/24/2014        |
| Vanderwagon NM          |                          | 667,383                 | 1,239,426   | None   | None              | 667,383  | 1,239,426   | 1,906,809 | 225,162                                 |                         | 6/1/2013         |
| Mesquite NV             |                          | 225,609                 | 418,988   | None   | None              | 225,609  | 418,988   | 644,597   | 76,116                                  |                         | 6/1/2013         |
| Mesquite NV             |                          | 231,028                 | 1,116,987   | None   | None              | 231,028  | 1,116,987   | 1,348,015 | 135,900                                 |                         | 12/10/2013       |
| Sun Valley NV           |                          | 364,207                 | 1,432,793   | None   | None              | 364,207  | 1,432,793   | 1,797,000 | 193,427                                 |                         | 8/22/2013        |
| Bath NY                 |                          | 145,625                 | 760,850   | None   | None              | 145,625  | 760,850   | 906,475   | 90,034                                  |                         | 1/24/2014        |
| Binghamton NY           |                          | 256,309                 | 728,197   | None   | None              | 256,309  | 728,197   | 984,506   | 74,033                                  |                         | 6/30/2013        |
| Buffalo NY              |                          | 356,992                 | 1,014,248   | None   | None              | 356,992  | 1,014,248   | 1,371,240 | 120,019                                 |                         | 1/31/2014        |
| Chamont NY              |                          | 137,438                 | 915,872   | None   | None              | 137,438  | 915,872   | 1,053,310 | 108,378                                 |                         | 1/24/2014        |
| Falconer NY             |                          | 541,451                 | 1,340,506   | None   | None              | 541,451  | 1,340,506   | 1,881,957 | 158,627                                 |                         | 1/24/2014        |
| Gouverneur NY           |                          | 485,614                 | 901,855   | None   | None              | 485,614  | 901,855   | 1,387,469 | 145,800                                 |                         | 12/14/2013       |
| Gowanda NY              |                          | 503,722                 | 935,484   | None   | None              | 503,722  | 935,484   | 1,439,206 | 169,946                                 |                         | 6/1/2013         |
| Malone NY               |                          | 119,467                 | 577,603   | 70,380   | None              | 119,467  | 647,983   | 767,450   | 71,590                                  |                         | 12/20/2013       |
| Rochester NY            |                          | 307,714                 | 890,061   | 9,145  | None              | 307,714  | 899,206   | 1,206,920 | 50,770                                  |                         | 10/9/2013        |
| Schenectady NY          |                          | 468,077                 | 869,287   | None   | None              | 468,077  | 869,287   | 1,337,364 | 140,535                                 |                         | 12/14/2013       |
| Schroon Lake NY         |                          | 106,612                 | 777,013   | 22,967   | None              | 106,612  | 799,980   | 906,592   | 94,680                                  |                         | 12/20/2013       |
| Syracuse NY             |                          | 376,119                 | 619,343   | None   | None              | 376,119  | 619,343   | 995,462   | 33,761                                  |                         | 10/9/2013        |
| Andover OH              |                          | 469,209                 | 871,388   | None   | None              | 469,209  | 871,388   | 1,340,597 | 140,874                                 |                         | 12/14/2013       |
| Arcanum OH              |                          | 290,000                 | 1,023,516   | None   | None              | 290,000  | 1,023,516   | 1,313,516 | 42,647                                  |                         | 12/15/2013       |
| Bettsville OH           |                          | 60,000                  | 1,088,485   | None   | None              | 60,000   | 1,088,485   | 1,148,485 | 45,354                                  |                         | 12/15/2013       |
| Blanchester OH          |                          | 359,899                 | 668,383   | None   | None              | 359,899  | 668,383   | 1,028,282 | 108,055                                 |                         | 12/14/2013       |
| Bradford OH             |                          | 172,945                 | 836,166   | None   | None              | 172,945  | 836,166   | 1,009,111 | 107,308                                 |                         | 10/22/2013       |
| Bremen OH               |                          | 354,866                 | 1,153,316   | None   | None              | 354,866  | 1,153,316   | 1,508,182 | 182,608                                 |                         | 1/22/2014        |
| Cardington OH           |                          | 364,843                 | 1,185,739   | None   | None              | 364,843  | 1,185,739   | 1,550,582 | 187,742                                 |                         | 1/22/2014        |
| Chillicothe OH          |                          | 322,923                 | 1,049,499   | 17,350   | None              | 322,923  | 1,066,849   | 1,389,772 | 176,032                                 |                         | 1/22/2014        |
| Cincinnati OH           |                          | 263,944                 | 1,038,356   | None   | None              | 263,944  | 1,038,356   | 1,302,300 | 140,178                                 |                         | 8/22/2013        |
| Columbus OH             |                          | 574,968                 | 1,067,799   | None   | None              | 574,968  | 1,067,799   | 1,642,767 | 193,983                                 |                         | 6/1/2013         |
| Columbus OH             |                          | 359,083                 | 666,868   | None   | None              | 359,083  | 666,868   | 1,025,951 | 121,148                                 |                         | 6/1/2013         |

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|                 |    |         |           |        |      |         |           |           |         |        |
|-----------------|----|---------|-----------|--------|------|---------|-----------|-----------|---------|--------|
| Columbus        | OH | 361,678 | 895,430   | None   | None | 361,678 | 895,430   | 1,257,108 | 105,959 | 1/24/  |
| Conneaut        | OH | 166,644 | 805,700   | None   | None | 166,644 | 805,700   | 972,344   | 103,398 | 10/22/ |
| Dayton          | OH | 315,477 | 1,025,302 | None   | None | 315,477 | 1,025,302 | 1,340,779 | 162,339 | 1/22/  |
| Elyria          | OH | 251,256 | 988,444   | None   | None | 251,256 | 988,444   | 1,239,700 | 133,440 | 8/22/  |
| Fairfield       | OH | 219,943 | 865,257   | None   | None | 219,943 | 865,257   | 1,085,200 | 116,810 | 8/22/  |
| Fayette         | OH | 316,318 | 1,028,034 | None   | None | 316,318 | 1,028,034 | 1,344,352 | 162,772 | 1/22/  |
| Findlay         | OH | 238,609 | 938,689   | None   | None | 238,609 | 938,689   | 1,177,298 | 132,981 | 6/21/  |
| Fostoria        | OH | 262,910 | 1,034,290 | None   | None | 262,910 | 1,034,290 | 1,297,200 | 139,629 | 8/22/  |
| Georgetown      | OH | 381,051 | 707,665   | None   | None | 381,051 | 707,665   | 1,088,716 | 114,406 | 12/14/ |
| Grand Rapids    | OH | 80,000  | 1,072,480 | None   | None | 80,000  | 1,072,480 | 1,152,480 | 44,687  | 12/15/ |
| Greenwich       | OH | 146,371 | 975,399   | None   | None | 146,371 | 975,399   | 1,121,770 | 115,422 | 1/24/  |
| Howard          | OH | 169,394 | 885,037   | None   | None | 169,394 | 885,037   | 1,054,431 | 104,729 | 1/24/  |
| Huber Heights   | OH | 230,867 | 908,233   | None   | None | 230,867 | 908,233   | 1,139,100 | 122,611 | 8/22/  |
| Kenton          | OH | 400,787 | 744,320   | None   | None | 400,787 | 744,320   | 1,145,107 | 135,218 | 6/1/2  |
| Kingston        | OH | 373,121 | 1,212,643 | None   | None | 373,121 | 1,212,643 | 1,585,764 | 192,002 | 1/22/  |
| Litchfield      | OH | 110,000 | 1,077,669 | None   | None | 110,000 | 1,077,669 | 1,187,669 | 44,903  | 12/15/ |
| Lorain          | OH | 248,933 | 979,305   | None   | None | 248,933 | 979,305   | 1,228,238 | 138,735 | 6/21/  |
| Manchester      | OH | 371,453 | 689,842   | None   | None | 371,453 | 689,842   | 1,061,295 | 111,524 | 12/14/ |
| Marengo         | OH | 213,500 | 839,910   | None   | None | 213,500 | 839,910   | 1,053,410 | 110,588 | 9/26/  |
| Mechanicsburg   | OH | 350,151 | 650,280   | None   | None | 350,151 | 650,280   | 1,000,431 | 118,134 | 6/1/2  |
| Nashport        | OH | 319,015 | 1,036,799 | None   | None | 319,015 | 1,036,799 | 1,355,814 | 164,160 | 1/22/  |
| New Miami       | OH | 212,241 | 834,959   | None   | None | 212,241 | 834,959   | 1,047,200 | 112,719 | 8/22/  |
| Niles           | OH | 260,000 | 1,164,294 | None   | None | 260,000 | 1,164,294 | 1,424,294 | 48,512  | 12/15/ |
| Oak Harbor      | OH | 373,483 | 1,213,820 | None   | None | 373,483 | 1,213,820 | 1,587,303 | 192,188 | 1/22/  |
| Orwell          | OH | 293,628 | 545,309   | None   | None | 293,628 | 545,309   | 838,937   | 99,064  | 6/1/2  |
| Peebles         | OH | 436,054 | 809,815   | None   | None | 436,054 | 809,815   | 1,245,869 | 130,920 | 12/14/ |
| Perry           | OH | 70,000  | 1,114,353 | None   | None | 70,000  | 1,114,353 | 1,184,353 | 46,431  | 12/15/ |
| Racine          | OH | 183,196 | 957,149   | None   | None | 183,196 | 957,149   | 1,140,345 | 113,263 | 1/24/  |
| Richwood        | OH | 157,044 | 1,046,524 | None   | None | 157,044 | 1,046,524 | 1,203,568 | 123,839 | 1/24/  |
| Ripley          | OH | 359,515 | 667,671   | None   | None | 359,515 | 667,671   | 1,027,186 | 121,294 | 6/1/2  |
| Rockford        | OH | 117,012 | 852,812   | None   | None | 117,012 | 852,812   | 969,824   | 106,601 | 11/15/ |
| Seville         | OH | 335,945 | 1,091,822 | None   | None | 335,945 | 1,091,822 | 1,427,767 | 172,872 | 1/22/  |
| Springfield     | OH | 246,216 | 968,616   | None   | None | 246,216 | 968,616   | 1,214,832 | 137,221 | 6/21/  |
| Tarleton        | OH | 190,000 | 1,123,464 | None   | None | 190,000 | 1,123,464 | 1,313,464 | 46,811  | 12/15/ |
| Thornville      | OH | 285,644 | 928,344   | 17,943 | None | 285,644 | 946,287   | 1,231,931 | 155,075 | 1/22/  |
| Toronto         | OH | 356,055 | 1,011,585 | None   | None | 356,055 | 1,011,585 | 1,367,640 | 123,076 | 12/17/ |
| Trenton         | OH | 439,388 | 707,205   | None   | None | 439,388 | 707,205   | 1,146,593 | 39,593  | 10/9/  |
| Warren          | OH | 505,805 | 939,353   | None   | None | 505,805 | 939,353   | 1,445,158 | 170,649 | 6/1/2  |
| West Carrollton | OH | 440,000 | 1,072,193 | None   | None | 440,000 | 1,072,193 | 1,512,193 | 44,675  | 12/15/ |
| Withamsville    | OH | 276,510 | 1,087,790 | None   | None | 276,510 | 1,087,790 | 1,364,300 | 146,852 | 8/22/  |
| Afton           | OK | 113,611 | 757,094   | None   | None | 113,611 | 757,094   | 870,705   | 89,589  | 1/24/  |
| Antlers         | OK | 149,985 | 1,093,124 | None   | None | 149,985 | 1,093,124 | 1,243,109 | 125,709 | 2/27/  |
| Ardmore         | OK | 347,932 | 646,160   | None   | None | 347,932 | 646,160   | 994,092   | 117,386 | 6/1/2  |
| Broken Arrow    | OK | 356,064 | 881,533   | None   | None | 356,064 | 881,533   | 1,237,597 | 104,315 | 1/24/  |
| Claremore       | OK | 231,355 | 774,203   | None   | None | 231,355 | 774,203   | 1,005,558 | 135,485 | 8/30/  |
| Clayton         | OK | 533,789 | 826,041   | None   | None | 533,789 | 826,041   | 1,359,830 | 139,050 | 10/31/ |
| Cleveland       | OK | 196,277 | 1,307,968 | None   | None | 196,277 | 1,307,968 | 1,504,245 | 154,776 | 1/24/  |
| Collinsville    | OK | 289,014 | 715,532   | None   | None | 289,014 | 715,532   | 1,004,546 | 84,671  | 1/24/  |
| Davis           | OK | 569,738 | 881,672   | None   | None | 569,738 | 881,672   | 1,451,410 | 148,415 | 10/31/ |
| Drumright       | OK | 169,840 | 315,418   | None   | None | 169,840 | 315,418   | 485,258   | 50,993  | 12/14/ |
| Duncan          | OK | 430,448 | 799,403   | None   | None | 430,448 | 799,403   | 1,229,851 | 129,237 | 12/14/ |
| Elgin           | OK | 194,959 | 942,597   | None   | None | 194,959 | 942,597   | 1,137,556 | 117,825 | 11/15/ |
| Eufaula         | OK | 195,573 | 769,386   | None   | None | 195,573 | 769,386   | 964,959   | 106,432 | 7/9/2  |
| Grove           | OK | 424,722 | 657,258   | None   | None | 424,722 | 657,258   | 1,081,980 | 110,639 | 10/31/ |
| Haskell         | OK | 228,333 | 424,047   | None   | None | 228,333 | 424,047   | 652,380   | 77,035  | 6/1/2  |
| Haskell         | OK | 270,000 | 829,885   | None   | None | 270,000 | 829,885   | 1,099,885 | 98,203  | 1/24/  |
| Hollis          | OK | 61,713  | 880,041   | None   | None | 61,713  | 880,041   | 941,754   | 154,007 | 8/30/  |
| Hulbert         | OK | 395,384 | 611,858   | None   | None | 395,384 | 611,858   | 1,007,242 | 102,996 | 10/31/ |
| Kansas          | OK | 398,387 | 616,506   | None   | None | 398,387 | 616,506   | 1,014,893 | 103,778 | 10/31/ |
| Kellyville      | OK | 422,292 | 653,499   | None   | None | 422,292 | 653,499   | 1,075,791 | 110,006 | 10/31/ |
| Konawa          | OK | 390,916 | 604,945   | None   | None | 390,916 | 604,945   | 995,861   | 101,832 | 10/31/ |
| Lawton          | OK | 445,994 | 690,178   | None   | None | 445,994 | 690,178   | 1,136,172 | 116,180 | 10/31/ |
| Lexington       | OK | 128,927 | 673,606   | None   | None | 128,927 | 673,606   | 802,533   | 79,710  | 1/24/  |
| Mooreland       | OK | 140,000 | 934,322   | None   | None | 140,000 | 934,322   | 1,074,322 | 38,930  | 12/15/ |
| Newkirk         | OK | 100,999 | 673,045   | None   | None | 100,999 | 673,045   | 774,044   | 79,644  | 1/24/  |
| Norman          | OK | 173,541 | 906,703   | None   | None | 173,541 | 906,703   | 1,080,244 | 107,293 | 1/24/  |
| Oklahoma City   | OK | 400,000 | 678,788   | None   | None | 400,000 | 678,788   | 1,078,788 | 114,263 | 10/31/ |
| Oklahoma City   | OK | 318,134 | 590,821   | None   | None | 318,134 | 590,821   | 908,955   | 95,516  | 12/14/ |
| Shawnee         | OK | 288,016 | 534,887   | None   | None | 288,016 | 534,887   | 822,903   | 97,171  | 6/1/2  |
| Shawnee         | OK | 419,371 | 648,979   | None   | None | 419,371 | 648,979   | 1,068,350 | 109,245 | 10/31/ |

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|         |    |         |         |      |      |         |         |         |        |       |
|---------|----|---------|---------|------|------|---------|---------|---------|--------|-------|
| Shawnee | OK | 246,641 | 610,625 | None | None | 246,641 | 610,625 | 857,266 | 72,257 | 1/24/ |
| Sperry  | OK | 157,888 | 824,918 | None | None | 157,888 | 824,918 | 982,806 | 97,615 | 1/24/ |

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REALTY INCOME CORPORATION AND SUBSIDIARIES

SCHEDULE III REAL ESTATE AND ACCUMULATED DEPRECIATION

AS OF DECEMBER 31, 2016

| Description<br>(Note 1) | Encumbrances<br>(Note 2) | Initial Cost to Company |  |              |       | Cost Capitalized             | Gross Amount at Which Carried |  |         | Accumulated<br>Depreciation<br>(Note 5) | Date of<br>Construction | Date<br>Acquired |
|-------------------------|--------------------------|-------------------------|--|--------------|-------|------------------------------|-------------------------------|--|---------|---|-------------------------|------------------|
|                         |                          | Land                    | Buildings,<br>Improvements<br>and<br>Acquisition<br>Fees | Improvements | Costs | Subsequent<br>to Acquisition | Land                          | Buildings,<br>Improvements<br>and<br>Acquisition<br>Fees | Total   |   |                         |                  |
| Stratford               | OK                       | 392,814                 | 607,881  | None         | None  | 392,814                      | 607,881                       | 1,000,695  | 102,327 |   | 10/31/20                |                  |
| Tulsa                   | OK                       | 433,486                 | 670,822  | None         | None  | 433,486                      | 670,822                       | 1,104,308  | 112,922 |   | 10/31/20                |                  |
| Tulsa                   | OK                       | 312,846                 | 774,535  | None         | None  | 312,846                      | 774,535                       | 1,087,381  | 91,653  |   | 1/24/20                 |                  |
| Wilson                  | OK                       | 89,538                  | 814,202  | None         | None  | 89,538                       | 814,202                       | 903,740  | 142,485 |   | 8/30/20                 |                  |
| Woodward                | OK                       | 221,150                 | 802,563  | None         | None  | 221,150                      | 802,563                       | 1,023,713  | 140,448 |   | 8/30/20                 |                  |
| Lemont                  | PA                       | 298,795                 | 848,903  | None         | None  | 298,795                      | 848,903                       | 1,147,698  | 97,624  |   | 2/27/20                 |                  |
| Furnace<br>Smithfield   | PA                       | 255,705                 | 1,005,946  | None         | None  | 255,705                      | 1,005,946                     | 1,261,651  | 132,450 |   | 9/26/20                 |                  |
| Somerset                | PA                       | 301,986                 | 1,188,014  | None         | None  | 301,986                      | 1,188,014                     | 1,490,000  | 160,382 |   | 8/22/20                 |                  |
| Cayce                   | SC                       | 207,965                 | 818,135  | None         | None  | 207,965                      | 818,135                       | 1,026,100  | 110,448 |   | 8/22/20                 |                  |
| Denmark                 | SC                       | 220,498                 | 867,442  | None         | None  | 220,498                      | 867,442                       | 1,087,940  | 114,213 |   | 9/30/20                 |                  |
| Florence                | SC                       | 190,573                 | 777,528  | 9,344        | None  | 190,573                      | 786,872                       | 977,445  | 115,353 |   | 4/23/20                 |                  |
| Heath<br>Springs        | SC                       | 158,107                 | 826,065  | None         | None  | 158,107                      | 826,065                       | 984,172  | 97,751  |   | 1/24/20                 |                  |
| Kingtree                | SC                       | 198,491                 | 780,866  | None         | None  | 198,491                      | 780,866                       | 979,357  | 102,814 |   | 9/18/20                 |                  |
| Longs                   | SC                       | 239,632                 | 1,252,008  | None         | None  | 239,632                      | 1,252,008                     | 1,491,640  | 148,154 |   | 1/24/20                 |                  |
| Myrtle Beach            | SC                       | 268,056                 | 497,817  | None         | None  | 268,056                      | 497,817                       | 765,873  | 80,481  |   | 12/14/20                |                  |
| N Myrtle<br>Beach       | SC                       | 155,168                 | 610,432  | None         | None  | 155,168                      | 610,432                       | 765,600  | 82,408  |   | 8/22/20                 |                  |
| Newberry                | SC                       | 383,286                 | 711,817  | None         | None  | 383,286                      | 711,817                       | 1,095,103  | 115,077 |   | 12/14/20                |                  |
| North<br>Charleston     | SC                       | 254,479                 | 1,001,121  | None         | None  | 254,479                      | 1,001,121                     | 1,255,600  | 135,151 |   | 8/22/20                 |                  |
| Orangeburg              | SC                       | 60,000                  | 691,079  | None         | None  | 60,000                       | 691,079                       | 751,079  | 81,778  |   | 1/24/20                 |                  |
| Ridgeland               | SC                       | 375,699                 | 1,349,908  | None         | None  | 375,699                      | 1,349,908                     | 1,725,607  | 71,437  |   | 10/9/20                 |                  |
| Ridgeway                | SC                       | 126,727                 | 844,496  | None         | None  | 126,727                      | 844,496                       | 971,223  | 99,932  |   | 1/24/20                 |                  |
| Timmonsville            | SC                       | 209,841                 | 856,141  | None         | None  | 209,841                      | 856,141                       | 1,065,982  | 126,994 |   | 4/23/20                 |                  |
| Union                   | SC                       | 225,174                 | 885,835  | None         | None  | 225,174                      | 885,835                       | 1,111,009  | 116,635 |   | 9/30/20                 |                  |
| Westminster             | SC                       | 350,000                 | 987,266  | None         | None  | 350,000                      | 987,266                       | 1,337,266  | 116,827 |   | 1/24/20                 |                  |
| Chamberlain             | SD                       | 588,809                 | 969,571  | None         | None  | 588,809                      | 969,571                       | 1,558,380  | 52,853  |   | 10/9/20                 |                  |
| Rapid City              | SD                       | 330,000                 | 912,615  | None         | None  | 330,000                      | 912,615                       | 1,242,615  | 38,026  |   | 12/15/20                |                  |
| Adams                   | TN                       | 121,868                 | 812,117  | None         | None  | 121,868                      | 812,117                       | 933,985  | 96,101  |   | 1/24/20                 |                  |
| Bethel<br>Springs       | TN                       | 134,530                 | 702,880  | None         | None  | 134,530                      | 702,880                       | 837,410  | 83,174  |   | 1/24/20                 |                  |
| Bloomington<br>Sprgs    | TN                       | 173,585                 | 906,933  | None         | None  | 173,585                      | 906,933                       | 1,080,518  | 107,320 |   | 1/24/20                 |                  |
| Caryville               | TN                       | 218,883                 | 861,087  | None         | None  | 218,883                      | 861,087                       | 1,079,970  | 113,376 |   | 9/24/20                 |                  |
| Celina                  | TN                       | 157,341                 | 1,048,501  | None         | None  | 157,341                      | 1,048,501                     | 1,205,842  | 124,073 |   | 1/24/20                 |                  |
| Church Hill             | TN                       | 220,676                 | 868,141  | None         | None  | 220,676                      | 868,141                       | 1,088,817  | 117,199 |   | 8/1/20                  |                  |
| Cordova                 | TN                       | 362,262                 | 896,875  | None         | None  | 362,262                      | 896,875                       | 1,259,137  | 106,130 |   | 1/24/20                 |                  |
| Covington               | TN                       | 192,392                 | 1,005,191  | None         | None  | 192,392                      | 1,005,191                     | 1,197,583  | 118,948 |   | 1/24/20                 |                  |
| Crossville              | TN                       | 224,273                 | 882,294  | None         | None  | 224,273                      | 882,294                       | 1,106,567  | 116,169 |   | 9/24/20                 |                  |
| Dresden                 | TN                       | 169,202                 | 884,035  | None         | None  | 169,202                      | 884,035                       | 1,053,237  | 104,611 |   | 1/24/20                 |                  |
| Dyersburg               | TN                       | 138,691                 | 724,619  | None         | None  | 138,691                      | 724,619                       | 863,310  | 85,747  |   | 1/24/20                 |                  |

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|                 |    |         |           |           |      |         |           |           |           |          |         |
|-----------------|----|---------|-----------|-----------|------|---------|-----------|-----------|-----------|----------|---------|
| Dyersburg       | TN | 134,528 | 702,868   | None      | None | 134,528 | 702,868   | 837,396   | 83,173    | 1/24/20  |         |
| Friendship      | TN | 129,543 | 863,263   | None      | None | 129,543 | 863,263   | 992,806   | 102,153   | 1/24/20  |         |
| Grand Junction  | TN | 119,405 | 795,703   | None      | None | 119,405 | 795,703   | 915,108   | 94,158    | 1/24/20  |         |
| Grimsley        | TN | 190,000 | 832,058   | None      | None | 190,000 | 832,058   | 1,022,058 | 109,554   | 9/24/20  |         |
| Halls           | TN | 224,485 | 1,172,868 | None      | None | 224,485 | 1,172,868 | 1,397,353 | 138,789   | 1/24/20  |         |
| Harriman        | TN | 260,000 | 975,515   | None      | None | 260,000 | 975,515   | 1,235,515 | 112,184   | 2/5/20   |         |
| Humboldt        | TN | 163,042 | 665,204   | None      | None | 163,042 | 665,204   | 828,246   | 100,889   | 3/19/20  |         |
| Madisonville    | TN | 185,976 | 731,631   | 41,687    | None | 185,976 | 773,318   | 959,294   | 99,754    | 8/30/20  |         |
| Martin          | TN | 160,410 | 838,094   | None      | None | 160,410 | 838,094   | 998,504   | 99,174    | 1/24/20  |         |
| Mascot          | TN | 428,927 | 663,766   | None      | None | 428,927 | 663,766   | 1,092,693 | 111,734   | 10/31/20 |         |
| Memphis         | TN | 225,548 | 418,876   | None      | None | 225,548 | 418,876   | 644,424   | 76,096    | 6/1/20   |         |
| Memphis         | TN | 493,000 | 915,572   | None      | None | 493,000 | 915,572   | 1,408,572 | 166,329   | 6/1/20   |         |
| Memphis         | TN | 369,950 | 687,049   | None      | None | 369,950 | 687,049   | 1,056,999 | 124,814   | 6/1/20   |         |
| Memphis         | TN | 563,795 | 1,047,048 | None      | None | 563,795 | 1,047,048 | 1,610,843 | 190,214   | 6/1/20   |         |
| Memphis         | TN | 552,777 | 1,026,586 | None      | None | 552,777 | 1,026,586 | 1,579,363 | 186,496   | 6/1/20   |         |
| Memphis         | TN | 253,148 | 626,736   | None      | None | 253,148 | 626,736   | 879,884   | 74,164    | 1/24/20  |         |
| Memphis         | TN | 332,829 | 824,006   | None      | None | 332,829 | 824,006   | 1,156,835 | 97,507    | 1/24/20  |         |
| Memphis         | TN | 299,794 | 742,220   | None      | None | 299,794 | 742,220   | 1,042,014 | 87,829    | 1/24/20  |         |
| Memphis         | TN | 315,786 | 781,812   | None      | None | 315,786 | 781,812   | 1,097,598 | 92,514    | 1/24/20  |         |
| Memphis         | TN | 312,958 | 774,812   | None      | None | 312,958 | 774,812   | 1,087,770 | 91,686    | 1/24/20  |         |
| Memphis         | TN | 330,000 | 1,049,568 | None      | None | 330,000 | 1,049,568 | 1,379,568 | 124,199   | 1/24/20  |         |
| Memphis         | TN | 327,861 | 811,707   | None      | None | 327,861 | 811,707   | 1,139,568 | 96,052    | 1/24/20  |         |
| Memphis         | TN | 312,275 | 773,121   | None      | None | 312,275 | 773,121   | 1,085,396 | 91,486    | 1/24/20  |         |
| Memphis         | TN | 390,000 | 772,302   | None      | None | 390,000 | 772,302   | 1,162,302 | 91,389    | 1/24/20  |         |
| Memphis         | TN | 352,417 | 872,503   | None      | None | 352,417 | 872,503   | 1,224,920 | 103,246   | 1/24/20  |         |
| Memphis         | TN | 409,578 | 1,014,019 | None      | None | 409,578 | 1,014,019 | 1,423,597 | 119,992   | 1/24/20  |         |
| Memphis         | TN | 405,442 | 1,003,781 | None      | None | 405,442 | 1,003,781 | 1,409,223 | 118,781   | 1/24/20  |         |
| Michie          | TN | 123,911 | 825,729   | None      | None | 123,911 | 825,729   | 949,640   | 97,711    | 1/24/20  |         |
| Milledgeville   | TN | 270,000 | 731,439   | None      | None | 270,000 | 731,439   | 1,001,439 | 86,554    | 1/24/20  |         |
| Nashville       | TN | 589,570 | 948,928   | None      | None | 589,570 | 948,928   | 1,538,498 | 53,125    | 10/9/20  |         |
| Niota           | TN | 152,948 | 799,110   | None      | None | 152,948 | 799,110   | 952,058   | 94,561    | 1/24/20  |         |
| Rogersville     | TN | 206,436 | 812,120   | None      | None | 206,436 | 812,120   | 1,018,556 | 109,636   | 8/14/20  |         |
| Sharon          | TN | 130,332 | 868,517   | None      | None | 130,332 | 868,517   | 998,849   | 102,775   | 1/24/20  |         |
| Sunbright       | TN | 355,282 | 1,154,668 | None      | None | 355,282 | 1,154,668 | 1,509,950 | 182,822   | 1/22/20  |         |
| Tennessee Ridge | TN | 120,926 | 805,837   | None      | None | 120,926 | 805,837   | 926,763   | 95,357    | 1/24/20  |         |
| Trezevant       | TN | 170,247 | 805,149   | None      | None | 170,247 | 805,149   | 975,396   | 95,276    | 1/24/20  |         |
| Alpine          | TX | 248,256 | 1,297,068 | None      | None | 248,256 | 1,297,068 | 1,545,324 | 153,486   | 1/24/20  |         |
| Alton           | TX | 345,945 | 642,468   | None      | None | 345,945 | 642,468   | 988,413   | 116,715   | 6/1/20   |         |
| Amarillo        | TX | 191,492 | 811,497   | None      | None | 191,492 | 811,497   | 1,002,989 | 142,012   | 8/30/20  |         |
| Amarillo        | TX | 260,864 | 712,639   | None      | None | 260,864 | 712,639   | 973,503   | 124,712   | 8/30/20  |         |
| Anahuac         | TX | 531,601 | 987,259   | None      | None | 531,601 | 987,259   | 1,518,860 | 159,607   | 12/14/20 |         |
| Anson           | TX | 608,000 | 139,586   | 1,017,331 | None | None    | 139,586   | 1,017,331 | 1,156,917 | 110,211  | 4/30/20 |
| Arcola          | TX | 309,969 | 961,069   | None      | None | 309,969 | 961,069   | 1,271,038 | 168,187   | 8/30/20  |         |
| Atlanta         | TX | 427,591 | 661,699   | None      | None | 427,591 | 661,699   | 1,089,290 | 111,386   | 10/31/20 |         |
| Austin          | TX | 590,000 | 812,479   | None      | None | 590,000 | 812,479   | 1,402,479 | 136,767   | 10/31/20 |         |
| Austin          | TX | 333,480 | 947,447   | None      | None | 333,480 | 947,447   | 1,280,927 | 121,589   | 10/24/20 |         |
| Bacliff         | TX | 557,574 | 1,035,495 | None      | None | 557,574 | 1,035,495 | 1,593,069 | 188,115   | 6/1/20   |         |
| Baytown         | TX | 486,394 | 903,304   | None      | None | 486,394 | 903,304   | 1,389,698 | 164,100   | 6/1/20   |         |
| Baytown         | TX | 447,005 | 830,152   | None      | None | 447,005 | 830,152   | 1,277,157 | 150,811   | 6/1/20   |         |
| Beaumont        | TX | 526,746 | 978,243   | None      | None | 526,746 | 978,243   | 1,504,989 | 177,714   | 6/1/20   |         |
| Beaumont        | TX | 186,877 | 1,007,961 | None      | None | 186,877 | 1,007,961 | 1,194,838 | 176,393   | 8/30/20  |         |
| Beeville        | TX | 382,613 | 710,566   | None      | None | 382,613 | 710,566   | 1,093,179 | 129,086   | 6/1/20   |         |
| Bloomington     | TX | 330,656 | 1,074,634 | None      | None | 330,656 | 1,074,634 | 1,405,290 | 170,150   | 1/22/20  |         |
| Blossom         | TX | 82,320  | 825,297   | None      | None | 82,320  | 825,297   | 907,617   | 144,427   | 8/30/20  |         |
| Borger          | TX | 589,000 | 166,456   | 804,791   | None | None    | 166,456   | 804,791   | 971,247   | 87,186   | 4/30/20 |
| Brookshire      | TX | 863,000 | 281,120   | 1,359,173 | None | None    | 281,120   | 1,359,173 | 1,640,293 | 147,244  | 4/30/20 |
| Brownsville     | TX | 287,319 | 533,592   | None      | None | 287,319 | 533,592   | 820,911   | 96,936    | 6/1/20   |         |
| Bullard         | TX | 600,000 | 183,822   | 888,752   | None | None    | 183,822   | 888,752   | 1,072,574 | 96,281   | 4/30/20 |
| Canton          | TX | 165,267 | 1,358,083 | None      | None | 165,267 | 1,358,083 | 1,523,350 | 237,664   | 8/30/20  |         |
| Canyon Lake     | TX | 424,566 | 788,481   | None      | None | 424,566 | 788,481   | 1,213,047 | 143,241   | 6/1/20   |         |
| Canyon Lake     | TX | 183,707 | 1,170,581 | None      | None | 183,707 | 1,170,581 | 1,354,288 | 204,852   | 8/30/20  |         |
| Cedar Creek     | TX | 183,296 | 933,294   | None      | None | 183,296 | 933,294   | 1,116,590 | 163,327   | 8/30/20  |         |
| Cisco           | TX | 531,000 | 139,059   | 1,013,495 | None | None    | 139,059   | 1,013,495 | 1,152,554 | 109,795  | 4/30/20 |
| Corpus Christi  | TX | 460,501 | 855,215   | None      | None | 460,501 | 855,215   | 1,315,716 | 155,364   | 6/1/20   |         |
| Corpus Christi  | TX | 577,037 | 1,071,640 | None      | None | 577,037 | 1,071,640 | 1,648,677 | 194,681   | 6/1/20   |         |
| Christi         | TX | 291,106 | 540,626   | None      | None | 291,106 | 540,626   | 831,732   | 98,214    | 6/1/20   |         |

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|                |    |         |           |       |      |         |           |           |         |          |
|----------------|----|---------|-----------|-------|------|---------|-----------|-----------|---------|----------|
| Corpus Christi | TX | 408,524 | 1,327,703 | None  | None | 408,524 | 1,327,703 | 1,736,227 | 210,220 | 1/22/20  |
| Corpus Christi | TX | 287,912 | 1,132,648 | None  | None | 287,912 | 1,132,648 | 1,420,560 | 160,458 | 6/21/20  |
| Corpus Christi | TX | 363,669 | 900,360   | None  | None | 363,669 | 900,360   | 1,264,029 | 106,543 | 1/24/20  |
| Corrigan       | TX | 256,676 | 834,196   | 1,514 | None | 256,676 | 835,710   | 1,092,386 | 133,358 | 1/22/20  |
| Cotulla        | TX | 919,863 | 1,708,316 | None  | None | 919,863 | 1,708,316 | 2,628,179 | 276,178 | 12/14/20 |
| Creedmoor      | TX | 490,979 | 759,793   | None  | None | 490,979 | 759,793   | 1,250,772 | 127,898 | 10/31/20 |
| Crystal City   | TX | 549,519 | 1,020,535 | None  | None | 549,519 | 1,020,535 | 1,570,054 | 164,986 | 12/14/20 |
| Dallas         | TX | 660,890 | 1,227,367 | None  | None | 660,890 | 1,227,367 | 1,888,257 | 222,972 | 6/1/20   |
| Dallas         | TX | 474,480 | 881,177   | None  | None | 474,480 | 881,177   | 1,355,657 | 160,080 | 6/1/20   |
| Dallas         | TX | 433,859 | 1,238,325 | None  | None | 433,859 | 1,238,325 | 1,672,184 | 117,641 | 8/25/20  |
| Del Rio        | TX | 507,216 | 784,918   | None  | None | 507,216 | 784,918   | 1,292,134 | 132,128 | 10/31/20 |

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REALTY INCOME CORPORATION AND SUBSIDIARIES

SCHEDULE III REAL ESTATE AND ACCUMULATED DEPRECIATION

AS OF DECEMBER 31, 2016

| Description       | Encumbrances | Initial Cost to Company |  |              | Cost Capitalized Subsequent to Acquisition |         | Gross Amount at Which Carried at Close of Period (Notes 3, 4, 6 and 7) |           |          | Accumulated Depreciation | Date of Construction | Date Acquired |
|-------------------|--------------|-------------------------|--|--------------|--|---------|--|-----------|----------|--------------------------|----------------------|---------------|
|                   |              | Land                    | Buildings, Improvements and Acquisition Fees | Improvements | Carrying Costs                             | Land    | Buildings, Improvements and Acquisition Fees                           | Total     |          |                          |                      |               |
| (Note 1)          | (Note 2)     | Land                    | Fees   | Improvements | Costs                                      | Land    | Fees   | Total     | (Note 5) | Construction             | Acquire              |               |
| Desoto TX         |              | 510,567                 | 790,105                                      | None         | None                                       | 510,567 | 790,105  | 1,300,672 | 133,001  |                          | 10/31/20             |               |
| Dilley TX         |              | 141,101                 | 940,281                                      | None         | None                                       | 141,101 | 940,281  | 1,081,382 | 111,267  |                          | 1/24/20              |               |
| Eagle Pass TX     |              | 516,608                 | 959,416                                      | None         | None                                       | 516,608 | 959,416  | 1,476,024 | 174,294  |                          | 6/1/20               |               |
| Eagle Pass TX     |              | 433,864                 | 671,406                                      | None         | None                                       | 433,864 | 671,406  | 1,105,270 | 113,020  |                          | 10/31/20             |               |
| East Bernard TX   | 577,000      | 132,881                 | 968,462                                      | None         | None                                       | 132,881 | 968,462  | 1,101,343 | 104,917  |                          | 4/30/20              |               |
| Edinburg TX       |              | 380,000                 | 716,403                                      | None         | None                                       | 380,000 | 716,403  | 1,096,403 | 84,774   |                          | 1/24/20              |               |
| El Paso TX        |              | 270,000                 | 940,688                                      | None         | None                                       | 270,000 | 940,688  | 1,210,688 | 39,195   |                          | 12/15/20             |               |
| Elsa TX           |              | 379,998                 | 1,234,994                                    | None         | None                                       | 379,998 | 1,234,994  | 1,614,992 | 195,541  |                          | 1/22/20              |               |
| Fort Stockton TX  |              | 465,636                 | 864,752                                      | None         | None                                       | 465,636 | 864,752  | 1,330,388 | 139,802  |                          | 12/14/20             |               |
| Fort Worth TX     |              | 547,855                 | 1,019,204                                    | None         | None                                       | 547,855 | 1,019,204  | 1,567,059 | 178,361  |                          | 8/30/20              |               |
| Fort Worth TX     |              | 213,683                 | 848,314                                      | None         | None                                       | 213,683 | 848,314  | 1,061,997 | 148,455  |                          | 8/30/20              |               |
| Fort Worth TX     |              | 600,746                 | 1,115,672                                    | None         | None                                       | 600,746 | 1,115,672  | 1,716,418 | 180,367  |                          | 12/14/20             |               |
| Fort Worth TX     |              | 160,563                 | 631,657                                      | (7,839)      | None                                       | 160,563 | 623,818  | 784,381   | 88,155   |                          | 8/15/20              |               |
| Freer TX          |              | 269,137                 | 499,827                                      | None         | None                                       | 269,137 | 499,827  | 768,964   | 80,805   |                          | 12/14/20             |               |
| Garland TX        |              | 228,333                 | 424,047                                      | None         | None                                       | 228,333 | 424,047  | 652,380   | 77,035   |                          | 6/1/20               |               |
| Garland TX        |              | 298,055                 | 737,916                                      | None         | None                                       | 298,055 | 737,916  | 1,035,971 | 87,320   |                          | 1/24/20              |               |
| Glen Rose TX      | 903,000      | 269,359                 | 1,302,309                                    | None         | None                                       | 269,359 | 1,302,309  | 1,571,668 | 141,084  |                          | 4/30/20              |               |
| Glenn Heights TX  |              | 297,559                 | 736,686                                      | None         | None                                       | 297,559 | 736,686  | 1,034,245 | 87,175   |                          | 1/24/20              |               |
| Granite Shoals TX |              | 371,795                 | 1,208,334                                    | None         | None                                       | 371,795 | 1,208,334  | 1,580,129 | 191,319  |                          | 1/22/20              |               |
| Grape Creek TX    |              | 232,999                 | 710,940                                      | None         | None                                       | 232,999 | 710,940  | 943,939   | 124,415  |                          | 8/30/20              |               |
| Hamilton TX       | 626,000      | 140,174                 | 1,021,615                                    | None         | None                                       | 140,174 | 1,021,615  | 1,161,789 | 110,675  |                          | 4/30/20              |               |
| Hardin TX         |              | 143,336                 | 805,614                                      | None         | None                                       | 143,336 | 805,614  | 948,950   | 140,982  |                          | 8/30/20              |               |
| Harker Heights TX |              | 488,753                 | 907,685                                      | None         | None                                       | 488,753 | 907,685  | 1,396,438 | 164,896  |                          | 6/1/20               |               |
| Harker Heights TX |              | 469,370                 | 726,352                                      | None         | None                                       | 469,370 | 726,352  | 1,195,722 | 122,269  |                          | 10/31/20             |               |
| Hebbronville TX   |              | 481,250                 | 893,750                                      | None         | None                                       | 481,250 | 893,750  | 1,375,000 | 144,490  |                          | 12/14/20             |               |
| Hebbronville TX   |              | 240,000                 | 1,014,676                                    | None         | None                                       | 240,000 | 1,014,676  | 1,254,676 | 120,070  |                          | 1/24/20              |               |
| Hewitt TX         |              | 493,299                 | 763,382                                      | None         | None                                       | 493,299 | 763,382  | 1,256,681 | 128,503  |                          | 10/31/20             |               |
| Hidalgo TX        |              | 450,411                 | 1,115,114                                    | None         | None                                       | 450,411 | 1,115,114  | 1,565,525 | 131,955  |                          | 1/24/20              |               |
| Houston TX        |              | 279,181                 | 518,479                                      | None         | None                                       | 279,181 | 518,479  | 797,660   | 94,190   |                          | 6/1/20               |               |
| Houston TX        |              | 434,980                 | 807,819                                      | None         | None                                       | 434,980 | 807,819  | 1,242,799 | 146,754  |                          | 6/1/20               |               |
| Houston TX        |              | 429,081                 | 796,866                                      | None         | None                                       | 429,081 | 796,866  | 1,225,947 | 144,764  |                          | 6/1/20               |               |
| Houston TX        |              | 490,377                 | 910,700                                      | None         | None                                       | 490,377 | 910,700  | 1,401,077 | 165,444  |                          | 6/1/20               |               |
| Houston TX        |              | 565,402                 | 874,961                                      | None         | None                                       | 565,402 | 874,961  | 1,440,363 | 147,285  |                          | 10/31/20             |               |
| Houston TX        |              | 650,000                 | 866,899                                      | None         | None                                       | 650,000 | 866,899  | 1,516,899 | 145,928  |                          | 10/31/20             |               |
| Houston TX        |              | 562,086                 | 869,831                                      | None         | None                                       | 562,086 | 869,831  | 1,431,917 | 146,422  |                          | 10/31/20             |               |
| Houston TX        |              | 467,805                 | 868,780                                      | None         | None                                       | 467,805 | 868,780  | 1,336,585 | 140,453  |                          | 12/14/20             |               |
| Houston TX        |              | 610,149                 | 1,133,135                                    | None         | None                                       | 610,149 | 1,133,135  | 1,743,284 | 183,190  |                          | 12/14/20             |               |
| Houston TX        |              | 474,480                 | 881,178                                      | None         | None                                       | 474,480 | 881,178  | 1,355,658 | 142,457  |                          | 12/14/20             |               |
| Houston TX        |              | 310,255                 | 1,220,545                                    | None         | None                                       | 310,255 | 1,220,545  | 1,530,800 | 164,774  |                          | 8/22/20              |               |

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|             |    |         |         |           |      |      |         |           |           |         |          |
|-------------|----|---------|---------|-----------|------|------|---------|-----------|-----------|---------|----------|
| Houston     | TX |         | 283,623 | 1,115,777 | None | None | 283,623 | 1,115,777 | 1,399,400 | 150,630 | 8/22/20  |
| Houston     | TX |         | 440,874 | 1,091,500 | None | None | 440,874 | 1,091,500 | 1,532,374 | 129,161 | 1/24/20  |
| Houston     | TX |         | 347,071 | 986,059   | None | None | 347,071 | 986,059   | 1,333,130 | 110,110 | 3/28/20  |
| Hubbard     | TX |         | 128,604 | 857,007   | None | None | 128,604 | 857,007   | 985,611   | 101,413 | 1/24/20  |
| Itasca      | TX | 543,000 | 118,010 | 860,081   | None | None | 118,010 | 860,081   | 978,091   | 93,175  | 4/1/20   |
| Jefferson   | TX |         | 339,075 | 1,333,925 | None | None | 339,075 | 1,333,925 | 1,673,000 | 180,080 | 8/22/20  |
| Joaquin     | TX | 656,000 | 135,219 | 985,502   | None | None | 135,219 | 985,502   | 1,120,721 | 106,763 | 4/1/20   |
| Katy        | TX |         | 554,109 | 857,486   | None | None | 554,109 | 857,486   | 1,411,595 | 144,344 | 10/31/20 |
| Katy        | TX |         | 346,827 | 985,367   | None | None | 346,827 | 985,367   | 1,332,194 | 126,455 | 10/11/20 |
| Kaufman     | TX |         | 488,687 | 907,561   | None | None | 488,687 | 907,561   | 1,396,248 | 164,874 | 6/1/20   |
| Kermit      | TX |         | 234,478 | 922,439   | None | None | 234,478 | 922,439   | 1,156,917 | 130,679 | 6/21/20  |
| Killeen     | TX |         | 480,758 | 892,837   | None | None | 480,758 | 892,837   | 1,373,595 | 162,199 | 6/1/20   |
| Killeen     | TX |         | 471,572 | 729,760   | None | None | 471,572 | 729,760   | 1,201,332 | 122,843 | 10/31/20 |
| Killeen     | TX |         | 380,000 | 881,852   | None | None | 380,000 | 881,852   | 1,261,852 | 36,744  | 12/15/20 |
| Killeen     | TX |         | 440,000 | 830,465   | None | None | 440,000 | 830,465   | 1,270,465 | 34,603  | 12/15/20 |
| Lacy        | TX |         | 429,768 | 798,141   | None | None | 429,768 | 798,141   | 1,227,909 | 144,996 | 6/1/20   |
| Lakeview    |    |         |         |           |      |      |         |           |           |         |          |
| Lakehills   | TX |         | 183,968 | 795,341   | None | None | 183,968 | 795,341   | 979,309   | 139,185 | 8/30/20  |
| Lamesa      | TX |         | 450,012 | 835,736   | None | None | 450,012 | 835,736   | 1,285,748 | 151,825 | 6/1/20   |
| Leonard     | TX |         | 277,575 | 515,496   | None | None | 277,575 | 515,496   | 793,071   | 93,648  | 6/1/20   |
| Llano       | TX | 804,000 | 179,332 | 1,307,011 | None | None | 179,332 | 1,307,011 | 1,486,343 | 141,593 | 4/1/20   |
| Longview    | TX |         | 435,985 | 809,687   | None | None | 435,985 | 809,687   | 1,245,672 | 130,899 | 12/14/20 |
| Longview    | TX |         | 473,119 | 878,650   | None | None | 473,119 | 878,650   | 1,351,769 | 142,048 | 12/14/20 |
| Longview    | TX |         | 150,012 | 278,594   | None | None | 150,012 | 278,594   | 428,606   | 45,039  | 12/14/20 |
| Los Fresnos | TX |         | 533,059 | 989,968   | None | None | 533,059 | 989,968   | 1,523,027 | 179,844 | 6/1/20   |
| Luffkin     | TX |         | 267,700 | 497,158   | None | None | 267,700 | 497,158   | 764,858   | 80,374  | 12/14/20 |
| Marfa       | TX |         | 310,000 | 1,325,712 | None | None | 310,000 | 1,325,712 | 1,635,712 | 156,876 | 1/24/20  |
| Marshall    | TX |         | 665,113 | 1,235,211 | None | None | 665,113 | 1,235,211 | 1,900,324 | 224,397 | 6/1/20   |
| Memphis     | TX | 461,000 | 102,312 | 745,672   | None | None | 102,312 | 745,672   | 847,984   | 80,781  | 4/1/20   |
| Midland     | TX |         | 544,075 | 1,322,431 | None | None | 544,075 | 1,322,431 | 1,866,506 | 998,323 | 2/3/19   |
| Midland     | TX |         | 194,594 | 790,843   | None | None | 194,594 | 790,843   | 985,437   | 138,398 | 8/30/20  |
| Monahans    | TX |         | 473,723 | 879,770   | None | None | 473,723 | 879,770   | 1,353,493 | 142,230 | 12/14/20 |
| Monte Alto  | TX |         | 370,770 | 1,205,004 | None | None | 370,770 | 1,205,004 | 1,575,774 | 190,792 | 1/22/20  |
| Morton      | TX |         | 190,918 | 751,074   | None | None | 190,918 | 751,074   | 941,992   | 106,402 | 6/21/20  |
| Mount       | TX |         | 510,030 | 947,198   | None | None | 510,030 | 947,198   | 1,457,228 | 153,130 | 12/14/20 |
| Enterprise  |    |         |         |           |      |      |         |           |           |         |          |
| Mt Vernon   | TX | 641,000 | 132,850 | 968,238   | None | None | 132,850 | 968,238   | 1,101,088 | 104,893 | 4/1/20   |
| Nacogdoches | TX |         | 585,075 | 1,086,567 | None | None | 585,075 | 1,086,567 | 1,671,642 | 175,662 | 12/14/20 |
| New Boston  | TX |         | 226,547 | 420,730   | None | None | 226,547 | 420,730   | 647,277   | 76,433  | 6/1/20   |
| Odessa      | TX |         | 200,900 | 874,978   | None | None | 200,900 | 874,978   | 1,075,878 | 153,121 | 8/30/20  |
| Odessa      | TX |         | 393,275 | 795,622   | None | None | 393,275 | 795,622   | 1,188,897 | 139,234 | 8/30/20  |
| Odessa      | TX |         | 299,235 | 687,360   | None | None | 299,235 | 687,360   | 986,595   | 120,288 | 8/30/20  |
| Onalaska    | TX |         | 455,522 | 845,970   | None | None | 455,522 | 845,970   | 1,301,492 | 136,765 | 12/14/20 |
| Orange      | TX |         | 359,323 | 1,413,577 | None | None | 359,323 | 1,413,577 | 1,772,900 | 190,833 | 8/22/20  |
| Orange      | TX |         | 267,166 | 1,051,034 | None | None | 267,166 | 1,051,034 | 1,318,200 | 141,890 | 8/22/20  |
| Paris       | TX |         | 194,054 | 844,235   | None | None | 194,054 | 844,235   | 1,038,289 | 147,741 | 8/30/20  |
| Pasadena    | TX |         | 274,400 | 1,079,491 | None | None | 274,400 | 1,079,491 | 1,353,891 | 152,928 | 6/21/20  |
| Pearsall    | TX |         | 314,465 | 584,006   | None | None | 314,465 | 584,006   | 898,471   | 106,094 | 6/1/20   |
| Pearsall    | TX |         | 179,547 | 938,079   | None | None | 179,547 | 938,079   | 1,117,626 | 111,006 | 1/24/20  |
| Perryton    | TX |         | 534,489 | 992,623   | None | None | 534,489 | 992,623   | 1,527,112 | 160,474 | 12/14/20 |
| Pharr       | TX |         | 506,911 | 941,407   | None | None | 506,911 | 941,407   | 1,448,318 | 171,022 | 6/1/20   |
| Pinehurst   | TX |         | 556,823 | 861,686   | None | None | 556,823 | 861,686   | 1,418,509 | 145,051 | 10/31/20 |
| Pineland    | TX | 703,000 | 149,928 | 1,092,708 | None | None | 149,928 | 1,092,708 | 1,242,636 | 118,377 | 4/1/20   |
| Pittsburg   | TX |         | 469,724 | 872,344   | None | None | 469,724 | 872,344   | 1,342,068 | 158,476 | 6/1/20   |
| Port Acres  | TX |         | 268,899 | 499,384   | None | None | 268,899 | 499,384   | 768,283   | 90,721  | 6/1/20   |
| Port Arthur | TX |         | 253,535 | 828,487   | None | None | 253,535 | 828,487   | 1,082,022 | 144,985 | 8/30/20  |
| Port Neches | TX |         | 498,469 | 925,729   | None | None | 498,469 | 925,729   | 1,424,198 | 149,659 | 12/14/20 |
| Porter      | TX |         | 559,462 | 1,039,001 | None | None | 559,462 | 1,039,001 | 1,598,463 | 167,972 | 12/14/20 |
| Progreso    | TX |         | 200,597 | 372,537   | None | None | 200,597 | 372,537   | 573,134   | 60,227  | 12/14/20 |
| Rio Grande  | TX |         | 171,514 | 896,112   | None | None | 171,514 | 896,112   | 1,067,626 | 106,040 | 1/24/20  |
| City        |    |         |         |           |      |      |         |           |           |         |          |
| Rio Vista   | TX |         | 61,254  | 829,871   | None | None | 61,254  | 829,871   | 891,125   | 145,227 | 8/30/20  |
| Rockdale    | TX | 592,000 | 174,972 | 845,963   | None | None | 174,972 | 845,963   | 1,020,935 | 91,646  | 4/1/20   |
| Rosenberg   | TX |         | 408,933 | 759,448   | None | None | 408,933 | 759,448   | 1,168,381 | 137,966 | 6/1/20   |
| Rusk        | TX |         | 446,174 | 828,610   | None | None | 446,174 | 828,610   | 1,274,784 | 133,959 | 12/14/20 |
| Saginaw     | TX |         | 485,162 | 901,016   | None | None | 485,162 | 901,016   | 1,386,178 | 163,685 | 6/1/20   |
| San Angelo  | TX |         | 308,573 | 1,000,504 | None | None | 308,573 | 1,000,504 | 1,309,077 | 175,088 | 8/30/20  |
| San Antonio | TX |         | 663,903 | 1,232,962 | None | None | 663,903 | 1,232,962 | 1,896,865 | 223,988 | 6/1/20   |
| San Antonio | TX |         | 474,828 | 881,824   | None | None | 474,828 | 881,824   | 1,356,652 | 160,198 | 6/1/20   |
| San Antonio | TX |         | 357,827 | 664,536   | None | None | 357,827 | 664,536   | 1,022,363 | 120,724 | 6/1/20   |



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|             |    |         |           |      |      |         |           |           |         |          |
|-------------|----|---------|-----------|------|------|---------|-----------|-----------|---------|----------|
| San Antonio | TX | 637,451 | 1,183,837 | None | None | 637,451 | 1,183,837 | 1,821,288 | 215,064 | 6/1/20   |
| San Antonio | TX | 265,044 | 818,313   | None | None | 265,044 | 818,313   | 1,083,357 | 143,205 | 8/30/20  |
| San Antonio | TX | 273,109 | 896,601   | None | None | 273,109 | 896,601   | 1,169,710 | 156,905 | 8/30/20  |
| San Antonio | TX | 408,997 | 1,329,239 | None | None | 408,997 | 1,329,239 | 1,738,236 | 210,463 | 1/22/20  |
| San Antonio | TX | 325,537 | 1,280,663 | None | None | 325,537 | 1,280,663 | 1,606,200 | 172,890 | 8/22/20  |
| San         | TX | 468,018 | 869,176   | None | None | 468,018 | 869,176   | 1,337,194 | 140,517 | 12/14/20 |
| Augustine   |    |         |           |      |      |         |           |           |         |          |
| San Benito  | TX | 149,582 | 781,526   | None | None | 149,582 | 781,526   | 931,108   | 92,481  | 1/24/20  |
| Santa Fe    | TX | 450,685 | 1,115,790 | None | None | 450,685 | 1,115,790 | 1,566,475 | 132,035 | 1/24/20  |

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REALTY INCOME CORPORATION AND SUBSIDIARIES

SCHEDULE III REAL ESTATE AND ACCUMULATED DEPRECIATION

AS OF DECEMBER 31, 2016

| Description<br>(Note 1) | Encumbrances<br>(Note 2) | Initial Cost to Company |  |              |       | Cost Capitalized<br>Subsequent<br>to Acquisition |           | Gross Amount at Which Carried<br>at Close of Period (Notes 3, 4, 6 and<br>7) |         |  | Accumulated<br>Depreciation<br>(Note 5) | Date of<br>Construction | D |
|-------------------------|--------------------------|-------------------------|--|--------------|-------|--|-----------|--|---------|--|---|-------------------------|---|
|                         |                          | Land                    | Buildings,<br>Improvements<br>and<br>Acquisition<br>Fees | Improvements | Costs | Land   | Fees      | Total  |         |  |   |                         |   |
| Schertz TX              |                          | 300,878                 | 558,773  | None         | None  | 300,878  | 558,773   | 859,651  | 101,510 |  | 6/1                                     |                         |   |
| Sealy TX                | 723,000                  | 213,880                 | 1,034,081  | None         | None  | 213,880  | 1,034,081 | 1,247,961  | 112,025 |  | 4/1                                     |                         |   |
| Seminole TX             |                          | 103,470                 | 899,122  | None         | None  | 103,470  | 899,122   | 1,002,592  | 157,346 |  | 8/30                                    |                         |   |
| Seminole TX             |                          | 364,491                 | 1,433,909  | None         | None  | 364,491  | 1,433,909 | 1,798,400  | 193,578 |  | 8/22                                    |                         |   |
| Sherman TX              |                          | 242,135                 | 449,678  | None         | None  | 242,135  | 449,678   | 691,813  | 81,692  |  | 6/1                                     |                         |   |
| Sullivan City TX        |                          | 496,544                 | 922,154  | None         | None  | 496,544  | 922,154   | 1,418,698  | 149,082 |  | 12/1                                    |                         |   |
| Taft TX                 |                          | 177,408                 | 926,908  | None         | None  | 177,408  | 926,908   | 1,104,316  | 109,684 |  | 1/24                                    |                         |   |
| Temple TX               |                          | 248,015                 | 805,588  | None         | None  | 248,015  | 805,588   | 1,053,603  | 140,978 |  | 8/30                                    |                         |   |
| Temple TX               |                          | 580,869                 | 1,078,758  | None         | None  | 580,869  | 1,078,758 | 1,659,627  | 174,399 |  | 12/1                                    |                         |   |
| Texas City TX           |                          | 238,472                 | 973,286  | None         | None  | 238,472  | 973,286   | 1,211,758  | 170,325 |  | 8/30                                    |                         |   |
| Three Rivers TX         |                          | 225,995                 | 1,068,797  | None         | None  | 225,995  | 1,068,797 | 1,294,792  | 126,474 |  | 1/24                                    |                         |   |
| Valley View TX          |                          | 185,843                 | 878,905  | None         | None  | 185,843  | 878,905   | 1,064,748  | 104,004 |  | 1/24                                    |                         |   |
| Van Horn TX             | 707,000                  | 147,318                 | 1,073,686  | None         | None  | 147,318  | 1,073,686 | 1,221,004  | 116,316 |  | 4/1                                     |                         |   |
| Waco TX                 |                          | 527,779                 | 980,161  | None         | None  | 527,779  | 980,161   | 1,507,940  | 178,063 |  | 6/1                                     |                         |   |
| Wells TX                |                          | 141,780                 | 840,639  | None         | None  | 141,780  | 840,639   | 982,419  | 147,112 |  | 8/30                                    |                         |   |
| Wichita Falls TX        |                          | 297,454                 | 552,415  | None         | None  | 297,454  | 552,415   | 849,869  | 100,355 |  | 6/1                                     |                         |   |
| Willis TX               |                          | 664,432                 | 1,233,946  | None         | None  | 664,432  | 1,233,946 | 1,898,378  | 224,167 |  | 6/1                                     |                         |   |
| Wills Point TX          |                          | 417,304                 | 774,994  | None         | None  | 417,304  | 774,994   | 1,192,298  | 125,291 |  | 12/1                                    |                         |   |
| Wilmer TX               |                          | 489,576                 | 909,212  | None         | None  | 489,576  | 909,212   | 1,398,788  | 146,989 |  | 12/1                                    |                         |   |
| Winnsboro TX            |                          | 446,940                 | 830,031  | None         | None  | 446,940  | 830,031   | 1,276,971  | 134,188 |  | 12/1                                    |                         |   |
| Winters TX              |                          | 50,842                  | 811,377  | None         | None  | 50,842   | 811,377   | 862,219  | 141,991 |  | 8/30                                    |                         |   |
| Zapata TX               |                          | 249,421                 | 1,303,154  | None         | None  | 249,421  | 1,303,154 | 1,552,575  | 154,207 |  | 1/24                                    |                         |   |
| Kanab UT                |                          | 563,114                 | 1,045,783  | None         | None  | 563,114  | 1,045,783 | 1,608,897  | 189,984 |  | 6/1                                     |                         |   |
| Mt Pleasant UT          |                          | 573,530                 | 1,065,126  | None         | None  | 573,530  | 1,065,126 | 1,638,656  | 193,498 |  | 6/1                                     |                         |   |
| Charlotte Ct Hous VA    |                          | 154,295                 | 1,028,208  | None         | None  | 154,295  | 1,028,208 | 1,182,503  | 121,671 |  | 1/24                                    |                         |   |
| Colonial Heights VA     |                          | 337,535                 | 1,327,865  | None         | None  | 337,535  | 1,327,865 | 1,665,400  | 179,262 |  | 8/22                                    |                         |   |
| Colonial Heights VA     |                          | 283,623                 | 1,115,777  | None         | None  | 283,623  | 1,115,777 | 1,399,400  | 150,630 |  | 8/22                                    |                         |   |
| Concord VA              |                          | 259,997                 | 906,036  | None         | None  | 259,997  | 906,036   | 1,166,033  | 158,556 |  | 8/30                                    |                         |   |
| Craigsville VA          |                          | 141,713                 | 944,359  | None         | None  | 141,713  | 944,359   | 1,086,072  | 111,749 |  | 1/24                                    |                         |   |
| Danville VA             |                          | 223,469                 | 879,131  | None         | None  | 223,469  | 879,131   | 1,102,600  | 118,683 |  | 8/22                                    |                         |   |
| Fancy Gap VA            |                          | 153,509                 | 1,022,966  | None         | None  | 153,509  | 1,022,966 | 1,176,475  | 121,051 |  | 1/24                                    |                         |   |
| Fork Union VA           |                          | 159,295                 | 1,061,525  | None         | None  | 159,295  | 1,061,525 | 1,220,820  | 125,614 |  | 1/24                                    |                         |   |
| Goshen VA               |                          | 80,157                  | 831,602  | None         | None  | 80,157   | 831,602   | 911,759  | 145,530 |  | 8/30                                    |                         |   |
| Madison Heights VA      |                          | 276,413                 | 936,546  | None         | None  | 276,413  | 936,546   | 1,212,959  | 163,896 |  | 8/30                                    |                         |   |
| Mineral VA              |                          | 202,879                 | 1,059,984  | None         | None  | 202,879  | 1,059,984 | 1,262,863  | 125,432 |  | 1/24                                    |                         |   |
| Onley VA                |                          | 313,433                 | 582,089  | None         | None  | 313,433  | 582,089   | 895,522  | 94,104  |  | 12/1                                    |                         |   |
| Portsmouth VA           |                          | 524,294                 | 973,688  | None         | None  | 524,294  | 973,688   | 1,497,982  | 176,887 |  | 6/1                                     |                         |   |
| Rich Creek VA           |                          | 194,447                 | 940,122  | None         | None  | 194,447  | 940,122   | 1,134,569  | 104,980 |  | 3/25                                    |                         |   |
| Richmond VA             |                          | 709,379                 | 1,317,417  | None         | None  | 709,379  | 1,317,417 | 2,026,796  | 239,331 |  | 6/1                                     |                         |   |

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|                    |    |           |           |         |      |           |           |           |           |      |
|--------------------|----|-----------|-----------|---------|------|-----------|-----------|-----------|-----------|------|
| Richmond           | VA | 344,912   | 1,356,888 | None    | None | 344,912   | 1,356,888 | 1,701,800 | 183,180   | 8/22 |
| Roanoke            | VA | 591,344   | 1,098,210 | None    | None | 591,344   | 1,098,210 | 1,689,554 | 199,508   | 6/1  |
| Roanoke            | VA | 655,795   | 1,217,906 | None    | None | 655,795   | 1,217,906 | 1,873,701 | 196,895   | 12/1 |
| Roanoke            | VA | 478,904   | 889,394   | None    | None | 478,904   | 889,394   | 1,368,298 | 143,785   | 12/1 |
| Shawsville         | VA | 334,624   | 1,066,596 | None    | None | 334,624   | 1,066,596 | 1,401,220 | 186,654   | 8/30 |
| Shenandoah         | VA | 192,613   | 1,006,351 | None    | None | 192,613   | 1,006,351 | 1,198,964 | 119,085   | 1/24 |
| Spotsylvania       | VA | 300,324   | 1,181,476 | None    | None | 300,324   | 1,181,476 | 1,481,800 | 159,499   | 8/22 |
| Stanleytown        | VA | 359,846   | 668,286   | None    | None | 359,846   | 668,286   | 1,028,132 | 108,040   | 12/1 |
| Stony Creek        | VA | 237,764   | 935,366   | None    | None | 237,764   | 935,366   | 1,173,130 | 132,510   | 6/21 |
| Victoria           | VA | 194,099   | 914,642   | None    | None | 194,099   | 914,642   | 1,108,741 | 160,062   | 8/30 |
| Eagle River        | WI | 208,955   | 388,060   | None    | None | 208,955   | 388,060   | 597,015   | 62,736    | 12/1 |
| Milwaukee          | WI | 538,419   | 999,922   | None    | None | 538,419   | 999,922   | 1,538,341 | 181,652   | 6/1  |
| Milwaukee          | WI | 120,000   | 664,289   | 32,249  | None | 120,000   | 696,538   | 816,538   | 82,107    | 3/14 |
| Milwaukee          | WI | 359,110   | 591,334   | None    | None | 359,110   | 591,334   | 950,444   | 32,234    | 10/9 |
| Spooner            | WI | 564,022   | 1,047,470 | None    | None | 564,022   | 1,047,470 | 1,611,492 | 190,290   | 6/1  |
| French Creek       | WV | 270,000   | 1,162,377 | None    | None | 270,000   | 1,162,377 | 1,432,377 | 48,432    | 12/1 |
| Lewisburg          | WV | 290,000   | 1,063,577 | None    | None | 290,000   | 1,063,577 | 1,353,577 | 44,316    | 12/1 |
| Mount Hope         | WV | 186,300   | 732,905   | None    | None | 186,300   | 732,905   | 919,205   | 101,385   | 7/23 |
| Princeton          | WV | 280,344   | 911,119   | 8,500   | None | 280,344   | 919,619   | 1,199,963 | 148,908   | 1/22 |
| Rock               | WV | 332,222   | 1,079,721 | None    | None | 332,222   | 1,079,721 | 1,411,943 | 170,956   | 1/22 |
| Shady Spring       | WV | 204,338   | 833,689   | None    | None | 204,338   | 833,689   | 1,038,027 | 126,443   | 3/27 |
| Cheyenne           | WY | 521,603   | 968,690   | None    | None | 521,603   | 968,690   | 1,490,293 | 175,979   | 6/1  |
| Cheyenne           | WY | 564,022   | 1,047,470 | None    | None | 564,022   | 1,047,470 | 1,611,492 | 190,290   | 6/1  |
| <u>Drug stores</u> |    |           |           |         |      |           |           |           |           |      |
| Atmore             | AL | 1,689,229 | 4,025,584 | None    | None | 1,689,229 | 4,025,584 | 5,714,813 | 275,082   | 4/29 |
| Auburn             | AL | 1,696,833 | 3,901,754 | None    | None | 1,696,833 | 3,901,754 | 5,598,587 | 617,778   | 1/22 |
| Bessemer           | AL | 913,349   | 2,269,571 | None    | None | 913,349   | 2,269,571 | 3,182,920 | 208,044   | 9/30 |
| Chelsea            | AL | 1,157,579 | 3,575,632 | None    | None | 1,157,579 | 3,575,632 | 4,733,211 | 566,142   | 1/22 |
| Huntsville         | AL | 1,971,282 | 3,528,526 | None    | None | 1,971,282 | 3,528,526 | 5,499,808 | 41,166    | 9/29 |
| Montgomery         | AL | 1,150,000 | 1,479,627 | None    | None | 1,150,000 | 1,479,627 | 2,629,627 | 702,831   | 2/9  |
| Northport          | AL | 1,650,000 | 4,829,538 | None    | None | 1,650,000 | 4,829,538 | 6,479,538 | 330,018   | 4/29 |
| Tuscaloosa         | AL | 2,000,550 | 4,371,497 | None    | None | 2,000,550 | 4,371,497 | 6,372,047 | 298,719   | 4/29 |
| Monticello         | AR | 1,990,000 | 3,710,723 | None    | None | 1,990,000 | 3,710,723 | 5,700,723 | 253,566   | 4/29 |
| Van Buren          | AR | 1,328,049 | 3,008,245 | None    | None | 1,328,049 | 3,008,245 | 4,336,294 | 396,086   | 9/25 |
| Apache Junction    | AZ | 2,147,586 | 3,844,103 | None    | None | 2,147,586 | 3,844,103 | 5,991,689 | 44,848    | 9/29 |
| Chandler           | AZ | -         | 3,540,215 | None    | None | -         | 3,540,215 | 3,540,215 | 560,534   | 1/22 |
| Chandler           | AZ | 1,086,262 | 2,460,559 | None    | None | 1,086,262 | 2,460,559 | 3,546,821 | 323,974   | 9/25 |
| El Mirage          | AZ | 1,179,770 | 2,672,369 | None    | None | 1,179,770 | 2,672,369 | 3,852,139 | 351,862   | 9/25 |
| Mesa               | AZ | 1,347,649 | 3,790,620 | None    | None | 1,347,649 | 3,790,620 | 5,138,269 | 537,005   | 6/14 |
| Mesa               | AZ | 1,545,555 | 4,347,285 | None    | None | 1,545,555 | 4,347,285 | 5,892,840 | 615,865   | 6/14 |
| Phoenix            | AZ | -         | 3,381,632 | None    | None | -         | 3,381,632 | 3,381,632 | 535,425   | 1/22 |
| Phoenix            | AZ | 1,562,759 | 4,395,676 | None    | None | 1,562,759 | 4,395,676 | 5,958,435 | 622,721   | 6/14 |
| Surprise           | AZ | 1,358,528 | 3,821,220 | None    | None | 1,358,528 | 3,821,220 | 5,179,748 | 541,339   | 6/14 |
| Tucson             | AZ | 959,875   | 2,350,208 | None    | None | 959,875   | 2,350,208 | 3,310,083 | 411,286   | 8/10 |
| Bakersfield        | CA | -         | 3,501,678 | None    | None | -         | 3,501,678 | 3,501,678 | 1,243,095 | 2/26 |
| Blythe             | CA | -         | 3,762,216 | None    | None | -         | 3,762,216 | 3,762,216 | 156,759   | 12/4 |
| Clearlake          | CA | 780,000   | 4,571,338 | None    | None | 780,000   | 4,571,338 | 5,351,338 | 190,472   | 12/4 |
| Encinitas          | CA | -         | 3,751,713 | None    | None | -         | 3,751,713 | 3,751,713 | 1,331,857 | 2/26 |
| Indio              | CA | 2,205,539 | 4,096,524 | None    | None | 2,205,539 | 4,096,524 | 6,302,063 | 1,454,265 | 2/21 |
| Pico Rivera        | CA | -         | 4,633,063 | None    | None | -         | 4,633,063 | 4,633,063 | 733,568   | 1/22 |
| Sacramento         | CA | 1,490,000 | 3,473,583 | None    | None | 1,490,000 | 3,473,583 | 4,963,583 | 862,607   | 10/2 |
| Seal Beach         | CA | -         | 4,448,814 | None    | None | -         | 4,448,814 | 4,448,814 | 185,367   | 12/4 |
| Tracy              | CA | 2,467,993 | 4,584,246 | None    | None | 2,467,993 | 4,584,246 | 7,052,239 | 1,657,969 | 12/2 |
| Visalia            | CA | -         | 4,333,023 | None    | None | -         | 4,333,023 | 4,333,023 | 686,062   | 1/22 |
| Colorado Springs   | CO | 1,025,000 | 1,645,371 | 36,980  | 79   | 1,025,000 | 1,682,430 | 2,707,430 | 810,556   | 2/9  |
| Colorado Springs   | CO | 1,547,023 | 3,504,257 | 151,037 | None | 1,547,023 | 3,655,294 | 5,202,317 | 474,648   | 8/29 |
| Fort Collins       | CO | 1,100,000 | 1,385,014 | None    | 79   | 1,100,000 | 1,385,093 | 2,485,093 | 657,949   | 2/9  |
| Littleton          | CO | 1,498,300 | 3,393,892 | 306,173 | None | 1,498,300 | 3,700,065 | 5,198,365 | 463,904   | 8/29 |
| Montrose           | CO | 1,958,248 | 3,505,195 | None    | None | 1,958,248 | 3,505,195 | 5,463,443 | 40,894    | 9/29 |
| Berlin             | CT | 1,532,460 | 3,786,614 | None    | None | 1,532,460 | 3,786,614 | 5,319,074 | 422,839   | 3/31 |
| Branford           | CT | 1,760,000 | 3,849,409 | None    | None | 1,760,000 | 3,849,409 | 5,609,409 | 429,851   | 3/31 |
| Millsboro          | DE | 900,000   | 4,039,490 | None    | None | 900,000   | 4,039,490 | 4,939,490 | 168,312   | 12/4 |
| Delray Beach       | FL | 4,893,115 | 3,541,070 | None    | None | 4,893,115 | 3,541,070 | 8,434,185 | 560,669   | 1/22 |

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|                 |    |           |           |         |      |           |           |           |           |      |
|-----------------|----|-----------|-----------|---------|------|-----------|-----------|-----------|-----------|------|
| Deltona         | FL | 849,162   | 2,388,495 | 111,642 | 140  | 849,162   | 2,500,277 | 3,349,439 | 342,832   | 6/4  |
| Gainesville     | FL | 1,935,853 | 3,620,924 | None    | None | 1,935,853 | 3,620,924 | 5,556,777 | 573,313   | 1/22 |
| Jacksonville    | FL | 1,605,187 | 3,691,020 | None    | None | 1,605,187 | 3,691,020 | 5,296,207 | 584,412   | 1/22 |
| Milton          | FL | 500,000   | 1,774,311 | None    | None | 500,000   | 1,774,311 | 2,274,311 | 440,621   | 10/2 |
| Orlando         | FL | 960,194   | 2,372,580 | 14,576  | None | 960,194   | 2,387,156 | 3,347,350 | 292,672   | 12/1 |
| Rockledge       | FL | 1,626,972 | 4,576,292 | 8,858   | None | 1,626,972 | 4,585,150 | 6,212,122 | 648,374   | 6/7  |
| Saint Augustine | FL | 1,442,096 | 4,056,278 | None    | None | 1,442,096 | 4,056,278 | 5,498,374 | 574,639   | 6/11 |
| Winter Park     | FL | 1,075,020 | 1,664,284 | None    | None | 1,075,020 | 1,664,284 | 2,739,304 | 1,217,729 | 9/30 |
| Acworth         | GA | 1,534,095 | 3,527,548 | None    | None | 1,534,095 | 3,527,548 | 5,061,643 | 558,528   | 1/22 |
| Adel            | GA | 500,000   | 1,056,116 | 48,524  | None | 500,000   | 1,104,640 | 1,604,640 | 504,448   | 4/29 |
| Austell         | GA | 1,234,384 | 3,610,300 | None    | None | 1,234,384 | 3,610,300 | 4,844,684 | 571,631   | 1/22 |

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## REALTY INCOME CORPORATION AND SUBSIDIARIES

## SCHEDULE III REAL ESTATE AND ACCUMULATED DEPRECIATION

AS OF DECEMBER 31, 2016

| Description<br>(Note 1) | Encumbrances<br>(Note 2) | Initial Cost to Company |  |              |       | Cost Capitalized<br>Subsequent<br>to Acquisition<br><br>Carrying | Gross Amount at Which Carried<br>at Close of Period (Notes 3, 4, 6 and<br>7) |  |           | Accumulated<br>Depreciation<br>(Note 5) | Date of<br>Construction |
|-------------------------|--------------------------|-------------------------|--|--------------|-------|--|--|--|-----------|---|-------------------------|
|                         |                          | Land                    | Buildings,<br>Improvements<br>and<br>Acquisition<br>Fees | Improvements | Costs |  | Land   | Buildings,<br>Improvements<br>and<br>Acquisition<br>Fees | Total     |   |                         |
| Blackshear              | GA                       | 430,000                 | 1,005,393  | 46,950       | None  | 430,000  | 1,052,343  | 1,482,343  | 473,866   | 4/                                      |                         |
| Bowdon                  | GA                       | 410,000                 | 1,010,615  | None         | None  | 410,000  | 1,010,615  | 1,420,615  | 473,299   | 4/                                      |                         |
| Cairo                   | GA                       | 330,000                 | 1,152,243  | 54,608       | None  | 330,000  | 1,206,851  | 1,536,851  | 542,256   | 4/                                      |                         |
| Columbus                | GA                       | 1,740,000               | 5,024,581  | 800          | None  | 1,740,000  | 5,025,381  | 6,765,381  | 712,224   | 6/                                      |                         |
| Decatur                 | GA                       | 1,546,047               | 3,555,032  | 65,720       | None  | 1,546,047  | 3,620,752  | 5,166,799  | 577,543   | 1/                                      |                         |
| East Ellijay            | GA                       | 1,317,709               | 3,029,984  | None         | None  | 1,317,709  | 3,029,984  | 4,347,693  | 479,748   | 1/                                      |                         |
| Lawrenceville           | GA                       | 1,109,742               | 3,121,445  | 71,737       | None  | 1,109,742  | 3,193,182  | 4,302,924  | 450,591   | 6/                                      |                         |
| Lithia Springs          | GA                       | 1,543,512               | 3,549,202  | None         | None  | 1,543,512  | 3,549,202  | 5,092,714  | 561,957   | 1/                                      |                         |
| Quitman                 | GA                       | 730,000                 | 856,586  | None         | None  | 730,000  | 856,586  | 1,586,586  | 406,870   | 2/                                      |                         |
| Rome                    | GA                       | -                       | 3,389,465  | None         | None  | -  | 3,389,465  | 3,389,465  | 536,665   | 1/                                      |                         |
| Rome                    | GA                       | 1,293,890               | 3,639,408  | None         | None  | 1,293,890  | 3,639,408  | 4,933,298  | 515,583   | 6/                                      |                         |
| Altoona                 | IA                       | 1,440,000               | 3,440,755  | None         | None  | 1,440,000  | 3,440,755  | 4,880,755  | 40,142    | 9/                                      |                         |
| Iowa City               | IA                       | 1,892,972               | 3,388,354  | None         | None  | 1,892,972  | 3,388,354  | 5,281,326  | 39,531    | 9/                                      |                         |
| Ottumwa                 | IA                       | 1,687,561               | 3,880,433  | None         | None  | 1,687,561  | 3,880,433  | 5,567,994  | 614,402   | 1/                                      |                         |
| Waterloo                | IA                       | 1,760,000               | 4,023,600  | None         | None  | 1,760,000  | 4,023,600  | 5,783,600  | 274,946   | 4/                                      |                         |
| Blackfoot               | ID                       | 560,000                 | 1,932,186  | 60,641       | None  | 560,000  | 1,992,827  | 2,552,827  | 918,664   | 2/                                      |                         |
| Burley                  | ID                       | 700,000                 | 2,011,543  | 62,154       | None  | 700,000  | 2,073,697  | 2,773,697  | 956,381   | 2/                                      |                         |
| Chubbuck                | ID                       | 890,000                 | 1,267,183  | 52,044       | None  | 890,000  | 1,319,227  | 2,209,227  | 602,445   | 2/                                      |                         |
| Chicago                 | IL                       | 1,589,068               | 2,841,507  | 175,063      | None  | 1,589,068  | 3,016,570  | 4,605,638  | 544,149   | 6/                                      |                         |
| Chicago                 | IL                       | 1,462,870               | 3,735,267  | None         | None  | 1,462,870  | 3,735,267  | 5,198,137  | 591,417   | 1/                                      |                         |
| Chicago                 | IL                       | 1,744,950               | 3,952,594  | 53,843       | None  | 1,744,950  | 4,006,437  | 5,751,387  | 520,761   | 9/                                      |                         |
| Chicago                 | IL                       | 1,584,794               | 4,502,544  | None         | None  | 1,584,794  | 4,502,544  | 6,087,338  | 562,818   | 11/                                     |                         |
| Chicago                 | IL                       | 1,272,921               | 3,580,429  | 40,423       | None  | 1,272,921  | 3,620,852  | 4,893,773  | 507,480   | 6/                                      |                         |
| Heights                 |                          |                         |  |              |       |  |  |  |           |   |                         |
| Darien                  | IL                       | 1,198,099               | 3,369,971  | 33,928       | None  | 1,198,099  | 3,403,899  | 4,601,998  | 488,843   | 5/                                      |                         |
| Deerfield               | IL                       | 4,092,687               | 11,511,770   | None         | None  | 4,092,687  | 11,511,770   | 15,604,457   | 1,110,063 | 8/                                      |                         |
| Deerfield               | IL                       | 4,261,874               | 11,987,653   | None         | None  | 4,261,874  | 11,987,653   | 16,249,527   | 1,155,952 | 8/                                      |                         |
| Deerfield               | IL                       | 4,082,432               | 11,482,923   | None         | None  | 4,082,432  | 11,482,923   | 15,565,355   | 1,107,282 | 8/                                      |                         |
| Deerfield               | IL                       | 4,089,453               | 11,502,673   | None         | None  | 4,089,453  | 11,502,673   | 15,592,126   | 1,109,186 | 8/                                      |                         |
| Deerfield               | IL                       | 2,586,157               | 7,274,253  | None         | None  | 2,586,157  | 7,274,253  | 9,860,410  | 701,446   | 8/                                      |                         |
| Deerfield               | IL                       | 3,180,926               | 8,947,200  | None         | None  | 3,180,926  | 8,947,200  | 12,128,126   | 862,766   | 8/                                      |                         |
| Doiton                  | IL                       | 1,860,000               | 4,204,975  | None         | None  | 1,860,000  | 4,204,975  | 6,064,975  | 91,108    | 6/                                      |                         |
| East Peoria             | IL                       | 1,217,434               | 2,532,652  | None         | None  | 1,217,434  | 2,532,652  | 3,750,086  | 54,874    | 6/                                      |                         |
| Maryville               | IL                       | 780,685                 | 2,344,436  | None         | None  | 780,685  | 2,344,436  | 3,125,121  | 543,128   | 3/                                      |                         |
| Moline                  | IL                       | 1,104,813               | 3,748,707  | None         | None  | 1,104,813  | 3,748,707  | 4,853,520  | 593,545   | 1/                                      |                         |
| Oak Forest              | IL                       | 1,562,490               | 4,394,918  | None         | None  | 1,562,490  | 4,394,918  | 5,957,408  | 622,613   | 6/                                      |                         |
| Pekin                   | IL                       | 897,200                 | 1,866,462  | None         | None  | 897,200  | 1,866,462  | 2,763,662  | 40,440    | 6/                                      |                         |
| Peoria                  | IL                       | 867,025                 | 1,803,689  | None         | None  | 867,025  | 1,803,689  | 2,670,714  | 39,080    | 6/                                      |                         |
| Plainfield              | IL                       | 1,463,785               | 3,365,876  | None         | None  | 1,463,785  | 3,365,876  | 4,829,661  | 532,930   | 1/                                      |                         |
| Springfield             | IL                       | 1,343,188               | 3,778,072  | 82,178       | None  | 1,343,188  | 3,860,250  | 5,203,438  | 539,849   | 6/                                      |                         |
| Springfield             | IL                       | 1,227,859               | 3,453,680  | None         | None  | 1,227,859  | 3,453,680  | 4,681,539  | 489,271   | 6/                                      |                         |
| Troy                    | IL                       | 768,515                 | 1,991,358  | None         | None  | 768,515  | 1,991,358  | 2,759,873  | 461,331   | 3/                                      |                         |
| Anderson                | IN                       | 937,591                 | 2,123,795  | None         | None  | 937,591  | 2,123,795  | 3,061,386  | 279,633   | 9/                                      |                         |

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|                |    |           |           |           |      |           |           |           |           |     |
|----------------|----|-----------|-----------|-----------|------|-----------|-----------|-----------|-----------|-----|
| Aurora         | IN | 980,000   | 2,521,122 | None      | None | 980,000   | 2,521,122 | 3,501,122 | 96,643    | 1   |
| Chesterton     | IN | 616,498   | 4,930,886 | None      | None | 616,498   | 4,930,886 | 5,547,384 | 780,724   | 1/  |
| Elkhart        | IN | 1,772,161 | 4,074,966 | None      | None | 1,772,161 | 4,074,966 | 5,847,127 | 645,203   | 1/  |
| Fort Wayne     | IN | 1,814,885 | 3,965,792 | None      | None | 1,814,885 | 3,965,792 | 5,780,677 | 270,996   | 4/  |
| Fort Wayne     | IN | 1,163,111 | 2,419,644 | None      | None | 1,163,111 | 2,419,644 | 3,582,755 | 52,426    | 6/  |
| Fort Wayne     | IN | 1,319,890 | 2,745,793 | None      | None | 1,319,890 | 2,745,793 | 4,065,683 | 59,492    | 6/  |
| Fort Wayne     | IN | 1,710,000 | 3,014,685 | None      | None | 1,710,000 | 3,014,685 | 4,724,685 | 35,171    | 9/  |
| Hammond        | IN | 667,821   | 2,656,839 | None      | 50   | 667,821   | 2,656,889 | 3,324,710 | 500,383   | 4/  |
| Indianapolis   | IN | 1,630,000 | 5,235,915 | None      | None | 1,630,000 | 5,235,915 | 6,865,915 | 741,755   | 6/  |
| Indianapolis   | IN | 1,123,685 | 3,160,662 | None      | None | 1,123,685 | 3,160,662 | 4,284,347 | 447,760   | 6/  |
| Kokomo         | IN | 978,592   | 2,216,668 | 128,344   | None | 978,592   | 2,345,012 | 3,323,604 | 300,499   | 9/  |
| La Porte       | IN | 1,765,195 | 3,959,682 | None      | None | 1,765,195 | 3,959,682 | 5,724,877 | 270,578   | 4/  |
| Logansport     | IN | 903,696   | 2,245,585 | 76,549    | None | 903,696   | 2,322,134 | 3,225,830 | 190,111   | 12/ |
| Marion         | IN | 1,247,236 | 3,508,184 | None      | None | 1,247,236 | 3,508,184 | 4,755,420 | 496,993   | 6/  |
| Monticello     | IN | 694,032   | 1,952,148 | 175,768   | None | 694,032   | 2,127,916 | 2,821,948 | 304,886   | 6/  |
| Monticello     | IN | 1,430,000 | 4,425,257 | None      | None | 1,430,000 | 4,425,257 | 5,855,257 | 302,393   | 4/  |
| New Haven      | IN | 1,140,000 | 2,764,616 | None      | None | 1,140,000 | 2,764,616 | 3,904,616 | 59,900    | 6/  |
| Princeton      | IN | 2,033,742 | 4,676,454 | None      | None | 2,033,742 | 4,676,454 | 6,710,196 | 740,439   | 1/  |
| Salem          | IN | -         | 2,351,296 | None      | None | -         | 2,351,296 | 2,351,296 | 975,788   | 8/  |
| South Bend     | IN | 1,665,544 | 4,684,786 | None      | 14   | 1,665,544 | 4,684,800 | 6,350,344 | 663,681   | 6/  |
| Emporia        | KS | 2,035,321 | 4,447,479 | None      | None | 2,035,321 | 4,447,479 | 6,482,800 | 303,911   | 4/  |
| Hutchinson     | KS | 1,456,992 | 3,620,465 | None      | None | 1,456,992 | 3,620,465 | 5,077,457 | 295,671   | 12/ |
| Kansas City    | KS | 1,290,000 | 5,192,800 | None      | None | 1,290,000 | 5,192,800 | 6,482,800 | 354,841   | 4/  |
| Liberal        | KS | 2,000,000 | 3,595,400 | None      | None | 2,000,000 | 3,595,400 | 5,595,400 | 41,946    | 9/  |
| Merriam        | KS | 1,441,117 | 4,053,526 | None      | None | 1,441,117 | 4,053,526 | 5,494,643 | 574,249   | 6/  |
| Newton         | KS | 1,340,000 | 3,335,460 | None      | None | 1,340,000 | 3,335,460 | 4,675,460 | 272,396   | 12/ |
| Parsons        | KS | 2,090,000 | 4,248,446 | None      | None | 2,090,000 | 4,248,446 | 6,338,446 | 290,310   | 4/  |
| Lebanon        | KY | 1,718,716 | 4,095,853 | None      | None | 1,718,716 | 4,095,853 | 5,814,569 | 279,883   | 4/  |
| Louisville     | KY | 2,386,891 | 4,017,753 | None      | None | 2,386,891 | 4,017,753 | 6,404,644 | 636,144   | 1/  |
| Louisville     | KY | 1,785,691 | 4,106,077 | None      | None | 1,785,691 | 4,106,077 | 5,891,768 | 650,129   | 1/  |
| Louisville     | KY | 1,565,241 | 3,947,885 | None      | None | 1,565,241 | 3,947,885 | 5,513,126 | 625,082   | 1/  |
| Louisville     | KY | 2,540,000 | 3,918,593 | None      | None | 2,540,000 | 3,918,593 | 6,458,593 | 267,771   | 4/  |
| Mayfield       | KY | 1,782,381 | 4,098,467 | None      | None | 1,782,381 | 4,098,467 | 5,880,848 | 648,924   | 1/  |
| Paducah        | KY | 1,792,850 | 4,021,718 | None      | None | 1,792,850 | 4,021,718 | 5,814,568 | 274,817   | 4/  |
| Radcliff       | KY | 1,305,607 | 3,960,699 | None      | None | 1,305,607 | 3,960,699 | 5,266,306 | 627,111   | 1/  |
| Amite          | LA | 1,633,328 | 3,755,728 | None      | None | 1,633,328 | 3,755,728 | 5,389,056 | 594,657   | 1/  |
| Gretna         | LA | 3,570,000 | 5,037,780 | None      | None | 3,570,000 | 5,037,780 | 8,607,780 | 461,797   | 9/  |
| Morgan City    | LA | 1,378,894 | 3,170,675 | None      | None | 1,378,894 | 3,170,675 | 4,549,569 | 502,024   | 1/  |
| Pineville      | LA | 1,527,708 | 3,593,739 | None      | None | 1,527,708 | 3,593,739 | 5,121,447 | 281,510   | 1/  |
| Brockton       | MA | 1,420,000 | 5,586,439 | None      | None | 1,420,000 | 5,586,439 | 7,006,439 | 623,819   | 3/  |
| Melrose        | MA | 2,450,000 | 5,344,307 | None      | None | 2,450,000 | 5,344,307 | 7,794,307 | 596,781   | 3/  |
| Baltimore      | MD | -         | 3,545,162 | None      | None | -         | 3,545,162 | 3,545,162 | 147,715   | 12/ |
| Elkton         | MD | 1,751,013 | 3,252,546 | None      | None | 1,751,013 | 3,252,546 | 5,003,559 | 1,154,652 | 1/  |
| Laurel         | MD | -         | 2,400,696 | None      | None | -         | 2,400,696 | 2,400,696 | 996,289   | 8/  |
| Biddeford      | ME | -         | 3,587,125 | None      | None | -         | 3,587,125 | 3,587,125 | 567,962   | 1/  |
| Brewer         | ME | 2,030,000 | 4,935,503 | None      | None | 2,030,000 | 4,935,503 | 6,965,503 | 699,196   | 6/  |
| Farmington     | ME | 1,310,995 | 3,687,522 | None      | None | 1,310,995 | 3,687,522 | 4,998,517 | 522,399   | 6/  |
| Lisbon         | ME | 1,403,949 | 3,948,979 | None      | None | 1,403,949 | 3,948,979 | 5,352,928 | 559,439   | 6/  |
| Machias        | ME | 1,250,032 | 3,516,047 | None      | None | 1,250,032 | 3,516,047 | 4,766,079 | 498,107   | 6/  |
| Portland       | ME | 2,100,849 | 3,902,402 | None      | None | 2,100,849 | 3,902,402 | 6,003,251 | 1,411,368 | 12/ |
| Charlotte      | MI | 466,474   | 3,640,666 | None      | None | 466,474   | 3,640,666 | 4,107,140 | 576,439   | 1/  |
| Dearborn       | MI | 2,170,000 | 4,413,371 | None      | None | 2,170,000 | 4,413,371 | 6,583,371 | 301,580   | 4/  |
| Gladwin        | MI | 1,365,747 | 2,536,910 | None      | None | 1,365,747 | 2,536,910 | 3,902,657 | 900,602   | 2/  |
| Jackson        | MI | 2,140,000 | 4,436,052 | None      | None | 2,140,000 | 4,436,052 | 6,576,052 | 216,522   | 4/  |
| Macomb         | MI | 1,084,185 | 3,049,559 | None      | None | 1,084,185 | 3,049,559 | 4,133,744 | 432,021   | 6/  |
| Metamora       | MI | 859,139   | 2,291,557 | None      | None | 859,139   | 2,291,557 | 3,150,696 | 950,996   | 8/  |
| Mount Pleasant | MI | 2,650,507 | 879,419   | 3,713,692 | None | 879,419   | 3,713,692 | 4,593,111 | 588,001   | 1/  |
| Northville     | MI | 982,099   | 3,849,614 | None      | None | 982,099   | 3,849,614 | 4,831,713 | 609,522   | 1/  |
| Norton         | MI | 2,046,387 | 4,471,658 | None      | None | 2,046,387 | 4,471,658 | 6,518,045 | 305,563   | 4/  |
| Shores         |    |           |           |           |      |           |           |           |           |     |
| Port Huron     | MI | 1,908,747 | 4,281,697 | None      | None | 1,908,747 | 4,281,697 | 6,190,444 | 292,583   | 4/  |
| Portage        | MI | 1,640,000 | 4,489,124 | None      | None | 1,640,000 | 4,489,124 | 6,129,124 | 306,757   | 4/  |
| Rockwood       | MI | 972,962   | 2,736,715 | 57,268    | None | 972,962   | 2,793,983 | 3,766,945 | 390,923   | 6/  |
| Royal Oak      | MI | 2,550,000 | 4,382,053 | None      | None | 2,550,000 | 4,382,053 | 6,932,053 | 299,440   | 4/  |
| Taylor         | MI | 2,092,605 | 4,572,653 | None      | None | 2,092,605 | 4,572,653 | 6,665,258 | 312,465   | 4/  |
| Troy           | MI | 3,184,828 | -         | 9,976     | None | 3,184,828 | 9,976     | 3,194,804 | 3,386     | 6/  |
| Washington     | MI | 1,028,277 | 2,892,301 | None      | None | 1,028,277 | 2,892,301 | 3,920,578 | 409,743   | 6/  |
| Townsh         |    |           |           |           |      |           |           |           |           |     |
|                | MN | -         | 4,106,753 | None      | None | -         | 4,106,753 | 4,106,753 | 650,236   | 1/  |

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Brooklyn  
Park

|              |    |           |           |           |      |      |           |           |           |         |   |
|--------------|----|-----------|-----------|-----------|------|------|-----------|-----------|-----------|---------|---|
| Cloquet      | MN |           | 1,220,000 | 5,151,588 | None | None | 1,220,000 | 5,151,588 | 6,371,588 | 729,808 | 6 |
| Grand Rapids | MN | 3,428,637 | 499,111   | 4,072,537 | None | None | 499,111   | 4,072,537 | 4,571,648 | 644,818 | 1 |
| Dellwood     | MO |           | 766,461   | 2,438,272 | None | None | 766,461   | 2,438,272 | 3,204,733 | 564,866 | 3 |
| Des Peres    | MO |           | 2,280,000 | 3,811,179 | None | None | 2,280,000 | 3,811,179 | 6,091,179 | 44,464  | 9 |
| Farmington   | MO |           | 1,580,000 | 5,184,052 | None | None | 1,580,000 | 5,184,052 | 6,764,052 | 734,407 | 6 |

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REALTY INCOME CORPORATION AND SUBSIDIARIES

SCHEDULE III REAL ESTATE AND ACCUMULATED DEPRECIATION

AS OF DECEMBER 31, 2016

| Description<br>(Note 1) | Encumbrances<br>(Note 2) | Initial Cost to Company                 |           |              |       | Cost Capitalized Subsequent to Acquisition |           | Gross Amount at Which Carried at Close of Period (Notes 3, 4, 6 and 7) |         |    | Accumulated Depreciation<br>(Note 5) | Date of Construction |
|-------------------------|--------------------------|---|-----------|--------------|-------|--|-----------|--|---------|----|--------------------------------------|----------------------|
|                         |                          | Buildings, Improvements and Acquisition |           | Improvements | Costs | Buildings, Improvements and Acquisition    |           |  |         |    |                                      |                      |
|                         |                          | Land                                    | Fees      |              |       | Land                                       | Fees      | Total  |         |    |                                      |                      |
| Harrisonville MO        |                          | 1,473,335                               | 3,387,834 | None         | None  | 1,473,335                                  | 3,387,834 | 4,861,169  | 536,407 | 1  |                                      |                      |
| Kansas City MO          |                          | 1,875,478                               | 4,207,068 | None         | None  | 1,875,478                                  | 4,207,068 | 6,082,546  | 287,483 | 4  |                                      |                      |
| Lees Summit MO          |                          | 2,005,545                               | 3,589,855 | None         | None  | 2,005,545                                  | 3,589,855 | 5,595,400  | 41,882  | 9  |                                      |                      |
| Rolla MO                |                          | 1,893,125                               | 3,388,626 | None         | None  | 1,893,125                                  | 3,388,626 | 5,281,751  | 39,534  | 9  |                                      |                      |
| Saint Louis MO          |                          | 2,270,000                               | 4,066,675 | None         | None  | 2,270,000                                  | 4,066,675 | 6,336,675  | 47,445  | 9  |                                      |                      |
| St. John MO             |                          | 2,300,000                               | 3,824,235 | None         | None  | 2,300,000                                  | 3,824,235 | 6,124,235  | 261,323 | 4  |                                      |                      |
| St. Joseph MO           |                          | 1,293,855                               | 3,639,311 | None         | None  | 1,293,855                                  | 3,639,311 | 4,933,166  | 515,569 | 6  |                                      |                      |
| St. Louis MO            |                          | 744,817                                 | 2,300,087 | None         | None  | 744,817                                    | 2,300,087 | 3,044,904  | 532,853 | 3  |                                      |                      |
| St. Louis MO            |                          | 1,117,749                               | 3,143,966 | None         | None  | 1,117,749                                  | 3,143,966 | 4,261,715  | 445,395 | 6  |                                      |                      |
| St. Louis MO            |                          | 2,190,000                               | 5,109,166 | None         | None  | 2,190,000                                  | 5,109,166 | 7,299,166  | 723,799 | 6  |                                      |                      |
| Wildwood MO             |                          | 681,200                                 | 2,649,759 | 12,946       | None  | 681,200                                    | 2,662,705 | 3,343,905  | 614,050 | 3  |                                      |                      |
| Byram MS                |                          | 1,243,088                               | 3,425,993 | None         | None  | 1,243,088                                  | 3,425,993 | 4,669,081  | 542,449 | 1  |                                      |                      |
| Flowood MS              |                          | 1,828,528                               | 3,995,605 | None         | None  | 1,828,528                                  | 3,995,605 | 5,824,133  | 273,033 | 4  |                                      |                      |
| Forest MS               |                          | -                                       | 2,991,069 | None         | None  | -  | 2,991,069 | 2,991,069  | 473,586 | 1  |                                      |                      |
| Greenwood MS            |                          | 520,000                                 | 3,480,407 | None         | None  | 520,000                                    | 3,480,407 | 4,000,407  | 110,213 | 3  |                                      |                      |
| Jackson MS              |                          | 1,749,695                               | 4,347,797 | None         | None  | 1,749,695                                  | 4,347,797 | 6,097,492  | 398,548 | 9  |                                      |                      |
| Philadelphia MS         |                          | 1,390,000                               | 3,636,895 | None         | None  | 1,390,000                                  | 3,636,895 | 5,026,895  | 42,430  | 9  |                                      |                      |
| Picayune MS             |                          | 1,721,543                               | 4,102,591 | None         | None  | 1,721,543                                  | 4,102,591 | 5,824,134  | 280,344 | 4  |                                      |                      |
| Kalispell MT            |                          | 1,890,000                               | 3,629,051 | None         | None  | 1,890,000                                  | 3,629,051 | 5,519,051  | 247,985 | 4  |                                      |                      |
| Asheville NC            |                          | -                                       | 3,118,366 | None         | None  | -  | 3,118,366 | 3,118,366  | 493,741 | 1  |                                      |                      |
| Charlotte NC            |                          | 923,616                                 | 2,092,139 | 21,513       | None  | 923,616                                    | 2,113,652 | 3,037,268  | 283,257 | 9  |                                      |                      |
| Creedmoor NC            |                          | 1,280,821                               | 2,945,163 | None         | None  | 1,280,821                                  | 2,945,163 | 4,225,984  | 466,317 | 1  |                                      |                      |
| High Point NC           |                          | 1,573,851                               | 4,426,874 | None         | None  | 1,573,851                                  | 4,426,874 | 6,000,725  | 627,140 | 6  |                                      |                      |
| Holly Springs NC        |                          | 1,451,019                               | 3,336,520 | None         | None  | 1,451,019                                  | 3,336,520 | 4,787,539  | 528,282 | 1  |                                      |                      |
| Roanoke Rapids NC       |                          | 1,103,934                               | 2,538,422 | None         | None  | 1,103,934                                  | 2,538,422 | 3,642,356  | 401,917 | 1  |                                      |                      |
| Walkertown NC           |                          | 1,351,535                               | 3,107,765 | None         | None  | 1,351,535                                  | 3,107,765 | 4,459,300  | 492,063 | 1  |                                      |                      |
| Whiteville NC           |                          | 634,507                                 | 2,198,831 | None         | None  | 634,507                                    | 2,198,831 | 2,833,338  | 3,665   | 12 |                                      |                      |
| Grand Island NE         |                          | 1,730,000                               | 3,792,128 | None         | None  | 1,730,000                                  | 3,792,128 | 5,522,128  | 259,129 | 4  |                                      |                      |
| Omaha NE                |                          | 1,782,721                               | 3,895,510 | None         | None  | 1,782,721                                  | 3,895,510 | 5,678,231  | 266,193 | 4  |                                      |                      |
| Omaha NE                |                          | 1,651,643                               | 3,229,112 | None         | None  | 1,651,643                                  | 3,229,112 | 4,880,755  | 37,673  | 9  |                                      |                      |
| South Sioux City NE     |                          | 1,789,238                               | 3,202,672 | None         | None  | 1,789,238                                  | 3,202,672 | 4,991,910  | 37,365  | 9  |                                      |                      |
| Derry NH                |                          | 1,210,000                               | 4,443,660 | None         | None  | 1,210,000                                  | 4,443,660 | 5,653,660  | 496,209 | 3  |                                      |                      |
| Dover NH                |                          | 1,844,188                               | 4,556,875 | None         | None  | 1,844,188                                  | 4,556,875 | 6,401,063  | 508,851 | 3  |                                      |                      |
| Plaistow NH             |                          | 940,000                                 | 4,421,512 | None         | None  | 940,000                                    | 4,421,512 | 5,361,512  | 626,381 | 6  |                                      |                      |
| Carlstadt NJ            |                          | 2,630,000                               | 4,733,522 | None         | None  | 2,630,000                                  | 4,733,522 | 7,363,522  | 433,906 | 9  |                                      |                      |
| Jackson NJ              |                          | 1,060,000                               | 3,040,000 | None         | None  | 1,060,000                                  | 3,040,000 | 4,100,000  | 126,667 | 1  |                                      |                      |
| Ledgewood NJ            |                          | 2,060,000                               | 5,490,100 | None         | None  | 2,060,000                                  | 5,490,100 | 7,550,100  | 613,061 | 3  |                                      |                      |
| Mount Ephraim NJ        |                          | 2,410,000                               | 5,039,976 | None         | None  | 2,410,000                                  | 5,039,976 | 7,449,976  | 562,797 | 3  |                                      |                      |
| Sewell NJ               |                          | 1,510,000                               | 4,969,996 | None         | None  | 1,510,000                                  | 4,969,996 | 6,479,996  | 554,983 | 3  |                                      |                      |
| Farmington NM           |                          | 1,652,630                               | 4,106,603 | None         | None  | 1,652,630                                  | 4,106,603 | 5,759,233  | 376,439 | 9  |                                      |                      |



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|               |    |           |           |           |         |         |           |           |            |           |            |
|---------------|----|-----------|-----------|-----------|---------|---------|-----------|-----------|------------|-----------|------------|
| Carson City   | NV |           | 800,000   | 2,770,950 | 94,862  | None    | 800,000   | 2,865,812 | 3,665,812  | 1,316,390 | 2          |
| Reno          | NV |           | 1,100,000 | 2,602,911 | None    | 175     | 1,100,000 | 2,603,086 | 3,703,086  | 1,236,537 | 2          |
| Reno          | NV |           | 850,000   | 2,306,647 | None    | None    | 850,000   | 2,306,647 | 3,156,647  | 1,095,649 | 2          |
| Reno          | NV |           | -         | 3,951,105 | None    | None    | -         | 3,951,105 | 3,951,105  | 625,592   | 1          |
| Sparks        | NV |           | 1,000,000 | 2,271,513 | None    | None    | 1,000,000 | 2,271,513 | 3,271,513  | 1,078,960 | 2          |
| Sun Valley    | NV |           | 550,000   | 2,678,380 | None    | None    | 550,000   | 2,678,380 | 3,228,380  | 1,272,222 | 2          |
| Angola        | NY |           | 1,644,457 | 3,781,320 | None    | None    | 1,644,457 | 3,781,320 | 5,425,777  | 598,709   | 1          |
| Auburn        | NY |           | 1,319,171 | 4,557,735 | None    | None    | 1,319,171 | 4,557,735 | 5,876,906  | 721,641   | 1          |
| Brooklyn      | NY |           | -         | 3,169,829 | None    | None    | -         | 3,169,829 | 3,169,829  | 501,890   | 1          |
| Brooklyn      | NY |           | 6,286,888 | 3,091,053 | None    | None    | 6,286,888 | 3,091,053 | 9,377,941  | 489,417   | 1          |
| Cohoes        | NY |           | 993,687   | 2,284,916 | None    | None    | 993,687   | 2,284,916 | 3,278,603  | 361,778   | 1          |
| Flushing      | NY |           | -         | 2,844,843 | None    | None    | -         | 2,844,843 | 2,844,843  | 450,433   | 1          |
| Greece        | NY |           | 1,530,625 | 4,305,290 | None    | None    | 1,530,625 | 4,305,290 | 5,835,915  | 609,916   | 6          |
| Jamaica       | NY |           | -         | 3,265,890 | None    | None    | -         | 3,265,890 | 3,265,890  | 517,099   | 1          |
| Le Roy        | NY |           | 664,571   | 4,160,651 | None    | None    | 664,571   | 4,160,651 | 4,825,222  | 658,770   | 1          |
| Macedon       | NY |           | 1,010,000 | 2,650,110 | None    | None    | 1,010,000 | 2,650,110 | 3,660,110  | 110,421   | 12         |
| Olean         | NY |           | 940,000   | 2,626,150 | None    | None    | 940,000   | 2,626,150 | 3,566,150  | 83,161    | 3          |
| Ontario       | NY |           | 650,000   | 4,099,160 | None    | None    | 650,000   | 4,099,160 | 4,749,160  | 170,798   | 1          |
| Orchard Park  | NY |           | 715,690   | 4,719,148 | None    | None    | 715,690   | 4,719,148 | 5,434,838  | 747,198   | 1          |
| Patchogue     | NY |           | 1,717,702 | 5,188,982 | None    | None    | 1,717,702 | 5,188,982 | 6,906,684  | 821,589   | 1          |
| Penn Yan      | NY |           | 843,439   | 3,784,664 | None    | None    | 843,439   | 3,784,664 | 4,628,103  | 599,239   | 1          |
| Plattsburgh   | NY |           | 2,122,505 | 4,610,552 | None    | None    | 2,122,505 | 4,610,552 | 6,733,057  | 730,004   | 1          |
| Ridgewood     | NY |           | 6,872,644 | 3,221,483 | None    | None    | 6,872,644 | 3,221,483 | 10,094,127 | 510,068   | 1          |
| Rochester     | NY |           | 495,551   | 3,585,587 | None    | None    | 495,551   | 3,585,587 | 4,081,138  | 567,718   | 1          |
| Rochester     | NY |           | -         | 4,562,079 | None    | None    | -         | 4,562,079 | 4,562,079  | 722,329   | 1          |
| Saint Albans  | NY |           | 6,550,000 | 4,455,729 | None    | None    | 6,550,000 | 4,455,729 | 11,005,729 | 631,228   | 6          |
| Stony Point   | NY |           | 2,340,671 | 4,770,714 | None    | None    | 2,340,671 | 4,770,714 | 7,111,385  | 755,363   | 1          |
| Syracuse      | NY |           | 1,474,646 | 4,898,244 | None    | None    | 1,474,646 | 4,898,244 | 6,372,890  | 775,555   | 1          |
| Wilton        | NY |           | 1,763,372 | 4,054,756 | None    | None    | 1,763,372 | 4,054,756 | 5,818,128  | 642,003   | 1          |
| Cadiz         | OH | 1,184,198 | 904,795   | 2,080,515 | 47,152  | None    | 904,795   | 2,127,667 | 3,032,462  | 332,542   | 1          |
| Carrollton    | OH | 1,652,738 | 1,001,306 | 2,302,436 | None    | None    | 1,001,306 | 2,302,436 | 3,303,742  | 364,552   | 1          |
| Centerville   | OH |           | 1,971,631 | 4,308,306 | None    | None    | 1,971,631 | 4,308,306 | 6,279,937  | 294,401   | 4          |
| Columbus      | OH |           | 1,153,997 | 3,245,924 | None    | None    | 1,153,997 | 3,245,924 | 4,399,921  | 459,839   | 6          |
| Columbus      | OH |           | 2,580,000 | 4,383,667 | None    | None    | 2,580,000 | 4,383,667 | 6,963,667  | 299,551   | 4          |
| Cortland      | OH |           | 1,440,000 | 1,364,725 | 1,250   | None    | 1,440,000 | 1,365,975 | 2,805,975  | 649,272   | 2          |
| East          | OH | 1,557,318 | 958,357   | 2,203,679 | 55,383  | None    | 958,357   | 2,259,062 | 3,217,419  | 352,814   | 1          |
| Liverpool     |    |           |           |           |         |         |           |           |            |           |            |
| Franklin      | OH |           | 1,320,000 | 4,322,403 | None    | None    | 1,320,000 | 4,322,403 | 5,642,403  | 295,364   | 4          |
| Lakewood      | OH |           | 1,873,535 | 4,202,711 | None    | None    | 1,873,535 | 4,202,711 | 6,076,246  | 287,185   | 4          |
| Liberty       | OH |           | 1,892,611 | 4,135,636 | None    | None    | 1,892,611 | 4,135,636 | 6,028,247  | 282,602   | 4          |
| Township      |    |           |           |           |         |         |           |           |            |           |            |
| Lisbon        | OH | 1,041,066 | 706,599   | 1,624,777 | 45,482  | None    | 706,599   | 1,670,259 | 2,376,858  | 260,445   | 1          |
| Madison       | OH |           | 580,000   | 1,272,742 | None    | None    | 580,000   | 1,272,742 | 1,852,742  | 596,062   | 4          |
| Mansfield     | OH |           | 1,653,932 | 3,803,106 | None    | None    | 1,653,932 | 3,803,106 | 5,457,038  | 602,158   | 1          |
| Marysville    | OH |           | 1,654,400 | 3,804,182 | None    | None    | 1,654,400 | 3,804,182 | 5,458,582  | 602,329   | 1          |
| Mayfield      | OH |           | -         | 2,703,730 | None    | None    | -         | 2,703,730 | 2,703,730  | 959,823   | 2          |
| Heights       |    |           |           |           |         |         |           |           |            |           |            |
| Reynoldsburg  | OH |           | 1,286,721 | 3,619,244 | 185,149 | None    | 1,286,721 | 3,804,393 | 5,091,114  | 518,505   | 6          |
| Reynoldsburg  | OH |           | 1,844,354 | 3,605,879 | None    | None    | 1,844,354 | 3,605,879 | 5,450,233  | 42,069    | 9          |
| Sidney        | OH |           | 1,359,676 | 3,198,465 | None    | None    | 1,359,676 | 3,198,465 | 4,558,141  | 250,546   | 1          |
| Upper         | OH |           | 3,010,646 | 5,513,043 | None    | None    | 3,010,646 | 5,513,043 | 8,523,689  | 872,899   | 1          |
| Arlington     |    |           |           |           |         |         |           |           |            |           |            |
| Warren        | OH |           | 960,000   | 1,326,083 | None    | None    | 960,000   | 1,326,083 | 2,286,083  | 629,880   | 2          |
| Warren        | OH |           | 800,000   | 1,241,503 | None    | None    | 800,000   | 1,241,503 | 2,041,503  | 589,705   | 2          |
| Willowick     | OH |           | 530,000   | 1,241,308 | None    | None    | 530,000   | 1,241,308 | 1,771,308  | 581,340   | 4          |
| Catoosa       | OK |           | 1,893,125 | 3,388,626 | None    | None    | 1,893,125 | 3,388,626 | 5,281,751  | 39,534    | 9          |
| Edmond        | OK | 862,351   | 946,988   | -         | None    | 100,000 | 946,988   | 1,000,000 | 1,046,988  | 3,984     | 6          |
| El Reno       | OK |           | 670,000   | 3,457,967 | None    | None    | 670,000   | 3,457,967 | 4,127,967  | 282,401   | 12         |
| Enid          | OK |           | 1,873,096 | 3,352,776 | None    | None    | 1,873,096 | 3,352,776 | 5,225,872  | 39,116    | 9          |
| Midwest City  | OK |           | 1,560,000 | 4,215,560 | None    | None    | 1,560,000 | 4,215,560 | 5,775,560  | 288,063   | 4          |
| Moore         | OK |           | 1,309,620 | 2,919,423 | None    | None    | 1,309,620 | 2,919,423 | 4,229,043  | 92,448    | 3          |
| Oklahoma City | OK |           | 1,700,000 | 3,525,872 | None    | None    | 1,700,000 | 3,525,872 | 5,225,872  | 41,135    | 9          |
| Ponca City    | OK |           | 1,247,744 | 3,100,506 | None    | None    | 1,247,744 | 3,100,506 | 4,348,250  | 284,213   | 9          |
| Tulsa         | OK |           | 813,500   | 5,707     | 1,500   | None    | 813,500   | 7,207     | 820,707    | 1,350     | 10/31/2013 |
| Warr Acres    | OK |           | 1,813,278 | 3,962,282 | None    | None    | 1,813,278 | 3,962,282 | 5,775,560  | 270,756   | 4          |
| Redmond       | OR |           | 2,120,000 | 4,351,271 | None    | None    | 2,120,000 | 4,351,271 | 6,471,271  | 181,303   | 12         |
| Beaver        | PA |           | 1,933,000 | 3,003,160 | None    | None    | 1,933,000 | 3,003,160 | 4,936,160  | 1,086,143 | 1          |
| Carlisle      | PA | 2,872,413 | 1,687,948 | 3,881,323 | None    | None    | 1,687,948 | 3,881,323 | 5,569,271  | 614,543   | 1          |
| Delmont       | PA |           | 720,000   | 1,246,023 | 10,475  | None    | 720,000   | 1,256,498 | 1,976,498  | 601,019   | 2          |

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|              |    |           |           |         |      |           |           |           |           |   |
|--------------|----|-----------|-----------|---------|------|-----------|-----------|-----------|-----------|---|
| Emmaus       | PA | 1,568,237 | 4,411,084 | None    | None | 1,568,237 | 4,411,084 | 5,979,321 | 624,904   | 6 |
| Export       | PA | 710,000   | 1,666,912 | 55,920  | None | 710,000   | 1,722,832 | 2,432,832 | 792,684   | 2 |
| Girard       | PA | -         | 1,352,590 | 182,974 | None | -         | 1,535,564 | 1,535,564 | 1,329,202 | 2 |
| Harrisburg   | PA | 2,100,000 | 3,400,000 | None    | None | 2,100,000 | 3,400,000 | 5,500,000 | 141,667   | 1 |
| Imperial     | PA | 1,255,750 | 2,995,001 | None    | None | 1,255,750 | 2,995,001 | 4,250,751 | 1,242,925 | 8 |
| Johnstown    | PA | 250,000   | 2,593,436 | None    | None | 250,000   | 2,593,436 | 2,843,436 | 1,231,874 | 2 |
| Johnstown    | PA | 600,000   | 2,010,255 | None    | None | 600,000   | 2,010,255 | 2,610,255 | 954,862   | 2 |
| Norristown   | PA | -         | 3,603,611 | None    | None | -         | 3,603,611 | 3,603,611 | 1,279,280 | 2 |
| Philadelphia | PA | -         | 3,803,732 | None    | None | -         | 3,803,732 | 3,803,732 | 1,350,323 | 2 |

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REALTY INCOME CORPORATION AND SUBSIDIARIES

SCHEDULE III REAL ESTATE AND ACCUMULATED DEPRECIATION

AS OF DECEMBER 31, 2016

| Description<br>(Note 1) | Encumbrances<br>(Note 2) | Initial Cost to Company |           |  | Cost Capitalized<br>Subsequent<br>to Acquisition |       | Gross Amount at Which Carried<br>at Close of Period (Notes 3, 4, 6 and<br>7) |           |           | Accumulated<br>Depreciation<br>(Note 5) | Date of<br>Construction |
|-------------------------|--------------------------|-------------------------|-----------|--|--|-------|--|-----------|-----------|---|-------------------------|
|                         |                          | Land                    | Fees      | Buildings,<br>Improvements<br>and<br>Acquisition | Improvements                                     | Costs | Land   | Fees      | Total     |   |                         |
| Phoenixville PA         |                          | 3,510,000               | 5,123,285 |  | None   | None  | 3,510,000  | 5,123,285 | 8,633,285 | 725,799                                 |                         |
| Pittsburgh PA           | 3,925,713                | 2,784,426               | 5,002,215 |  | None   | None  | 2,784,426  | 5,002,215 | 7,786,641 | 792,017                                 |                         |
| Reading PA              |                          | 1,400,000               | 3,304,996 |  | None   | None  | 1,400,000  | 3,304,996 | 4,704,996 | 1,173,272                               |                         |
| Saint Marys PA          |                          | 1,663,632               | 3,090,403 |  | None   | None  | 1,663,632  | 3,090,403 | 4,754,035 | 1,117,696                               |                         |
| Slippery Rock PA        |                          | -                       | 1,295,495 | 200,314  | None   | None  | -  | 1,495,809 | 1,495,809 | 1,322,877                               |                         |
| Uniontown PA            |                          | 1,617,507               | 4,549,669 |  | None   | None  | 1,617,507  | 4,549,669 | 6,167,176 | 644,536                                 |                         |
| Wexford PA              |                          | 2,300,000               | 2,606,080 |  | None   | None  | 2,300,000  | 2,606,080 | 4,906,080 | 925,158                                 |                         |
| Yeadon PA               |                          | -                       | 3,253,285 |  | None   | None  | -  | 3,253,285 | 3,253,285 | 1,176,604                               |                         |
| Woonsocket RI           |                          | 1,297,497               | 2,939,041 |  | None   | None  | 1,297,497  | 2,939,041 | 4,236,538 | 396,771                                 |                         |
| Columbia SC             |                          | 1,430,093               | 3,288,404 |  | None   | None  | 1,430,093  | 3,288,404 | 4,718,497 | 520,664                                 |                         |
| Conway SC               |                          | -                       | 3,451,662 |  | None   | None  | -  | 3,451,662 | 3,451,662 | 546,513                                 |                         |
| Rapid City SD           |                          | 1,699,906               | 3,323,470 |  | None   | None  | 1,699,906  | 3,323,470 | 5,023,376 | 38,774                                  |                         |
| Athens TN               |                          | 1,650,000               | 3,842,297 |  | None   | None  | 1,650,000  | 3,842,297 | 5,492,297 | 262,557                                 |                         |
| Bartlett TN             |                          | 1,563,355               | 3,677,593 |  | None   | None  | 1,563,355  | 3,677,593 | 5,240,948 | 288,078                                 |                         |
| Brownsville TN          |                          | 1,490,000               | 3,683,903 |  | None   | None  | 1,490,000  | 3,683,903 | 5,173,903 | 251,733                                 |                         |
| Chattanooga TN          |                          | 1,090,783               | 2,695,258 |  | None   | None  | 1,090,783  | 2,695,258 | 3,786,041 | 318,939                                 |                         |
| Chattanooga TN          |                          | 844,737                 | 1,757,323 |  | None   | None  | 844,737  | 1,757,323 | 2,602,060 | 32,218                                  |                         |
| Colonial Heights TN     |                          | 1,837,294               | 4,014,760 |  | None   | None  | 1,837,294  | 4,014,760 | 5,852,054 | 274,342                                 |                         |
| Fayetteville TN         |                          | 1,490,000               | 4,127,381 |  | None   | None  | 1,490,000  | 4,127,381 | 5,617,381 | 282,038                                 |                         |
| Franklin TN             |                          | 754,510                 | 2,122,261 | 58,911   | None   | None  | 754,510  | 2,181,172 | 2,935,682 | 303,967                                 |                         |
| Hixson TN               |                          | 973,733                 | 2,406,034 |  | None   | None  | 973,733  | 2,406,034 | 3,379,767 | 284,714                                 |                         |
| Lawrenceburg TN         |                          | 1,633,403               | 3,892,546 |  | None   | None  | 1,633,403  | 3,892,546 | 5,525,949 | 265,991                                 |                         |
| Madisonville TN         |                          | 1,160,000               | 3,656,303 |  | None   | None  | 1,160,000  | 3,656,303 | 4,816,303 | 42,657                                  |                         |
| Memphis TN              |                          | 350,000                 | 2,783,909 | 27,134   | None   | None  | 350,000  | 2,811,043 | 3,161,043 | 337,330                                 |                         |
| Soddy Daisy TN          |                          | 1,726,295               | 3,090,008 |  | None   | None  | 1,726,295  | 3,090,008 | 4,816,303 | 36,050                                  |                         |
| White House TN          |                          | 1,649,422               | 3,930,720 |  | None   | None  | 1,649,422  | 3,930,720 | 5,580,142 | 268,599                                 |                         |
| Austin TX               |                          | 1,623,904               | 3,734,059 |  | None   | None  | 1,623,904  | 3,734,059 | 5,357,963 | 591,226                                 |                         |
| Coppell TX              |                          | 1,076,551               | 3,097,830 |  | None   | None  | 1,076,551  | 3,097,830 | 4,174,381 | 490,490                                 |                         |
| Houston TX              |                          | 1,268,978               | 3,569,338 | 86,677   | None   | None  | 1,268,978  | 3,656,015 | 4,924,993 | 505,837                                 |                         |
| Houston TX              |                          | 2,860,000               | 3,490,686 |  | None   | None  | 2,860,000  | 3,490,686 | 6,350,686 | 273,437                                 |                         |
| Lubbock TX              |                          | 973,713                 | 2,738,827 | 3,293  | None   | None  | 973,713  | 2,742,120 | 3,715,833 | 388,229                                 |                         |
| Odessa TX               |                          | 2,670,000               | 4,437,377 |  | None   | None  | 2,670,000  | 4,437,377 | 7,107,377 | 51,769                                  |                         |
| Saginaw TX              |                          | 1,727,698               | 3,851,409 |  | None   | None  | 1,727,698  | 3,851,409 | 5,579,107 | 121,961                                 |                         |
| Sealy TX                |                          | 1,514,567               | 3,482,644 |  | None   | None  | 1,514,567  | 3,482,644 | 4,997,211 | 551,419                                 |                         |
| Victoria TX             |                          | 1,969,399               | 3,850,355 |  | None   | None  | 1,969,399  | 3,850,355 | 5,819,754 | 44,921                                  |                         |
| Wichita Falls TX        |                          | 1,331,410               | 3,131,974 |  | None   | None  | 1,331,410  | 3,131,974 | 4,463,384 | 245,338                                 |                         |
| Fredericksburg VA       |                          | -                       | 2,901,815 |  | None   | None  | -  | 2,901,815 | 2,901,815 | 1,030,143                               |                         |
| King George VA          |                          | 1,772,216               | 4,075,092 |  | None   | None  | 1,772,216  | 4,075,092 | 5,847,308 | 645,223                                 |                         |
| Martinsville VA         |                          | 560,565                 | 3,290,085 |  | None   | None  | 560,565  | 3,290,085 | 3,850,650 | 520,930                                 |                         |
| Richmond VA             |                          | 1,255,931               | 3,103,326 | 92,118   | None   | None  | 1,255,931  | 3,195,444 | 4,451,375 | 372,379                                 |                         |
| Richmond VA             |                          | 1,388,198               | 3,255,705 | 85,775   | None   | None  | 1,388,198  | 3,341,480 | 4,729,678 | 200,947                                 |                         |
| Burlington VT           |                          | 2,049,745               | 4,643,003 |  | None   | None  | 2,049,745  | 4,643,003 | 6,692,748 | 642,282                                 |                         |

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|                  |    |           |           |      |      |           |           |           |           |
|------------------|----|-----------|-----------|------|------|-----------|-----------|-----------|-----------|
| Graham           | WA | 1,396,502 | 3,928,032 | None | None | 1,396,502 | 3,928,032 | 5,324,534 | 556,471   |
| Lynnwood         | WA | 1,410,480 | 3,967,350 | None | None | 1,410,480 | 3,967,350 | 5,377,830 | 562,041   |
| Mount Vernon     | WA | -         | 3,785,303 | None | None | -         | 3,785,303 | 3,785,303 | 157,721   |
| Puyallup         | WA | 1,835,489 | 4,535,379 | None | None | 1,835,489 | 4,535,379 | 6,370,868 | 551,804   |
| Antigo           | WI | 1,540,000 | 4,754,008 | None | None | 1,540,000 | 4,754,008 | 6,294,008 | 324,857   |
| Burlington       | WI | 1,330,000 | 3,994,665 | None | None | 1,330,000 | 3,994,665 | 5,324,665 | 46,604    |
| Glendale         | WI | 1,690,491 | 3,305,064 | None | None | 1,690,491 | 3,305,064 | 4,995,555 | 38,559    |
| Kaukauna         | WI | 1,893,714 | 4,138,045 | None | None | 1,893,714 | 4,138,045 | 6,031,759 | 282,766   |
| Marshfield       | WI | 1,010,000 | 4,175,525 | None | None | 1,010,000 | 4,175,525 | 5,185,525 | 48,714    |
| Mauston          | WI | 1,505,223 | 3,819,442 | None | None | 1,505,223 | 3,819,442 | 5,324,665 | 44,560    |
| Menomonee Falls  | WI | 2,180,000 | 4,235,106 | None | None | 2,180,000 | 4,235,106 | 6,415,106 | 289,399   |
| Menomonee        | WI | 2,200,000 | 3,831,758 | None | None | 2,200,000 | 3,831,758 | 6,031,758 | 261,837   |
| Milwaukee        | WI | 1,830,000 | 4,128,507 | None | None | 1,830,000 | 4,128,507 | 5,958,507 | 282,115   |
| Milwaukee        | WI | 1,801,861 | 3,522,803 | None | None | 1,801,861 | 3,522,803 | 5,324,664 | 41,099    |
| Monona           | WI | 1,135,636 | 2,806,085 | None | None | 1,135,636 | 2,806,085 | 3,941,721 | 341,407   |
| Racine           | WI | 1,976,049 | 4,317,960 | None | None | 1,976,049 | 4,317,960 | 6,294,009 | 295,061   |
| Two Rivers       | WI | 1,280,000 | 4,776,734 | None | None | 1,280,000 | 4,776,734 | 6,056,734 | 326,410   |
| Wisconsin Rapids | WI | 1,893,714 | 4,138,045 | None | None | 1,893,714 | 4,138,045 | 6,031,759 | 282,766   |
| Buckhannon       | WV | 1,716,898 | 3,189,190 | None | None | 1,716,898 | 3,189,190 | 4,906,088 | 1,132,161 |
| Huntington       | WV | 1,085,818 | 3,802,536 | None | None | 1,085,818 | 3,802,536 | 4,888,354 | 602,068   |
| Rock Springs     | WY | 1,970,000 | 4,644,222 | None | None | 1,970,000 | 4,644,222 | 6,614,222 | 317,355   |

**Education**

|               |    |           |           |         |        |           |           |           |           |
|---------------|----|-----------|-----------|---------|--------|-----------|-----------|-----------|-----------|
| Peoria        | AZ | 281,750   | 625,779   | 69,854  | 18,665 | 281,750   | 714,298   | 996,048   | 687,539   |
| Corona        | CA | 144,856   | 671,584   | None    | 26,846 | 144,856   | 698,430   | 843,286   | 698,430   |
| Santee        | CA | 248,418   | 551,748   | 37,230  | 29,831 | 248,418   | 618,809   | 867,227   | 575,576   |
| Coconut Creek | FL | 310,111   | 1,243,682 | None    | None   | 310,111   | 1,243,682 | 1,553,793 | 864,646   |
| Las Vegas     | NV | 1,080,444 | 3,346,772 | None    | 73     | 1,080,444 | 3,346,845 | 4,427,289 | 2,515,634 |
| Beaverton     | OR | 135,148   | 626,647   | None    | 26,949 | 135,148   | 653,596   | 788,744   | 653,578   |
| Memphis       | TN | 238,263   | 504,897   | 11,504  | 5,352  | 238,263   | 521,753   | 760,016   | 511,717   |
| Arlington     | TX | 195,650   | 387,355   | 9,289   | 104    | 195,650   | 396,748   | 592,398   | 390,565   |
| Austin        | TX | 238,000   | 528,604   | 90,133  | 22,315 | 238,000   | 641,052   | 879,052   | 595,290   |
| Mesquite      | TX | 1,049,287 | 1,949,085 | 233,921 | 63,743 | 1,049,287 | 2,246,749 | 3,296,036 | 1,359,773 |
| Southlake     | TX | 228,279   | 511,750   | None    | 25,283 | 228,279   | 537,033   | 765,312   | 516,854   |
| Sugar Land    | TX | 1,600,000 | 6,300,995 | None    | None   | 1,600,000 | 6,300,995 | 7,900,995 | 2,656,916 |
| Chantilly     | VA | 688,917   | 3,208,607 | None    | None   | 688,917   | 3,208,607 | 3,897,524 | 2,193,702 |
| Kingstowne    | VA | 300,000   | 1,191,396 | None    | None   | 300,000   | 1,191,396 | 1,491,396 | 788,608   |

**Electric**

|                  |    |           |           |       |      |           |           |            |         |
|------------------|----|-----------|-----------|-------|------|-----------|-----------|------------|---------|
| <b>utilities</b> |    |           |           |       |      |           |           |            |         |
| Fairfield        | CA | 1,450,000 | 9,207,989 | 2,000 | None | 1,450,000 | 9,209,989 | 10,659,989 | 888,580 |

**Entertainment**

|             |    |           |           |           |         |           |           |           |           |
|-------------|----|-----------|-----------|-----------|---------|-----------|-----------|-----------|-----------|
| Riverside   | CA | 7,800,000 | 130       | (416,985) | None    | 7,383,015 | 130       | 7,383,145 | 73        |
| Vista       | CA | 2,300,000 | 22        | None      | None    | 2,300,000 | 22        | 2,300,022 | 15        |
| Marietta    | GA | 1,500,000 | 768       | None      | None    | 1,500,000 | 768       | 1,500,768 | 462       |
| Norcross    | GA | 1,600,000 | 768       | None      | None    | 1,600,000 | 768       | 1,600,768 | 462       |
| Greensboro  | NC | 4,000,000 | 463       | None      | None    | 4,000,000 | 463       | 4,000,463 | 260       |
| Omaha       | NE | 1,956,296 | 3,949,402 | 208,052   | 140,128 | 1,956,296 | 4,297,582 | 6,253,878 | 3,260,075 |
| Calverton   | NY | 6,200,000 | 744       | None      | None    | 6,200,000 | 744       | 6,200,744 | 519       |
| Medford     | NY | 1,500,000 | 745       | None      | None    | 1,500,000 | 745       | 1,500,745 | 520       |
| Arlington   | TX | 1,330,000 | 2,776,647 | None      | None    | 1,330,000 | 2,776,647 | 4,106,647 | 254,526   |
| San Antonio | TX | 1,310,000 | 1,920,140 | None      | None    | 1,310,000 | 1,920,140 | 3,230,140 | 182,413   |
| Sandy       | UT | 1,970,000 | 1,983,352 | None      | None    | 1,970,000 | 1,983,352 | 3,953,352 | 69,417    |

**Equipment  
services**

|            |    |            |            |            |         |           |            |            |            |
|------------|----|------------|------------|------------|---------|-----------|------------|------------|------------|
| Lake Worth | FL | 679,079    | 1,262,568  | 9,754      | 140     | 679,079   | 1,272,462  | 1,951,541  | 679,747    |
| Novi       | MI | 430,000    | 6,661,063  | None       | None    | 430,000   | 6,661,063  | 7,091,063  | 499,580    |
| Cameron    | MO | 16,625,597 | 940,000    | 18,280,024 | 624,144 | None      | 940,000    | 18,904,168 | 1,984,168  |
| Sanford    | NC | 7,692,448  | 226,784    | 15,056,005 | 39,175  | None      | 226,784    | 15,095,180 | 15,321,964 |
| Elko       | NV | 1,401,115  | 10,342,501 | 17,091     | None    | 1,401,115 | 10,359,592 | 11,760,707 | 2,405,043  |
| Lewisville | TX | 1,010,134  | 1,877,384  | None       | None    | 1,010,134 | 1,877,384  | 2,887,518  | 1,010,658  |

**Financial  
services**

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|                  |    |           |           |        |        |           |           |           |         |
|------------------|----|-----------|-----------|--------|--------|-----------|-----------|-----------|---------|
| Phoenix          | AZ | 245,137   | 456,324   | None   | None   | 245,137   | 456,324   | 701,461   | 161,995 |
| El Cajon         | CA | 1,620,871 | -         | None   | None   | 1,620,871 | -         | 1,620,871 | -       |
| Turlock          | CA | 222,250   | 493,627   | 9,911  | 19,400 | 222,250   | 522,938   | 745,188   | 503,283 |
| Colorado Springs | CO | 313,250   | 695,730   | 40,500 | 79     | 313,250   | 736,309   | 1,049,559 | 736,307 |
| Fort Myers       | FL | 1,025,624 | 2,407,011 | None   | None   | 1,025,624 | 2,407,011 | 3,432,635 | 381,110 |
| Orlando          | FL | 532,556   | 940,177   | None   | None   | 532,556   | 940,177   | 1,472,733 | 393,275 |
| Palm Coast       | FL | 713,370   | 2,421,133 | None   | None   | 713,370   | 2,421,133 | 3,134,503 | 383,346 |
| Plantation       | FL | 1,284,678 | 1,160,000 | None   | None   | 1,160,000 | 1,049,443 | 2,209,443 | 124,184 |
| Pompano Beach    | FL | 1,563,202 | 2,354,641 | None   | None   | 1,563,202 | 2,354,641 | 3,917,843 | 372,818 |

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REALTY INCOME CORPORATION AND SUBSIDIARIES  
 SCHEDULE III REAL ESTATE AND ACCUMULATED DEPRECIATION  
 AS OF DECEMBER 31, 2016

| Description<br>(Note 1) | Encumbrances<br>(Note 2) | Initial Cost to Company |  | Cost Capitalized Subsequent to Acquisition |                | Gross Amount at Which Carried at Close of Period (Notes 3, 4, 6 and 7) |  |           | Accumulated Depreciation<br>(Note 5) | Date of Construction |
|-------------------------|--------------------------|-------------------------|--|--|----------------|--|--|-----------|--------------------------------------|----------------------|
|                         |                          | Land                    | Buildings, Improvements and Acquisition Fees | Improvements                               | Carrying Costs | Land   | Buildings, Improvements and Acquisition Fees | Total     |                                      |                      |
| Acworth GA              | 1,033,457                | 650,000                 | 992,950                                      | None                                       | None           | 650,000  | 992,950                                      | 1,642,950 | 117,499                              | 1/1/03               |
| Alpharetta GA           | 1,588,122                | 940,000                 | 1,305,410                                    | None                                       | None           | 940,000  | 1,305,410                                    | 2,245,410 | 154,474                              | 1/1/03               |
| Hinesville GA           |                          | 172,611                 | 383,376                                      | 48,425                                     | 3,796          | 172,611  | 435,597                                      | 608,208   | 402,108                              | 12/31/03             |
| Coeur D Alene ID        |                          | 165,900                 | 368,468                                      | None                                       | None           | 165,900  | 368,468                                      | 534,368   | 368,468                              | 9/1/03               |
| Addison IL              |                          | 448,447                 | 895,835                                      | None                                       | None           | 448,447  | 895,835                                      | 1,344,282 | 4,479                                | 1/1/03               |
| Addison IL              |                          | 450,025                 | 898,989                                      | None                                       | None           | 450,025  | 898,989                                      | 1,349,014 | 4,495                                | 1/1/03               |
| Aurora IL               |                          | 557,766                 | 1,114,216                                    | None                                       | None           | 557,766  | 1,114,216                                    | 1,671,982 | 5,571                                | 1/1/03               |
| Aurora IL               |                          | 753,553                 | 1,505,327                                    | None                                       | None           | 753,553  | 1,505,327                                    | 2,258,880 | 7,527                                | 1/1/03               |
| Aurora IL               |                          | 602,311                 | 1,203,201                                    | None                                       | None           | 602,311  | 1,203,201                                    | 1,805,512 | 6,016                                | 1/1/03               |
| Bensenville IL          |                          | 644,432                 | 1,287,344                                    | None                                       | None           | 644,432  | 1,287,344                                    | 1,931,776 | 6,437                                | 1/1/03               |
| Bolingbrook IL          |                          | 438,105                 | 875,175                                      | None                                       | None           | 438,105  | 875,175                                      | 1,313,280 | 4,376                                | 1/1/03               |
| Buffalo Grove IL        |                          | 445,301                 | 889,550                                      | None                                       | None           | 445,301  | 889,550                                      | 1,334,851 | 4,448                                | 1/1/03               |
| Calumet City IL         |                          | 344,815                 | 688,817                                      | None                                       | None           | 344,815  | 688,817                                      | 1,033,632 | 3,444                                | 1/1/03               |
| Carpentersville IL      |                          | 1,752,080               | -  | None                                       | None           | 1,752,080  | -  | 1,752,080 | -                                    | 1/1/03               |
| Carpentersville IL      |                          | 630,496                 | 1,259,504                                    | None                                       | None           | 630,496  | 1,259,504                                    | 1,890,000 | 6,298                                | 1/1/03               |
| Cary IL                 |                          | 701,031                 | 1,400,409                                    | None                                       | None           | 701,031  | 1,400,409                                    | 2,101,440 | 7,002                                | 1/1/03               |
| Chicago IL              |                          | 1,000,000               | 926,582                                      | None                                       | None           | 1,000,000  | 926,582                                      | 1,926,582 | 4,633                                | 1/1/03               |
| Chicago IL              |                          | 337,866                 | 674,934                                      | None                                       | None           | 337,866  | 674,934                                      | 1,012,800 | 3,375                                | 1/1/03               |
| Heights                 |                          |                         |  |  |                |  |  |           |                                      |                      |
| Crete IL                |                          | 430,000                 | 1,224,782                                    | None                                       | None           | 430,000  | 1,224,782                                    | 1,654,782 | 6,124                                | 1/1/03               |
| Des Plaines IL          |                          | 606,386                 | 1,211,342                                    | None                                       | None           | 606,386  | 1,211,342                                    | 1,817,728 | 6,057                                | 1/1/03               |
| Fox Lake IL             |                          | 389,384                 | 777,848                                      | None                                       | None           | 389,384  | 777,848                                      | 1,167,232 | 3,889                                | 1/1/03               |
| Frankfort IL            |                          | 730,124                 | 1,458,524                                    | None                                       | None           | 730,124  | 1,458,524                                    | 2,188,648 | 7,293                                | 1/1/03               |
| Frankfort IL            |                          | 436,824                 | 872,616                                      | None                                       | None           | 436,824  | 872,616                                      | 1,309,440 | 4,363                                | 1/1/03               |
| Hoffman IL              |                          | 373,732                 | 746,583                                      | None                                       | None           | 373,732  | 746,583                                      | 1,120,315 | 3,733                                | 1/1/03               |
| Hoffman Estates         |                          |                         |  |  |                |  |  |           |                                      |                      |
| Hoffman Estates IL      |                          | 378,736                 | 756,579                                      | None                                       | None           | 378,736  | 756,579                                      | 1,135,315 | 3,783                                | 1/1/03               |
| Homer Glen IL           |                          | 730,869                 | 1,460,013                                    | None                                       | None           | 730,869  | 1,460,013                                    | 2,190,882 | 7,300                                | 1/1/03               |
| Homewood IL             |                          | 572,450                 | 1,143,550                                    | None                                       | None           | 572,450  | 1,143,550                                    | 1,716,000 | 5,718                                | 1/1/03               |
| Huntley IL              |                          | 500,362                 | 999,542                                      | None                                       | None           | 500,362  | 999,542                                      | 1,499,904 | 4,998                                | 1/1/03               |
| Huntley IL              |                          | 554,276                 | 1,107,244                                    | None                                       | None           | 554,276  | 1,107,244                                    | 1,661,520 | 5,536                                | 1/1/03               |
| La Grange IL            |                          | 210,000                 | 1,117,079                                    | None                                       | None           | 210,000  | 1,117,079                                    | 1,327,079 | 5,585                                | 1/1/03               |
| Machesney Park IL       |                          | 608,430                 | 1,215,423                                    | None                                       | None           | 608,430  | 1,215,423                                    | 1,823,853 | 6,077                                | 1/1/03               |
| Montgomery IL           |                          | 1,636,238               | -  | None                                       | None           | 1,636,238  | -  | 1,636,238 | -                                    | 1/1/03               |
| Mount Prospect IL       |                          | 515,237                 | 1,029,259                                    | None                                       | None           | 515,237  | 1,029,259                                    | 1,544,496 | 5,146                                | 1/1/03               |
| Mundelein IL            |                          | 462,358                 | 923,624                                      | None                                       | None           | 462,358  | 923,624                                      | 1,385,982 | 4,618                                | 1/1/03               |
| Naperville IL           |                          | 700,990                 | 1,400,325                                    | None                                       | None           | 700,990  | 1,400,325                                    | 2,101,315 | 7,002                                | 1/1/03               |
| Naperville IL           |                          | 190,743                 | 381,036                                      | None                                       | None           | 190,743  | 381,036                                      | 571,779   | 1,905                                | 1/1/03               |
| New Lenox IL            |                          | 494,115                 | 987,065                                      | None                                       | None           | 494,115  | 987,065                                      | 1,481,180 | 4,935                                | 1/1/03               |
| Niles IL                |                          | 622,100                 | 1,242,732                                    | None                                       | None           | 622,100  | 1,242,732                                    | 1,864,832 | 6,214                                | 1/1/03               |

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|               |    |           |           |         |        |           |           |           |           |         |   |
|---------------|----|-----------|-----------|---------|--------|-----------|-----------|-----------|-----------|---------|---|
| North         | IL | 507,869   | 1,014,540 | None    | None   | 507,869   | 1,014,540 | 1,522,409 | 5,073     | 1       |   |
| Riverside     |    |           |           |         |        |           |           |           |           |         |   |
| Northlake     | IL | 1,461,799 | -         | None    | None   | 1,461,799 | -         | 1,461,799 | -         | 1       |   |
| Oak Lawn      | IL | 2,052,944 | 2,383,995 | 21,000  | 41,052 | 2,052,944 | 2,446,047 | 4,498,991 | 383,925   | 1       |   |
| Oak Lawn      | IL | 738,341   | 1,474,939 | None    | None   | 738,341   | 1,474,939 | 2,213,280 | 7,375     | 1       |   |
| Orland Park   | IL | 453,462   | 905,853   | None    | None   | 453,462   | 905,853   | 1,359,315 | 4,529     | 1       |   |
| Orland Park   | IL | 377,068   | 753,247   | None    | None   | 377,068   | 753,247   | 1,130,315 | 3,766     | 1       |   |
| Oswego        | IL | 488,712   | 976,270   | None    | None   | 488,712   | 976,270   | 1,464,982 | 4,881     | 1       |   |
| Palos Heights | IL | 602,746   | 1,204,070 | None    | None   | 602,746   | 1,204,070 | 1,806,816 | 6,020     | 1       |   |
| Plainfield    | IL | 554,808   | 1,108,307 | None    | None   | 554,808   | 1,108,307 | 1,663,115 | 5,542     | 1       |   |
| Plainfield    | IL | 214,079   | 427,654   | None    | None   | 214,079   | 427,654   | 641,733   | 2,138     | 1       |   |
| Romeoville    | IL | 178,839   | 357,257   | None    | None   | 178,839   | 357,257   | 536,096   | 1,786     | 1       |   |
| Round Lake    | IL | 657,349   | 1,313,147 | None    | None   | 657,349   | 1,313,147 | 1,970,496 | 6,566     | 1       |   |
| Hghts         |    |           |           |         |        |           |           |           |           |         |   |
| Schaumburg    | IL | 3,252,143 | -         | None    | None   | 3,252,143 | -         | 3,252,143 | -         | 1       |   |
| Schaumburg    | IL | 893,474   | 1,784,841 | None    | None   | 893,474   | 1,784,841 | 2,678,315 | 8,924     | 1       |   |
| Schaumburg    | IL | 650,222   | 1,298,910 | None    | None   | 650,222   | 1,298,910 | 1,949,132 | 6,495     | 1       |   |
| Shorewood     | IL | 60,000    | 466,592   | None    | None   | 60,000    | 466,592   | 526,592   | 2,333     | 1       |   |
| South Elgin   | IL | 545,534   | 1,089,781 | None    | None   | 545,534   | 1,089,781 | 1,635,315 | 5,449     | 1       |   |
| Stickney      | IL | 743,660   | 1,363,377 | None    | None   | 743,660   | 1,363,377 | 2,107,037 | 215,868   | 1       |   |
| Summit        | IL | 518,968   | 1,036,712 | None    | None   | 518,968   | 1,036,712 | 1,555,680 | 5,184     | 1       |   |
| Villa Park    | IL | 504,530   | 1,007,870 | None    | None   | 504,530   | 1,007,870 | 1,512,400 | 5,039     | 1       |   |
| West Dundee   | IL | 609,792   | 1,218,144 | None    | None   | 609,792   | 1,218,144 | 1,827,936 | 6,091     | 1       |   |
| Woodstock     | IL | 547,297   | 1,093,303 | None    | None   | 547,297   | 1,093,303 | 1,640,600 | 1,822     | 1       |   |
| Brockton      | MA | 229,846   | 741,196   | None    | None   | 229,846   | 741,196   | 971,042   | 117,356   | 1       |   |
| Centerville   | MA | 378,555   | 1,220,743 | None    | None   | 378,555   | 1,220,743 | 1,599,298 | 193,284   | 1       |   |
| Chatham       | MA | 513,702   | 1,656,556 | None    | None   | 513,702   | 1,656,556 | 2,170,258 | 262,288   | 1       |   |
| Duxbury       | MA | 411,113   | 1,325,735 | None    | None   | 411,113   | 1,325,735 | 1,736,848 | 209,908   | 1       |   |
| Hanover       | MA | 434,396   | 1,400,817 | None    | None   | 434,396   | 1,400,817 | 1,835,213 | 221,796   | 1       |   |
| Hull          | MA | 242,499   | 781,996   | None    | None   | 242,499   | 781,996   | 1,024,495 | 123,816   | 1       |   |
| Hyannis       | MA | 830,700   | 2,678,796 | None    | None   | 830,700   | 2,678,796 | 3,509,496 | 424,143   | 1       |   |
| Middleborough | MA | 1,225,841 | 3,953,025 | None    | None   | 1,225,841 | 3,953,025 | 5,178,866 | 625,896   | 1       |   |
| Middleborough | MA | 625,848   | 724,941   | None    | None   | 625,848   | 724,941   | 1,350,789 | 114,782   | 1       |   |
| Orleans       | MA | 496,997   | 1,602,690 | None    | None   | 496,997   | 1,602,690 | 2,099,687 | 253,759   | 1       |   |
| Pembroke      | MA | 520,463   | 1,678,359 | None    | None   | 520,463   | 1,678,359 | 2,198,822 | 265,740   | 1       |   |
| Plymouth      | MA | 555,446   | 7,109,710 | None    | None   | 555,446   | 7,109,710 | 7,665,156 | 1,125,704 | 1       |   |
| Quincy        | MA | 289,121   | 539,719   | 50,595  | 15,595 | 289,121   | 605,909   | 895,030   | 231,238   | 8       |   |
| Randolph      | MA | 530,316   | 1,710,132 | None    | None   | 530,316   | 1,710,132 | 2,240,448 | 270,771   | 1       |   |
| Rockland      | MA | 1,341,048 | 6,112,682 | None    | None   | 1,341,048 | 6,112,682 | 7,453,730 | 967,841   | 1       |   |
| Scituate      | MA | 403,299   | 1,300,535 | None    | None   | 403,299   | 1,300,535 | 1,703,834 | 205,918   | 1       |   |
| South         | MA | 477,020   | 1,538,269 | None    | None   | 477,020   | 1,538,269 | 2,015,289 | 243,559   | 1       |   |
| Yarmouth      |    |           |           |         |        |           |           |           |           |         |   |
| West Dennis   | MA | 1,065,353 | 898,827   | None    | None   | 1,065,353 | 898,827   | 1,964,180 | 142,314   | 1       |   |
| Blue Springs  | MO | 222,569   | 494,333   | None    | None   | 222,569   | 494,333   | 716,902   | 494,333   | 7       |   |
| Wilmington    | NC | 1,049,683 | 470,000   | 995,035 | None   | None      | 470,000   | 995,035   | 1,465,035 | 117,746 | 1 |
| Bloomfield    | NJ | 392,983   | 1,267,269 | None    | None   | 392,983   | 1,267,269 | 1,660,252 | 200,651   | 1       |   |
| Cedar Grove   | NJ | 409,890   | 1,321,792 | None    | None   | 409,890   | 1,321,792 | 1,731,682 | 209,284   | 1       |   |
| Clementon     | NJ | 424,795   | 1,369,857 | None    | None   | 424,795   | 1,369,857 | 1,794,652 | 216,894   | 1       |   |
| Dayton        | NJ | 376,731   | 1,214,861 | None    | None   | 376,731   | 1,214,861 | 1,591,592 | 192,353   | 1       |   |
| Deptford      | NJ | 308,425   | 994,592   | None    | None   | 308,425   | 994,592   | 1,303,017 | 157,477   | 1       |   |
| East          | NJ | 445,430   | 1,436,398 | None    | None   | 445,430   | 1,436,398 | 1,881,828 | 227,430   | 1       |   |
| Brunswick     |    |           |           |         |        |           |           |           |           |         |   |
| Fairfield     | NJ | 612,188   | 1,974,149 | None    | None   | 612,188   | 1,974,149 | 2,586,337 | 312,574   | 1       |   |
| Fanwood       | NJ | 376,731   | 1,214,861 | None    | None   | 376,731   | 1,214,861 | 1,591,592 | 192,353   | 1       |   |
| Garfield      | NJ | 372,910   | 1,202,541 | None    | None   | 372,910   | 1,202,541 | 1,575,451 | 190,402   | 1       |   |
| Green Brook   | NJ | 319,003   | 1,028,702 | None    | None   | 319,003   | 1,028,702 | 1,347,705 | 162,878   | 1       |   |
| Haddonfield   | NJ | 312,763   | 1,008,581 | None    | None   | 312,763   | 1,008,581 | 1,321,344 | 159,692   | 1       |   |
| Kearny        | NJ | 278,653   | 898,584   | None    | None   | 278,653   | 898,584   | 1,177,237 | 142,276   | 1       |   |
| Mahwah        | NJ | 253,447   | 817,302   | None    | None   | 253,447   | 817,302   | 1,070,749 | 129,406   | 1       |   |
| Martinsville  | NJ | 447,368   | 1,442,647 | None    | None   | 447,368   | 1,442,647 | 1,890,015 | 228,419   | 1       |   |
| Millstone     | NJ | 270,310   | 871,681   | None    | None   | 270,310   | 871,681   | 1,141,991 | 138,016   | 1       |   |
| Townshi       |    |           |           |         |        |           |           |           |           |         |   |
| Mountain      | NJ | 531,890   | 887,417   | None    | None   | 531,890   | 887,417   | 1,419,307 | 140,508   | 1       |   |
| Lakes         |    |           |           |         |        |           |           |           |           |         |   |
| Northvale     | NJ | 259,002   | 835,217   | None    | None   | 259,002   | 835,217   | 1,094,219 | 132,243   | 1       |   |
| Orange        | NJ | 450,522   | 1,452,819 | None    | None   | 450,522   | 1,452,819 | 1,903,341 | 230,030   | 1       |   |
| Parlin        | NJ | 345,431   | 1,113,926 | None    | None   | 345,431   | 1,113,926 | 1,459,357 | 176,372   | 1       |   |
| Paterson      | NJ | 122,722   | 395,747   | None    | None   | 122,722   | 395,747   | 518,469   | 62,660    | 1       |   |
| Paterson      | NJ | 469,318   | 639,560   | None    | None   | 469,318   | 639,560   | 1,108,878 | 101,264   | 1       |   |
| Paterson      | NJ | 226,298   | 729,755   | None    | None   | 226,298   | 729,755   | 956,053   | 115,545   | 1       |   |

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|                |    |         |           |       |      |         |           |           |         |    |
|----------------|----|---------|-----------|-------|------|---------|-----------|-----------|---------|----|
| Pompton Plains |    |         |           |       |      |         |           |           |         |    |
| Raritan        | NJ | 370,127 | 1,193,564 | None  | None | 370,127 | 1,193,564 | 1,563,691 | 188,981 | 1/ |
| Somerville     | NJ | 376,597 | 1,214,429 | None  | None | 376,597 | 1,214,429 | 1,591,026 | 192,285 | 1/ |
| Tenafly        | NJ | 463,499 | 1,494,667 | None  | None | 463,499 | 1,494,667 | 1,958,166 | 236,656 | 1/ |
| Trenton        | NJ | 459,146 | 1,480,629 | None  | None | 459,146 | 1,480,629 | 1,939,775 | 234,433 | 1/ |
| Vineland       | NJ | 236,628 | 763,064   | None  | None | 236,628 | 763,064   | 999,692   | 120,818 | 1/ |
| West Orange    | NJ | 174,486 | 562,673   | None  | None | 174,486 | 562,673   | 737,159   | 89,090  | 1/ |
| West Orange    | NJ | 259,916 | 838,164   | None  | None | 259,916 | 838,164   | 1,098,080 | 132,709 | 1/ |
| Westwood       | NJ | 205,094 | 661,375   | None  | None | 205,094 | 661,375   | 866,469   | 104,718 | 1/ |
| Woodland Park  | NJ | 206,695 | 666,539   | None  | None | 206,695 | 666,539   | 873,234   | 105,535 | 1/ |
| Albuquerque    | NM | 80,500  | 178,794   | 8,003 | None | 80,500  | 186,797   | 267,297   | 185,897 | 10 |
| Santa Fe       | NM | 70,000  | 155,473   | None  | None | 70,000  | 155,473   | 225,473   | 155,473 | 10 |
| Stony Point    | NY | 950,455 | 2,963,243 | None  | None | 950,455 | 2,963,243 | 3,913,698 | 469,180 | 1/ |

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REALTY INCOME CORPORATION AND SUBSIDIARIES

SCHEDULE III REAL ESTATE AND ACCUMULATED DEPRECIATION

AS OF DECEMBER 31, 2016

| Description<br>(Note 1) | Encumbrances<br>(Note 2) | Initial Cost to Company |            | Cost Capitalized |        | Gross Amount at Which Carried |            |            | Accumulated<br>Depreciation<br>(Note 5) | Date of<br>Construction |
|-------------------------|--------------------------|-------------------------|------------|------------------|--------|-------------------------------|------------|------------|---|-------------------------|
|                         |                          | Land                    | Fees       | Improvements     | Costs  | Land                          | Fees       | Total      |   |                         |
| Beachwood OH            | 1,125,779                | 980,000                 | 1,062,628  | None             | None   | 980,000                       | 1,062,628  | 2,042,628  | 125,744                                 |                         |
| Columbus OH             |                          | 214,737                 | 85,425     | 25,900           | 5,330  | 214,737                       | 116,655    | 331,392    | 63,383                                  |                         |
| Dublin OH               |                          | 2,399,969               | 17,044,099 | None             | None   | 2,399,969                     | 17,044,099 | 19,444,068 | 3,948,550                               |                         |
| Euclid OH               | 602,664                  | 130,000                 | 1,027,248  | None             | None   | 130,000                       | 1,027,248  | 1,157,248  | 121,558                                 |                         |
| Groveport OH            |                          | 277,198                 | 445,497    | 53,191           | 11,520 | 277,198                       | 510,208    | 787,406    | 392,166                                 |                         |
| Mentor OH               | 906,161                  | 350,000                 | 1,276,241  | None             | None   | 350,000                       | 1,276,241  | 1,626,241  | 151,022                                 |                         |
| Milford OH              |                          | 353,324                 | 269,997    | (15,631)         | 8,576  | 314,484                       | 301,782    | 616,266    | 218,315                                 |                         |
| Pepper Pike OH          | 846,354                  | 530,000                 | 865,808    | None             | None   | 530,000                       | 865,808    | 1,395,808  | 102,454                                 |                         |
| Shaker Heights OH       | 916,602                  | 650,000                 | 792,759    | None             | None   | 650,000                       | 792,759    | 1,442,759  | 93,810                                  |                         |
| West Chester OH         |                          | 618,270                 | 1,055,888  | None             | None   | 618,270                       | 1,055,888  | 1,674,158  | 167,182                                 |                         |
| Ambler PA               |                          | 1,374,943               | 4,862,810  | None             | None   | 1,374,943                     | 4,862,810  | 6,237,753  | 769,945                                 |                         |
| Blairsville PA          |                          | 297,140                 | 958,202    | None             | None   | 297,140                       | 958,202    | 1,255,342  | 151,715                                 |                         |
| Clarks Summit PA        |                          | 165,407                 | 533,394    | None             | None   | 165,407                       | 533,394    | 698,801    | 84,454                                  |                         |
| Dillsburg PA            |                          | 157,114                 | 506,653    | None             | None   | 157,114                       | 506,653    | 663,767    | 80,220                                  |                         |
| Harleysville PA         |                          | 1,486,141               | 16,590,526 | None             | None   | 1,486,141                     | 16,590,526 | 18,076,667 | 2,626,833                               |                         |
| Lansdale PA             |                          | 582,679                 | 1,878,990  | None             | None   | 582,679                       | 1,878,990  | 2,461,669  | 297,507                                 |                         |
| Lansford PA             |                          | 724,643                 | 2,336,788  | None             | None   | 724,643                       | 2,336,788  | 3,061,431  | 369,991                                 |                         |
| Lehighton PA            |                          | 353,743                 | 1,140,729  | None             | None   | 353,743                       | 1,140,729  | 1,494,472  | 180,615                                 |                         |
| Limerick PA             |                          | 1,198,208               | 1,141,397  | None             | None   | 1,198,208                     | 1,141,397  | 2,339,605  | 180,721                                 |                         |
| Media PA                |                          | 93,870                  | 302,705    | None             | None   | 93,870                        | 302,705    | 396,575    | 47,928                                  |                         |
| Media PA                |                          | 312,084                 | 1,006,391  | None             | None   | 312,084                       | 1,006,391  | 1,318,475  | 159,345                                 |                         |
| North Wales PA          |                          | 658,040                 | 2,122,012  | None             | None   | 658,040                       | 2,122,012  | 2,780,052  | 335,985                                 |                         |
| Palmerton PA            |                          | 1,152,944               | 3,717,949  | None             | None   | 1,152,944                     | 3,717,949  | 4,870,893  | 588,675                                 |                         |
| Philadelphia PA         |                          | 680,814                 | 938,913    | None             | None   | 680,814                       | 938,913    | 1,619,727  | 148,661                                 |                         |
| Philadelphia PA         |                          | 287,110                 | 925,857    | None             | None   | 287,110                       | 925,857    | 1,212,967  | 146,594                                 |                         |
| Philadelphia PA         |                          | 300,032                 | 967,528    | None             | None   | 300,032                       | 967,528    | 1,267,560  | 153,192                                 |                         |
| Philadelphia PA         |                          | 200,022                 | 645,020    | None             | None   | 200,022                       | 645,020    | 845,042    | 102,128                                 |                         |
| Philadelphia PA         |                          | 130,580                 | 421,086    | None             | None   | 130,580                       | 421,086    | 551,666    | 66,672                                  |                         |
| Philadelphia PA         |                          | 270,560                 | 872,488    | None             | None   | 270,560                       | 872,488    | 1,143,048  | 138,144                                 |                         |
| Pittsburgh PA           |                          | 203,808                 | 657,230    | None             | None   | 203,808                       | 657,230    | 861,038    | 104,061                                 |                         |
| Sellersville PA         |                          | 436,843                 | 1,408,706  | None             | None   | 436,843                       | 1,408,706  | 1,845,549  | 223,045                                 |                         |
| Skippack PA             |                          | 484,437                 | 1,562,185  | None             | None   | 484,437                       | 1,562,185  | 2,046,622  | 247,346                                 |                         |
| Slatington PA           |                          | 467,608                 | 1,507,917  | None             | None   | 467,608                       | 1,507,917  | 1,975,525  | 238,753                                 |                         |
| Slatington PA           |                          | 1,331,882               | 4,294,979  | None             | None   | 1,331,882                     | 4,294,979  | 5,626,861  | 680,038                                 |                         |
| Somersset PA            |                          | 369,856                 | 1,192,691  | None             | None   | 369,856                       | 1,192,691  | 1,562,547  | 188,843                                 |                         |
| Summit Hill PA          |                          | 94,816                  | 2,266,101  | None             | None   | 94,816                        | 2,266,101  | 2,360,917  | 358,799                                 |                         |
| Swarthmore PA           |                          | 165,423                 | 533,447    | None             | None   | 165,423                       | 533,447    | 698,870    | 84,462                                  |                         |
| Tannersville PA         |                          | 277,284                 | 894,170    | None             | None   | 277,284                       | 894,170    | 1,171,454  | 141,577                                 |                         |
| Walnutport PA           |                          | 1,068,012               | 1,437,132  | None             | None   | 1,068,012                     | 1,437,132  | 2,505,144  | 227,546                                 |                         |
| Warren PA               |                          | 253,725                 | 818,198    | None             | None   | 253,725                       | 818,198    | 1,071,923  | 129,548                                 |                         |
| Wyomissing PA           |                          | 553,724                 | 1,785,618  | None             | None   | 553,724                       | 1,785,618  | 2,339,342  | 282,723                                 |                         |
| SC                      | 13,800,000               | 10,803,051              | 25,511,279 | None             | None   | 10,803,051                    | 25,511,279 | 36,314,330 | 2,885,204                               |                         |

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|                            |    |            |            |            |         |        |            |            |            |           |
|----------------------------|----|------------|------------|------------|---------|--------|------------|------------|------------|-----------|
| Mount Pleasant             |    |            |            |            |         |        |            |            |            |           |
| Lubbock                    | TX |            | 49,000     | 108,831    | 57,941  | 6,264  | 49,000     | 173,036    | 222,036    | 143,468   |
| Pasadena                   | TX |            | 385,199    | 716,468    | None    | None   | 385,199    | 716,468    | 1,101,667  | 254,346   |
| Appleton                   | WI |            | 578,049    | 1,154,733  | None    | None   | 578,049    | 1,154,733  | 1,732,782  | 5,774     |
| Ashland                    | WI |            | 410,000    | 1,480,432  | None    | None   | 410,000    | 1,480,432  | 1,890,432  | 7,402     |
| Brookfield                 | WI |            | 600,466    | 1,199,516  | None    | None   | 600,466    | 1,199,516  | 1,799,982  | 5,998     |
| Burlington                 | WI |            | 290,000    | 1,805,776  | None    | None   | 290,000    | 1,805,776  | 2,095,776  | 9,029     |
| Cedarburg                  | WI |            | 600,686    | 1,199,954  | None    | None   | 600,686    | 1,199,954  | 1,800,640  | 6,000     |
| Delafield                  | WI |            | 852,131    | 1,702,251  | None    | None   | 852,131    | 1,702,251  | 2,554,382  | 8,511     |
| Delavan                    | WI |            | 350,000    | 731,920    | None    | None   | 350,000    | 731,920    | 1,081,920  | 3,660     |
| DePere                     | WI |            | 332,021    | 663,259    | None    | None   | 332,021    | 663,259    | 995,280    | 3,316     |
| Eagle River                | WI |            | 440,000    | 1,481,232  | None    | None   | 440,000    | 1,481,232  | 1,921,232  | 7,406     |
| Fitchburg                  | WI |            | 460,896    | 920,704    | None    | None   | 460,896    | 920,704    | 1,381,600  | 4,604     |
| Fond du Lac                | WI |            | 421,195    | 841,397    | None    | None   | 421,195    | 841,397    | 1,262,592  | 4,207     |
| Fox Point                  | WI |            | 597,592    | 1,193,773  | None    | None   | 597,592    | 1,193,773  | 1,791,365  | 5,969     |
| Green Bay                  | WI |            | 640,198    | 1,278,884  | None    | None   | 640,198    | 1,278,884  | 1,919,082  | 6,394     |
| Green Bay                  | WI |            | 739,234    | 1,476,723  | None    | None   | 739,234    | 1,476,723  | 2,215,957  | 7,384     |
| Greendale                  | WI |            | 1,300,000  | 2,906,482  | None    | None   | 1,300,000  | 2,906,482  | 4,206,482  | 14,532    |
| Janesville                 | WI |            | 130,000    | 564,880    | None    | None   | 130,000    | 564,880    | 694,880    | 2,824     |
| La Crosse                  | WI |            | 424,327    | 847,652    | None    | None   | 424,327    | 847,652    | 1,271,979  | 4,238     |
| Marshfield                 | WI |            | 420,000    | 792,148    | None    | None   | 420,000    | 792,148    | 1,212,148  | 3,961     |
| Mequon                     | WI |            | 1,162,508  | 2,322,274  | None    | None   | 1,162,508  | 2,322,274  | 3,484,782  | 11,611    |
| Milwaukee                  | WI |            | 265,985    | 495,071    | None    | None   | 265,985    | 495,071    | 761,056    | 175,750   |
| Muskego                    | WI |            | 489,131    | 977,109    | None    | None   | 489,131    | 977,109    | 1,466,240  | 4,886     |
| Oak Creek                  | WI |            | 595,162    | 1,188,920  | None    | None   | 595,162    | 1,188,920  | 1,784,082  | 5,945     |
| Oregon                     | WI |            | 487,157    | 973,163    | None    | None   | 487,157    | 973,163    | 1,460,320  | 4,866     |
| Pleasant Prairie           | WI |            | 375,917    | 750,946    | None    | None   | 375,917    | 750,946    | 1,126,863  | 3,755     |
| Racine                     | WI |            | 474,923    | 948,725    | None    | None   | 474,923    | 948,725    | 1,423,648  | 4,744     |
| Salem                      | WI |            | 387,377    | 773,839    | None    | None   | 387,377    | 773,839    | 1,161,216  | 3,869     |
| Saukville                  | WI |            | 355,874    | 710,908    | None    | None   | 355,874    | 710,908    | 1,066,782  | 3,555     |
| Sussex                     | WI |            | 438,297    | 875,559    | None    | None   | 438,297    | 875,559    | 1,313,856  | 4,378     |
| Thiensville                | WI |            | 700,007    | 1,398,361  | None    | None   | 700,007    | 1,398,361  | 2,098,368  | 6,992     |
| Verona                     | WI |            | 580,000    | 994,112    | None    | None   | 580,000    | 994,112    | 1,574,112  | 4,971     |
| Waukesha                   | WI |            | 670,377    | 1,339,171  | None    | None   | 670,377    | 1,339,171  | 2,009,548  | 6,696     |
| Waukesha                   | WI |            | 537,078    | 1,072,890  | None    | None   | 537,078    | 1,072,890  | 1,609,968  | 5,364     |
| West Allis                 | WI |            | 661,609    | 1,321,656  | None    | None   | 661,609    | 1,321,656  | 1,983,265  | 6,608     |
| <u>Food processing</u>     |    |            |            |            |         |        |            |            |            |           |
| Cedar Rapids               | IA | 29,307,500 | 1,784,980  | 36,815,951 | None    | None   | 1,784,980  | 36,815,951 | 38,600,931 | 6,320,072 |
| St. Louis                  | MO |            | 3,112,401  | 32,725,202 | None    | 147    | 3,112,401  | 32,725,349 | 35,837,750 | 7,145,150 |
| Weldon Springs             | MO |            | 3,675,034  | 13,827,581 | None    | None   | 3,675,034  | 13,827,581 | 17,502,615 | 3,157,298 |
| Omaha                      | NE |            | 2,022,114  | 24,664,964 | None    | None   | 2,022,114  | 24,664,964 | 26,687,078 | 2,789,490 |
| York                       | NE |            | 450,000    | 7,442,416  | None    | None   | 450,000    | 7,442,416  | 7,892,416  | 647,009   |
| Oklahoma City              | OK |            | 201,507    | 1,828,803  | None    | None   | 201,507    | 1,828,803  | 2,030,310  | 206,829   |
| Memphis                    | TN |            | 1,568,476  | 13,510,652 | 42,601  | None   | 1,568,476  | 13,553,253 | 15,121,729 | 1,538,397 |
| Weslaco                    | TX |            | 207,384    | 1,882,135  | None    | None   | 207,384    | 1,882,135  | 2,089,519  | 212,861   |
| <u>General merchandise</u> |    |            |            |            |         |        |            |            |            |           |
| Demopolis                  | AL |            | 658,601    | 2,140,452  | 14,135  | None   | 658,601    | 2,154,587  | 2,813,188  | 349,502   |
| Batesville                 | AR |            | 360,000    | 1,839,677  | None    | None   | 360,000    | 1,839,677  | 2,199,677  | 266,753   |
| Blytheville                | AR |            | 772,319    | 15,370,177 | None    | None   | 772,319    | 15,370,177 | 16,142,496 | 2,433,611 |
| Hot Springs                | AR |            | 413,337    | 1,865,839  | 130,994 | None   | 413,337    | 1,996,833  | 2,410,170  | 71,815    |
| Coolidge                   | AZ |            | 380,000    | 1,865,375  | 133,700 | None   | 380,000    | 1,999,075  | 2,379,075  | 154,194   |
| Douglas                    | AZ |            | 320,000    | 2,812,308  | None    | None   | 320,000    | 2,812,308  | 3,132,308  | 257,795   |
| Sonora                     | CA |            | 1,199,554  | 3,898,549  | 18,956  | None   | 1,199,554  | 3,917,505  | 5,117,059  | 617,992   |
| Tustin                     | CA |            | 10,530,000 | 9,883,431  | None    | None   | 10,530,000 | 9,883,431  | 20,413,431 | 938,926   |
| Monte Vista                | CO |            | 47,652     | 582,159    | 58,774  | 1,584  | 47,652     | 642,517    | 690,169    | 427,700   |
| Pawcatuck                  | CT |            | 1,090,816  | 3,545,153  | 13,565  | None   | 1,090,816  | 3,558,718  | 4,649,534  | 572,479   |
| North Ft Myers             | FL |            | 729,366    | 3,292,417  | None    | None   | 729,366    | 3,292,417  | 4,021,783  | 203,032   |
| Orange Park                | FL |            | 478,314    | 618,348    | 163,348 | 27,979 | 478,314    | 809,675    | 1,287,989  | 571,559   |
| Austell                    | GA |            | 5,107,282  | 14,192,370 | None    | None   | 5,107,282  | 14,192,370 | 19,299,652 | 23,654    |
| Madison                    | GA |            | 597,637    | 1,942,320  | 20,582  | None   | 597,637    | 1,962,902  | 2,560,539  | 320,616   |
| Clarinda                   | IA |            | 439,267    | 816,010    | 16,832  | 25,838 | 439,267    | 858,680    | 1,297,947  | 350,627   |

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|               |    |           |            |         |       |           |            |            |         |
|---------------|----|-----------|------------|---------|-------|-----------|------------|------------|---------|
| Columbia City | IN | 470,000   | 1,319,981  | None    | None  | 470,000   | 1,319,981  | 1,789,981  | 28,600  |
| Greensburg    | IN | 1,310,000 | 10,075,489 | None    | None  | 1,310,000 | 10,075,489 | 11,385,489 | 16,792  |
| Garnett       | KS | 59,690    | 628,516    | 90,686  | 38    | 59,690    | 719,240    | 778,930    | 386,711 |
| Hillsboro     | KS | 335,292   | 622,914    | None    | 38    | 335,292   | 622,952    | 958,244    | 264,752 |
| Phillipsburg  | KS | 423,725   | 787,146    | 31,216  | 8,938 | 423,725   | 827,300    | 1,251,025  | 335,889 |
| Lawrenceburg  | KY | 410,000   | 503,126    | 135,108 | None  | 410,000   | 638,234    | 1,048,234  | 48,695  |
| Maysville     | KY | 1,030,000 | 1,440,622  | None    | None  | 1,030,000 | 1,440,622  | 2,470,622  | 208,890 |
| Mansura       | LA | 557,316   | 1,811,276  | 11,163  | None  | 557,316   | 1,822,439  | 2,379,755  | 295,971 |
| Oakland       | MD | 990,000   | 2,555,782  | None    | None  | 990,000   | 2,555,782  | 3,545,782  | 208,722 |
| Calais        | ME | 440,000   | 2,236,794  | None    | None  | 440,000   | 2,236,794  | 2,676,794  | 205,039 |

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### REALTY INCOME CORPORATION AND SUBSIDIARIES

#### SCHEDULE III REAL ESTATE AND ACCUMULATED DEPRECIATION

AS OF DECEMBER 31, 2016

| Description<br>(Note 1) | Encumbrances<br>(Note 2) | Initial Cost to Company |  |              |                   | Cost Capitalized<br>Subsequent<br>to Acquisition |  | Gross Amount at Which Carried<br>at Close of Period (Notes 3, 4, 6 and<br>7) |           |            | Accumulated<br>Depreciation<br>(Note 5) | Date of<br>Construction |
|-------------------------|--------------------------|-------------------------|--|--------------|-------------------|--|--|--|-----------|------------|---|-------------------------|
|                         |                          | Land                    | Buildings,<br>Improvements<br>and<br>Acquisition<br>Fees | Improvements | Carrying<br>Costs | Land   | Buildings,<br>Improvements<br>and<br>Acquisition<br>Fees | Total  |           |            |   |                         |
| Coldwater MI            |                          | 380,000                 | 2,589,000  | None         | None              | 380,000  | 2,589,000  | 2,969,000  | 107,875   |            |   |                         |
| Kalamazoo MI            |                          | -                       | 2,547,854  | 71,591       | None              | -  | 2,619,445  | 2,619,445  | 415,103   |            |   |                         |
| St John s MI            |                          | 350,000                 | 2,292,729  | None         | None              | 350,000  | 2,292,729  | 2,642,729  | 187,240   |            |   |                         |
| Stevensville MI         |                          | 404,904                 | 2,547,727  | 900          | None              | 404,904  | 2,548,627  | 2,953,531  | 233,795   |            |   |                         |
| Faribault MN            |                          | 1,270,000               | 16,730,000   | None         | None              | 1,270,000  | 16,730,000   | 18,000,000   | 258,917   |            |   |                         |
| Long Prairie MN         |                          | 88,892                  | 553,997  | None         | 87                | 88,892   | 554,084  | 642,976  | 399,850   |            |   |                         |
| Paynesville MN          |                          | 49,483                  | 525,406  | 35,306       | 38                | 49,483   | 560,750  | 610,233  | 382,825   |            |   |                         |
| Spring Valley MN        |                          | 69,785                  | 579,238  | None         | 84                | 69,785   | 579,322  | 649,107  | 418,066   |            |   |                         |
| Warroad MN              |                          | 70,000                  | 580,000  | None         | 46                | 70,000   | 580,046  | 650,046  | 418,586   |            |   |                         |
| Independence MO         |                          | 210,643                 | 467,844  | None         | 127               | 210,643  | 467,971  | 678,614  | 467,930   |            |   |                         |
| Kansas City MO          |                          | 210,070                 | 466,571  | None         | None              | 210,070  | 466,571  | 676,641  | 466,571   |            |   |                         |
| Kansas City MO          |                          | 168,350                 | 373,910  | None         | None              | 168,350  | 373,910  | 542,260  | 373,910   |            |   |                         |
| Corinth MS              |                          | 387,489                 | 1,749,157  | None         | None              | 387,489  | 1,749,157  | 2,136,646  | 212,814   |            |   |                         |
| Ridgeland MS            |                          | 281,867                 | 769,890  | 6,265        | 19,476            | 281,867  | 795,631  | 1,077,498  | 623,973   |            |   |                         |
| Billings MT             |                          | 617,235                 | 2,786,247  | None         | None              | 617,235  | 2,786,247  | 3,403,482  | 171,819   |            |   |                         |
| Glendive MT             |                          | 567,581                 | 2,529,794  | None         | None              | 567,581  | 2,529,794  | 3,097,375  | 156,004   |            |   |                         |
| Greensboro NC           |                          | 676,201                 | 3,052,428  | None         | None              | 676,201  | 3,052,428  | 3,728,629  | 259,456   |            |   |                         |
| Raleigh NC              |                          | 484,913                 | 2,188,937  | None         | None              | 484,913  | 2,188,937  | 2,673,850  | 244,431   |            |   |                         |
| Mayville ND             |                          | 59,333                  | 565,562  | 120,620      | 5,087             | 59,333   | 691,269  | 750,602  | 409,383   |            |   |                         |
| Ainsworth NE            |                          | 362,675                 | 673,768  | None         | 94                | 362,675  | 673,862  | 1,036,537  | 286,391   |            |   |                         |
| Imperial NE             |                          | 388,599                 | 721,914  | 146,288      | 38                | 388,599  | 868,240  | 1,256,839  | 318,135   |            |   |                         |
| Bloomfield NM           |                          | 59,559                  | 616,252  | 14,805       | 84                | 59,559   | 631,141  | 690,700  | 450,172   |            |   |                         |
| Clovis NM               |                          | 50,000                  | 918,965  | 33,694       | None              | 50,000   | 952,659  | 1,002,659  | 100,448   |            |   |                         |
| Pickerington OH         |                          | 317,010                 | 1,431,011  | None         | None              | 317,010  | 1,431,011  | 1,748,021  | 145,486   |            |   |                         |
| Milwaukie OR            |                          | 180,250                 | 400,336  | 49,088       | 58                | 180,250  | 449,482  | 629,732  | 437,659   |            |   |                         |
| Dubois PA               | 1,386,045                | 682,202                 | 2,217,155  | 10,440       | None              | 682,202  | 2,227,595  | 2,909,797  | 354,573   |            |   |                         |
| Ebensburg PA            |                          | 581,699                 | 16,421,564   | None         | None              | 581,699  | 16,421,564   | 17,003,263   | 2,600,081 |            |   |                         |
| Elizabethville PA       | 1,288,779                | 691,197                 | 2,246,390  | 5,000        | None              | 691,197  | 2,251,390  | 2,942,587  | 359,897   |            |   |                         |
| Mansfield PA            | 1,288,779                | 759,190                 | 2,467,367  | 3,651        | None              | 759,190  | 2,471,018  | 3,230,208  | 392,834   |            |   |                         |
| Milford PA              |                          | 438,715                 | 1,955,421  | 104,700      | None              | 438,715  | 2,060,121  | 2,498,836  | 121,239   |            |   |                         |
| Providence RI           | 14,900,000               | 2,550,000               | 21,717,123   | 5,161        | None              | 2,550,000  | 21,722,284   | 24,272,284   | 1,839,427 |            |   |                         |
| Florence SC             |                          | 712,114                 | 2,314,371  | 13,000       | None              | 712,114  | 2,327,371  | 3,039,485  | 376,569   |            |   |                         |
| Athens TN               |                          | 290,000                 | 1,948,179  | None         | None              | 290,000  | 1,948,179  | 2,238,179  | 185,077   |            |   |                         |
| Carthage TN             |                          | 555,547                 | 2,476,158  | 127,851      | None              | 555,547  | 2,604,009  | 3,159,556  | 104,816   |            |   |                         |
| Memphis TN              |                          | 197,708                 | 507,647  | 17,670       | 23,118            | 197,708  | 548,435  | 746,143  | 408,612   |            |   |                         |
| Murfreesboro TN         |                          | 1,010,000               | 2,797,770  | None         | None              | 1,010,000  | 2,797,770  | 3,807,770  | 60,618    |            |   |                         |
| Coleman TX              |                          | 243,060                 | 451,661  | 14,375       | 38                | 243,060  | 466,074  | 709,134  | 192,718   |            |   |                         |
| Colorado City TX        |                          | 92,535                  | 505,276  | 63,690       | 84                | 92,535   | 569,050  | 661,585  | 368,004   |            |   |                         |
| Devine TX               |                          | 212,408                 | 394,735  | 32,536       | 101               | 212,408  | 427,372  | 639,780  | 171,866   |            |   |                         |
| New Boston TX           |                          | 564,285                 | 1,833,926  | 25,360       | None              | 564,285  | 1,859,286  | 2,423,571  | 309,829   |            |   |                         |
| Orange TX               |                          | 492,842                 | 2,224,730  | None         | None              | 492,842  | 2,224,730  | 2,717,572  | 270,675   |            |   |                         |
| Presidio TX             |                          | 407,657                 | 757,362  | None         | 15,300            | 407,657  | 772,662  | 1,180,319  | 323,451   |            |   |                         |
| Winnsboro TX            |                          | 79,280                  | 1,299,056  | 19,997       | 153               | 79,280   | 1,319,206  | 1,398,486  | 527,393   | 10/19/2006 |   |                         |

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|            |    |           |           |           |        |           |           |           |           |
|------------|----|-----------|-----------|-----------|--------|-----------|-----------|-----------|-----------|
| Yoakum     | TX | 390,147   | 724,821   | 35,515    | 87     | 390,147   | 760,423   | 1,150,570 | 309,385   |
| Salem      | UT | 439,889   | 1,985,696 | 2,350     | None   | 439,889   | 1,988,046 | 2,427,935 | 129,193   |
| Salem      | VA | 670,000   | 1,870,698 | None      | None   | 670,000   | 1,870,698 | 2,540,698 | 40,532    |
| Puyallup   | WA | 173,250   | 384,795   | None      | 22,814 | 173,250   | 407,609   | 580,859   | 405,898   |
| Redmond    | WA | 196,000   | 435,317   | 42,356    | 29,168 | 196,000   | 506,841   | 702,841   | 476,048   |
| Tacoma     | WA | 189,000   | 419,777   | None      | 19,146 | 189,000   | 438,923   | 627,923   | 437,646   |
| Green Bay  | WI | 1,510,000 | 5,852,883 | None      | None   | 1,510,000 | 5,852,883 | 7,362,883 | 829,158   |
| Sussex     | WI | 650,000   | 7,106,415 | None      | None   | 650,000   | 7,106,415 | 7,756,415 | 1,006,742 |
| Ronceverte | WV | 1,386,045 | 772,945   | 2,512,071 | 5,445  | None      | 772,945   | 2,517,516 | 3,290,461 |
| Douglas    | WY | 571,162   | 2,545,759 | 1,650     | None   | 571,162   | 2,547,409 | 3,118,571 | 157,109   |

Government services

|                  |    |           |            |         |      |           |            |            |           |
|------------------|----|-----------|------------|---------|------|-----------|------------|------------|-----------|
| Sierra Vista     | AZ | 368,655   | 9,028,151  | 260,984 | None | 368,655   | 9,289,135  | 9,657,790  | 1,084,765 |
| El Centro        | CA | 520,000   | 2,185,899  | None    | None | 520,000   | 2,185,899  | 2,705,899  | 637,554   |
| Redding          | CA | 675,805   | 20,005,327 | 198,453 | None | 675,805   | 20,203,780 | 20,879,585 | 2,357,888 |
| Colorado Springs | CO | 672,578   | 9,520,731  | 352,584 | None | 672,578   | 9,873,315  | 10,545,893 | 1,181,803 |
| New Port         |    |           |            |         |      |           |            |            |           |
| Richey           | FL | 779,626   | 9,708,313  | 136,459 | None | 779,626   | 9,844,772  | 10,624,398 | 1,116,524 |
| Sioux City       | IA | 77,340    | 4,538,558  | 157,874 | None | 77,340    | 4,696,432  | 4,773,772  | 523,981   |
| Caldwell         | ID | 666,412   | 2,891,593  | 7,400   | None | 666,412   | 2,898,993  | 3,565,405  | 332,961   |
| Minneapolis      | MN | 1,045,866 | 8,587,804  | None    | None | 1,045,866 | 8,587,804  | 9,633,670  | 971,240   |
| Malone           | NY | 823,630   | 9,270,887  | 8,864   | None | 823,630   | 9,279,751  | 10,103,381 | 1,048,770 |
| Knoxville        | TN | 760,745   | 8,994,542  | 17,310  | None | 760,745   | 9,011,852  | 9,772,597  | 1,023,006 |
| Brownsville      | TX | 320,661   | 6,564,200  | None    | None | 320,661   | 6,564,200  | 6,884,861  | 742,380   |
| Dallas           | TX | 399,222   | 9,540,572  | 4,139   | None | 399,222   | 9,544,711  | 9,943,933  | 1,081,098 |
| Eagle Pass       | TX | 146,259   | 1,880,444  | 124,540 | None | 146,259   | 2,004,984  | 2,151,243  | 242,204   |
| Eagle Pass       | TX | 68,097    | 708,427    | 56,419  | None | 68,097    | 764,846    | 832,943    | 93,034    |
| Paris            | TX | 274,223   | 5,385,490  | 1,750   | None | 274,223   | 5,387,240  | 5,661,463  | 609,788   |
| Parkersburg      | WV | 494,436   | 12,703,842 | 26,020  | None | 494,436   | 12,729,862 | 13,224,298 | 1,445,446 |

Grocery stores

|                 |    |           |           |      |      |           |           |            |           |
|-----------------|----|-----------|-----------|------|------|-----------|-----------|------------|-----------|
| Mesa            | AZ | 807,252   | 1,499,183 | None | None | 807,252   | 1,499,183 | 2,306,435  | 302,335   |
| Phoenix         | AZ | 664,796   | 1,234,621 | None | None | 664,796   | 1,234,621 | 1,899,417  | 248,982   |
| Phoenix         | AZ | 546,083   | 1,014,153 | None | None | 546,083   | 1,014,153 | 1,560,236  | 204,521   |
| Yuma            | AZ | 783,510   | 1,455,089 | None | None | 783,510   | 1,455,089 | 2,238,599  | 293,443   |
| Buena Park      | CA | 2,136,844 | 3,968,425 | None | None | 2,136,844 | 3,968,425 | 6,105,269  | 800,299   |
| Burbank         | CA | 2,193,827 | 4,074,250 | None | None | 2,193,827 | 4,074,250 | 6,268,077  | 821,640   |
| Carson          | CA | 949,709   | 1,763,744 | None | None | 949,709   | 1,763,744 | 2,713,453  | 355,688   |
| Chula Vista     | CA | 1,044,679 | 1,940,119 | None | None | 1,044,679 | 1,940,119 | 2,984,798  | 391,257   |
| Cloverdale      | CA | 1,505,000 | 2,795,321 | None | None | 1,505,000 | 2,795,321 | 4,300,321  | 1,486,179 |
| El Centro       | CA | 394,903   | 733,392   | None | None | 394,903   | 733,392   | 1,128,295  | 147,901   |
| Fortuna         | CA | 1,190,000 | 2,210,308 | None | None | 1,190,000 | 2,210,308 | 3,400,308  | 1,175,147 |
| Glendale        | CA | 3,270,797 | 6,074,336 | None | None | 3,270,797 | 6,074,336 | 9,345,133  | 1,224,991 |
| Hanford         | CA | 1,234,621 | 2,292,868 | None | None | 1,234,621 | 2,292,868 | 3,527,489  | 462,395   |
| Inglewood       | CA | 1,661,990 | 3,086,553 | None | None | 1,661,990 | 3,086,553 | 4,748,543  | 622,455   |
| Los Angeles     | CA | 712,282   | 1,322,809 | None | None | 712,282   | 1,322,809 | 2,035,091  | 266,766   |
| Los Angeles     | CA | 1,424,563 | 2,645,617 | None | None | 1,424,563 | 2,645,617 | 4,070,180  | 533,533   |
| Los Angeles     | CA | 1,576,516 | 2,927,816 | None | None | 1,576,516 | 2,927,816 | 4,504,332  | 590,443   |
| Los Angeles     | CA | 1,638,247 | 3,042,460 | None | None | 1,638,247 | 3,042,460 | 4,680,707  | 613,563   |
| Los Angeles     | CA | 1,994,388 | 3,703,864 | None | None | 1,994,388 | 3,703,864 | 5,698,252  | 746,946   |
| Los Angeles     | CA | 3,111,111 | 5,777,778 | None | None | 3,111,111 | 5,777,778 | 8,888,889  | 1,165,185 |
| Monrovia        | CA | 1,139,650 | 2,116,494 | None | None | 1,139,650 | 2,116,494 | 3,256,144  | 426,826   |
| North Hollywood | CA | 4,036,263 | 7,495,917 | None | None | 4,036,263 | 7,495,917 | 11,532,180 | 1,511,677 |
| Oakland         | CA | 2,374,272 | 4,409,361 | None | None | 2,374,272 | 4,409,361 | 6,783,633  | 889,221   |
| Pacoima         | CA | 949,709   | 1,763,744 | None | None | 949,709   | 1,763,744 | 2,713,453  | 355,688   |
| Pasadena        | CA | 2,113,102 | 3,924,331 | None | None | 2,113,102 | 3,924,331 | 6,037,433  | 791,407   |
| Redlands        | CA | 1,187,136 | 2,204,680 | None | None | 1,187,136 | 2,204,680 | 3,391,816  | 444,611   |
| Redondo Beach   | CA | 1,306,667 | 2,426,666 | None | None | 1,306,667 | 2,426,666 | 3,733,333  | 489,378   |
| Redwood City    | CA | 1,638,247 | 3,042,460 | None | None | 1,638,247 | 3,042,460 | 4,680,707  | 613,563   |
| Riverside       | CA | 1,068,422 | 1,984,213 | None | None | 1,068,422 | 1,984,213 | 3,052,635  | 400,150   |
| Sacramento      | CA | 759,767   | 1,410,995 | None | None | 759,767   | 1,410,995 | 2,170,762  | 284,551   |
| Sacramento      | CA | 1,139,650 | 2,116,494 | None | None | 1,139,650 | 2,116,494 | 3,256,144  | 426,826   |
| Salinas         | CA | 1,044,679 | 1,940,119 | None | None | 1,044,679 | 1,940,119 | 2,984,798  | 391,257   |
| San Diego       | CA | 1,633,333 | 3,033,334 | None | None | 1,633,333 | 3,033,334 | 4,666,667  | 611,722   |
| Stockton        | CA | 1,424,563 | 2,645,617 | None | None | 1,424,563 | 2,645,617 | 4,070,180  | 533,533   |

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Thousand

|            |    |           |           |           |         |      |           |           |            |           |
|------------|----|-----------|-----------|-----------|---------|------|-----------|-----------|------------|-----------|
| Oaks       | CA |           | 2,018,131 | 3,747,957 | None    | None | 2,018,131 | 3,747,957 | 5,766,088  | 755,838   |
| Boulder    | CO |           | 426,675   | 1,199,508 | None    | 600  | 426,675   | 1,200,108 | 1,626,783  | 1,097,300 |
| Pueblo     | CO |           | 1,700,000 | 8,440,070 | 1,000   | None | 1,700,000 | 8,441,070 | 10,141,070 | 154,776   |
| Wilmington | DE | 4,825,479 | 1,020,000 | 5,192,590 | None    | None | 1,020,000 | 5,192,590 | 6,212,590  | 545,222   |
| Brandon    | FL |           | 2,570,000 | 676,996   | 241,714 | 294  | 2,570,000 | 919,004   | 3,489,004  | 184,853   |
| Tampa      | FL |           | 2,610,000 | 5,769,576 | 145,462 | None | 2,610,000 | 5,915,038 | 8,525,038  | 1,485,562 |
| Albany     | GA |           | 2,190,000 | 8,689,607 | 1,000   | None | 2,190,000 | 8,690,607 | 10,880,607 | 101,429   |

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REALTY INCOME CORPORATION AND SUBSIDIARIES

SCHEDULE III REAL ESTATE AND ACCUMULATED DEPRECIATION

AS OF DECEMBER 31, 2016

| Description<br>(Note 1) | Encumbrances<br>(Note 2) | Initial Cost to Company<br>Buildings,<br>Improvements<br>and<br>Acquisition |            | Cost Capitalized<br>Subsequent<br>to Acquisition<br>Carrying |       | Gross Amount at Which Carried<br>at Close of Period (Notes 3, 4, 6 and 7)<br>Buildings,<br>Improvements<br>and<br>Acquisition |            |            | Accumulated<br>Depreciation<br>(Note 5) | Date of<br>Construction |
|-------------------------|--------------------------|---|------------|--|-------|---|------------|------------|---|-------------------------|
|                         |                          | Land  | Fees       | Improvements   | Costs | Land  | Fees       | Total      |   |                         |
| Athens GA               |                          | 2,190,000   | 9,423,928  | 1,000  | None  | 2,190,000   | 9,424,928  | 11,614,928 | 109,996                                 |                         |
| Augusta GA              |                          | 3,270,000   | 7,509,563  | 1,500  | None  | 3,270,000   | 7,511,063  | 10,781,063 | 162,782                                 |                         |
| Gainesville GA          |                          | 2,550,000   | 7,339,116  | 1,500  | None  | 2,550,000   | 7,340,616  | 9,890,616  | 159,089                                 |                         |
| LaGrange GA             |                          | 1,740,000   | 8,162,125  | 1,000  | None  | 1,740,000   | 8,163,125  | 9,903,125  | 95,275                                  |                         |
| Elkhart IN              |                          | 835,890   | 1,554,487  | None   | None  | 835,890   | 1,554,487  | 2,390,377  | 1,554,487                               |                         |
| Warsaw IN               |                          | 2,140,000   | 4,689,646  | None   | None  | 2,140,000   | 4,689,646  | 6,829,646  | 1,852,398                               |                         |
| Lawrence KS             |                          | 706,512   | 5,338,974  | 140  | None  | 706,512   | 5,339,114  | 6,045,626  | 845,393                                 |                         |
| Wichita KS              |                          | 1,672,828   | 7,617,013  | 1,539  | None  | 1,672,828   | 7,618,552  | 9,291,380  | 1,206,630                               |                         |
| Monroe LA               |                          | 2,270,000   | 7,627,418  | 1,000  | None  | 2,270,000   | 7,628,418  | 9,898,418  | 165,311                                 |                         |
| Monroe LA               |                          | 2,260,000   | 7,849,069  | 1,000  | None  | 2,260,000   | 7,850,069  | 10,110,069 | 170,113                                 |                         |
| Portland ME             |                          | -   | 6,357,617  | 7,937  | None  | -   | 6,365,554  | 6,365,554  | 1,007,548                               |                         |
| Lapeer MI               |                          | 769,498   | 4,509,061  | None   | None  | 769,498   | 4,509,061  | 5,278,559  | 37,576                                  |                         |
| Aurora MO               |                          | 440,000   | 3,398,717  | None   | None  | 440,000   | 3,398,717  | 3,838,717  | 288,891                                 |                         |
| Festus MO               |                          | 1,120,000   | 5,163,355  | 1,000  | None  | 1,120,000   | 5,164,355  | 6,284,355  | 611,289                                 |                         |
| Republic MO             |                          | 930,000   | 3,036,180  | None   | None  | 930,000   | 3,036,180  | 3,966,180  | 258,075                                 |                         |
| Springfield MO          |                          | 1,167,312   | 3,207,718  | None   | None  | 1,167,312   | 3,207,718  | 4,375,030  | 272,656                                 |                         |
| Springfield MO          |                          | 1,635,901   | 4,495,381  | None   | None  | 1,635,901   | 4,495,381  | 6,131,282  | 382,107                                 |                         |
| St. Louis MO            |                          | 1,150,000   | 4,580,300  | None   | None  | 1,150,000   | 4,580,300  | 5,730,300  | 542,002                                 |                         |
| St. Louis MO            |                          | 890,000   | 5,765,303  | None   | None  | 890,000   | 5,765,303  | 6,655,303  | 682,228                                 |                         |
| Reno NV                 |                          | 456,000   | 562,344    | 19,733   | 175   | 456,000   | 582,252    | 1,038,252  | 578,869                                 |                         |
| Reno NV                 |                          | 721,365   | 1,339,679  | None   | None  | 721,365   | 1,339,679  | 2,061,044  | 270,169                                 |                         |
| Canandaigua NY          |                          | 757,160   | 13,354,409 | None   | None  | 757,160   | 13,354,409 | 14,111,569 | 2,114,448                               |                         |
| Nanuet NY               |                          | 3,149,527   | 20,960,357 | None   | None  | 3,149,527   | 20,960,357 | 24,109,884 | 3,318,723                               |                         |
| Seaford NY              | 13,806,243               | 6,180,000   | 6,058,740  | None   | None  | 6,180,000   | 6,058,740  | 12,238,740 | 636,168                                 |                         |
| Cincinnati OH           |                          | 1,860,000   | 5,009,049  | None   | None  | 1,860,000   | 5,009,049  | 6,869,049  | 58,439                                  |                         |
| Bartlesville OK         |                          | 1,650,000   | 1,573,823  | 1,000  | None  | 1,650,000   | 1,574,823  | 3,224,823  | 391,408                                 |                         |
| Norman OK               |                          | 1,580,000   | 1,900,618  | 1,000  | None  | 1,580,000   | 1,901,618  | 3,481,618  | 472,562                                 |                         |
| Norman OK               |                          | 3,000,000   | 2,474,669  | 1,000  | None  | 3,000,000   | 2,475,669  | 5,475,669  | 614,699                                 |                         |
| Stillwater OK           |                          | 2,590,000   | 2,472,123  | 1,000  | None  | 2,590,000   | 2,473,123  | 5,063,123  | 614,486                                 |                         |
| Tulsa OK                |                          | 1,550,000   | 203,990    | None   | None  | 1,550,000   | 203,990    | 1,753,990  | 50,658                                  |                         |
| Tulsa OK                |                          | 2,000,000   | 753,609    | None   | None  | 2,000,000   | 753,609    | 2,753,609  | 187,146                                 |                         |
| Tulsa OK                |                          | 3,000,000   | 3,485,618  | 1,000  | None  | 3,000,000   | 3,486,618  | 6,486,618  | 866,171                                 |                         |
| Central Point OR        |                          | 840,000   | 1,560,308  | None   | None  | 840,000   | 1,560,308  | 2,400,308  | 829,564                                 |                         |
| Pendleton OR            |                          | 546,083   | 1,014,153  | None   | None  | 546,083   | 1,014,153  | 1,560,236  | 204,521                                 |                         |
| Phoenix OR              |                          | 840,000   | 1,560,308  | None   | None  | 840,000   | 1,560,308  | 2,400,308  | 829,564                                 |                         |
| Upper Darby PA          | 8,836,277                | 3,300,000   | 7,383,261  | None   | None  | 3,300,000   | 7,383,261  | 10,683,261 | 775,242                                 |                         |
| Myrtle Beach SC         |                          | 4,866,449   | 1,544,000  | 1,000  | None  | 4,866,449   | 1,545,000  | 6,411,449  | 18,047                                  |                         |
| Rapid City SD           |                          | 2,140,000   | 1,465,451  | None   | None  | 2,140,000   | 1,465,451  | 3,605,451  | 363,920                                 |                         |
| Clarksville TN          |                          | 1,450,000   | 8,573,328  | 1,000  | None  | 1,450,000   | 8,574,328  | 10,024,328 | 100,047                                 |                         |
| Colchester VT           |                          | 983,640   | 13,718,577 | None   | None  | 983,640   | 13,718,577 | 14,702,217 | 2,172,108                               |                         |
| Richland WA             |                          | 1,756,961   | 3,262,927  | None   | None  | 1,756,961   | 3,262,927  | 5,019,888  | 658,024                                 |                         |
| Burlington WI           | 4,490,000                | 840,000   | 6,515,145  | None   | None  | 840,000   | 6,515,145  | 7,355,145  | 705,807                                 |                         |
| Neenah WI               | 3,480,000                | 1,070,000   | 4,648,820  | None   | None  | 1,070,000   | 4,648,820  | 5,718,820  | 503,622                                 |                         |
| Shorewood WI            |                          | 8,288,174   | 23,492,398 | None   | None  | 8,288,174   | 23,492,398 | 31,780,572 | 39,154                                  |                         |

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Health and fitness

|                  |    |           |           |            |         |         |           |            |            |           |            |
|------------------|----|-----------|-----------|------------|---------|---------|-----------|------------|------------|-----------|------------|
| Goodyear         | AZ |           | 2,010,000 | 20,928,681 | None    | None    | 2,010,000 | 20,928,681 | 22,938,681 | 1,290,602 |            |
| Phoenix          | AZ |           | 2,608,389 | 3,418,783  | None    | None    | 2,608,389 | 3,418,783  | 6,027,172  | 2,034,142 | 6/6/2002   |
| Phoenix          | AZ |           | 2,100,000 | 6,556,549  | None    | None    | 2,100,000 | 6,556,549  | 8,656,549  | 1,138,620 | 3/20/2012  |
| Antioch          | CA |           | 5,375,000 | 9,982,143  | None    | None    | 5,375,000 | 9,982,143  | 15,357,143 | 2,112,887 |            |
| Bakersfield      | CA |           | 2,259,649 | 4,698,845  | None    | None    | 2,259,649 | 4,698,845  | 6,958,494  | 994,589   |            |
| Bakersfield      | CA |           | 3,260,933 | 6,056,019  | None    | None    | 3,260,933 | 6,056,019  | 9,316,952  | 1,281,857 |            |
| Carmichael       | CA |           | 812,570   | 3,467,558  | None    | None    | 812,570   | 3,467,558  | 4,280,128  | 468,120   |            |
| Carmichael       | CA |           | 755,676   | 3,224,770  | None    | None    | 755,676   | 3,224,770  | 3,980,446  | 435,344   |            |
| Ceres            | CA |           | 2,145,750 | 3,984,963  | None    | None    | 2,145,750 | 3,984,963  | 6,130,713  | 843,484   |            |
| Chula Vista      | CA |           | 4,226,250 | 7,848,750  | None    | None    | 4,226,250 | 7,848,750  | 12,075,000 | 2,132,244 |            |
| Diamond Bar      | CA |           | 3,038,879 | 5,494,141  | None    | 777     | 3,038,879 | 5,494,918  | 8,533,797  | 3,224,033 | 3/21/2000  |
| Elk Grove        | CA |           | 2,570,000 | 10,206,994 | 67,530  | 3,274   | 2,570,000 | 10,277,798 | 12,847,798 | 1,348,917 |            |
| Fairfield        | CA |           | 836,500   | 2,053,894  | None    | None    | 836,500   | 2,053,894  | 2,890,394  | 297,369   |            |
| Folsom           | CA |           | 1,290,000 | 13,537,029 | 26,013  | None    | 1,290,000 | 13,563,042 | 14,853,042 | 1,827,662 |            |
| Los Banos        | CA |           | 1,378,343 | 2,559,779  | None    | None    | 1,378,343 | 2,559,779  | 3,938,122  | 541,820   |            |
| McClellan        | CA |           | 396,459   | 1,691,850  | None    | None    | 396,459   | 1,691,850  | 2,088,309  | 228,400   |            |
| Merced           | CA |           | 910,000   | 2,440,523  | None    | None    | 910,000   | 2,440,523  | 3,350,523  | 338,274   |            |
| Norco            | CA |           | 1,247,243 | 4,907,430  | None    | 27      | 1,247,243 | 4,907,457  | 6,154,700  | 2,781,431 | 12/13/2000 |
| Rancho Cordova   | CA |           | 1,040,000 | 6,791,316  | 38,541  | None    | 1,040,000 | 6,829,857  | 7,869,857  | 916,908   |            |
| Rocklin          | CA |           | 1,165,243 | 4,972,558  | None    | None    | 1,165,243 | 4,972,558  | 6,137,801  | 671,295   |            |
| Roseville        | CA |           | 1,970,000 | 7,743,081  | 138,677 | None    | 1,970,000 | 7,881,758  | 9,851,758  | 1,055,826 |            |
| Sacramento       | CA |           | 449,230   | 1,917,043  | None    | None    | 449,230   | 1,917,043  | 2,366,273  | 258,801   |            |
| Sacramento       | CA |           | 2,400,000 | 14,079,539 | None    | None    | 2,400,000 | 14,079,539 | 16,479,539 | 1,853,806 |            |
| Shingle Springs  | CA |           | 1,575,000 | 3,675,307  | None    | None    | 1,575,000 | 3,675,307  | 5,250,307  | 546,149   |            |
| Stockton         | CA |           | 2,320,442 | 4,309,392  | None    | None    | 2,320,442 | 4,309,392  | 6,629,834  | 912,155   |            |
| Stockton         | CA |           | 1,602,459 | 2,975,994  | None    | None    | 1,602,459 | 2,975,994  | 4,578,453  | 629,919   |            |
| Tracy            | CA |           | 556,906   | 1,034,254  | None    | None    | 556,906   | 1,034,254  | 1,591,160  | 218,917   |            |
| Tracy            | CA |           | 3,228,902 | 5,996,532  | None    | None    | 3,228,902 | 5,996,532  | 9,225,434  | 1,269,266 |            |
| Vacaville        | CA |           | 1,575,000 | 3,675,429  | None    | None    | 1,575,000 | 3,675,429  | 5,250,429  | 546,158   |            |
| Vallejo          | CA |           | 756,000   | 3,404,487  | None    | None    | 756,000   | 3,404,487  | 4,160,487  | 379,711   |            |
| South Windsor    | CT | 5,273,321 | 1,410,000 | 8,239,228  | None    | None    | 1,410,000 | 8,239,228  | 9,649,228  | 837,655   |            |
| Casselberry      | FL |           | 1,979,598 | 8,256,394  | 40,863  | 167,804 | 1,979,598 | 8,465,061  | 10,444,659 | 5,410,328 | 12/30/2003 |
| Hialeah          | FL |           | 2,104,393 | 3,910,500  | None    | None    | 2,104,393 | 3,910,500  | 6,014,893  | 1,531,596 |            |
| Miami            | FL |           | 3,115,101 | 5,670,715  | None    | 106     | 3,115,101 | 5,670,821  | 8,785,922  | 3,177,449 | 5/19/2000  |
| Oakland Park     | FL |           | 2,800,000 | 2,196,480  | None    | None    | 2,800,000 | 2,196,480  | 4,996,480  | 1,266,828 | 7/6/2001   |
| Orlando          | FL |           | 2,144,778 | 3,755,905  | None    | None    | 2,144,778 | 3,755,905  | 5,900,683  | 1,975,085 | 8/7/2003   |
| Pembroke Pines   | FL |           | 1,714,388 | 4,387,824  | None    | None    | 1,714,388 | 4,387,824  | 6,102,212  | 2,824,104 | 12/11/2000 |
| Stuart           | FL |           | 1,150,000 | 8,258,878  | None    | None    | 1,150,000 | 8,258,878  | 9,408,878  | 1,170,008 |            |
| Sunrise          | FL |           | 2,850,000 | 3,601,884  | None    | None    | 2,850,000 | 3,601,884  | 6,451,884  | 894,468   |            |
| Conyers          | GA |           | 1,200,000 | 7,835,546  | None    | None    | 1,200,000 | 7,835,546  | 9,035,546  | 901,088   |            |
| Morrow           | GA |           | 1,680,000 | 5,108,661  | 74,158  | None    | 1,680,000 | 5,182,819  | 6,862,819  | 463,734   |            |
| Urbandale        | IA |           | 4,720,000 | 27,389,120 | None    | None    | 4,720,000 | 27,389,120 | 32,109,120 | 1,688,996 |            |
| Alsip            | IL |           | 2,944,221 | 5,467,839  | None    | None    | 2,944,221 | 5,467,839  | 8,412,060  | 1,540,108 |            |
| Bolingbrook      | IL |           | 3,010,512 | 8,161,186  | None    | None    | 3,010,512 | 8,161,186  | 11,171,698 | 2,960,308 | 10/26/2007 |
| Glendale Heights | IL |           | 1,963,770 | 10,038,516 | None    | None    | 1,963,770 | 10,038,516 | 12,002,286 | 1,700,188 |            |
| Lansing          | IL |           | 460,000   | 6,648,839  | None    | None    | 460,000   | 6,648,839  | 7,108,839  | 808,942   |            |
| Waukegan         | IL |           | 2,961,951 | 5,500,766  | None    | None    | 2,961,951 | 5,500,766  | 8,462,717  | 1,549,382 |            |
| Carmel           | IN |           | 3,675,000 | 6,825,000  | None    | None    | 3,675,000 | 6,825,000  | 10,500,000 | 1,854,125 |            |
| Indianapolis     | IN |           | 3,008,186 | 6,999,881  | None    | None    | 3,008,186 | 6,999,881  | 10,008,067 | 2,697,570 | 3/20/2007  |
| Southport        | IN |           | 2,121,873 | 7,522,735  | None    | None    | 2,121,873 | 7,522,735  | 9,644,608  | 2,680,562 | 12/20/2007 |
| Lenexa           | KS |           | 1,410,000 | 25,283,643 | None    | None    | 1,410,000 | 25,283,643 | 26,693,643 | 1,559,158 |            |
| Florence         | KY |           | 2,560,000 | 8,523,096  | None    | None    | 2,560,000 | 8,523,096  | 11,083,096 | 1,406,311 |            |
| Louisville       | KY | 9,161,078 | 1,480,000 | 13,081,657 | 274,087 | None    | 1,480,000 | 13,355,744 | 14,835,744 | 2,045,896 |            |
| Woburn           | MA |           | 3,930,000 | 6,125,110  | None    | None    | 3,930,000 | 6,125,110  | 10,055,110 | 888,141   |            |
| Nottingham       | MD |           | 3,055,453 | 5,675,230  | None    | None    | 3,055,453 | 5,675,230  | 8,730,683  | 2,222,798 |            |
| Rochester Hills  | MI |           | 1,980,000 | 31,441,153 | None    | None    | 1,980,000 | 31,441,153 | 33,421,153 | 1,938,871 |            |
| Roseville        | MN |           | 3,611,925 | 8,804,654  | None    | None    | 3,611,925 | 8,804,654  | 12,416,579 | 3,141,268 | 6/5/2008   |
| St. Louis Park   | MN |           | 1,160,000 | 36,979,042 | None    | None    | 1,160,000 | 36,979,042 | 38,139,042 | 2,280,374 |            |
| Charlotte        | NC |           | 2,420,000 | 7,649,004  | 238     | None    | 2,420,000 | 7,649,242  | 10,069,242 | 905,142   |            |
| Raleigh          | NC |           | 4,890,000 | 21,252,496 | None    | None    | 4,890,000 | 21,252,496 | 26,142,496 | 1,310,571 |            |



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|            |    |            |            |            |        |            |            |            |           |
|------------|----|------------|------------|------------|--------|------------|------------|------------|-----------|
| Omaha East | NE | 1,130,000  | 10,814,154 | None       | None   | 1,130,000  | 10,814,154 | 11,944,154 | 1,279,675 |
| Brunswick  | NJ | 1,654,529  | 3,073,912  | None       | 58     | 1,654,529  | 3,073,970  | 4,728,499  | 1,214,204 |
| Montvale   | NJ | 7,980,000  | 35,070,170 | None       | None   | 7,980,000  | 35,070,170 | 43,050,170 | 2,162,660 |
| Harrison   | NY | 16,710,000 | 50,611,800 | None       | None   | 16,710,000 | 50,611,800 | 67,321,800 | 3,121,061 |
| Yonkers    | NY | 1,488,894  | 2,765,894  | None       | None   | 1,488,894  | 2,765,894  | 4,254,788  | 1,083,307 |
| Brooklyn   | OH | 900,000    | 10,393,798 | None       | None   | 900,000    | 10,393,798 | 11,293,798 | 329,137   |
| Columbus   | OH | -          | 6,891,202  | None       | None   | -          | 6,891,202  | 6,891,202  | 1,074,498 |
| Columbus   | OH | 7,028,696  | -          | 11,662,219 | 33,910 | 73         | -          | 11,696,202 | 1,818,252 |

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REALTY INCOME CORPORATION AND SUBSIDIARIES

SCHEDULE III REAL ESTATE AND ACCUMULATED DEPRECIATION

AS OF DECEMBER 31, 2016

| Description        | Encumbrances | Initial Cost to Company |  |              | Cost Capitalized Subsequent to Acquisition |        | Gross Amount at Which Carried at Close of Period (Notes 3, 4, 6 and 7) |            |            | Accumulated Depreciation | Date of Construction |
|--------------------|--------------|-------------------------|--|--------------|--|--------|--|------------|------------|--------------------------|----------------------|
|                    |              | Land                    | Buildings, Improvements and Acquisition Fees | Improvements | Costs                                      | Land   | Buildings, Improvements and Acquisition Fees                           | Total      |            |                          |                      |
| Columbus           | OH           | -                       | 7,517,501                                    | None         | None                                       | -      | 7,517,501  | 7,517,501  | 1,064,979  | 6/2/2006                 |                      |
| Hilliard           | OH           | 7,823,537               | 1,010,000                                    | 10,307,569   | None                                       | None   | 1,010,000  | 10,307,569 | 1,597,673  | 2/2/2006                 |                      |
| Maumee             | OH           |                         | 1,390,000                                    | 10,042,422   | None                                       | None   | 1,390,000  | 10,042,422 | 1,188,353  | 1/2/2006                 |                      |
| Toledo             | OH           |                         | 620,000                                      | 10,933,936   | None                                       | None   | 620,000  | 10,933,936 | 1,293,849  | 1/2/2006                 |                      |
| West               |              |                         |  |              |  |        |  |            |            |                          |                      |
| Chester            | OH           |                         | 1,670,000                                    | 7,738,611    | None                                       | None   | 1,670,000  | 7,738,611  | 1,199,485  | 2/2/2006                 |                      |
| Philadelphia       | PA           |                         | 2,254,830                                    | 4,188,725    | None                                       | None   | 2,254,830  | 4,188,725  | 1,654,546  | 2/2/2006                 |                      |
| Pittsburgh         | PA           |                         | 4,420,799                                    | 5,543,009    | None                                       | None   | 4,420,799  | 5,543,009  | 9,963,808  | 1,116,741                |                      |
| Bartlett           | TN           |                         | 2,475,000                                    | 267,286      | None                                       | None   | 2,475,000  | 267,286    | 2,742,286  | 2                        |                      |
| Cypress            | TX           |                         | 1,417,377                                    | 5,696,789    | None                                       | None   | 1,417,377  | 5,696,789  | 7,114,166  | 2,402,065                |                      |
| Dallas             | TX           |                         | 5,293,733                                    | 6,555,637    | None                                       | None   | 5,293,733  | 6,555,637  | 11,849,370 | 2,702,164                |                      |
| Fort Worth         | TX           |                         | 1,445,901                                    | 5,277,886    | None                                       | None   | 1,445,901  | 5,277,886  | 6,723,787  | 3,498,095                |                      |
| Keller             | TX           |                         | 1,478,222                                    | 5,679,604    | None                                       | None   | 1,478,222  | 5,679,604  | 7,157,826  | 2,542,000                |                      |
| Plano              | TX           |                         | 3,178,115                                    | 5,832,224    | None                                       | None   | 3,178,115  | 5,832,224  | 9,010,339  | 2,557,602                |                      |
| Sachse             | TX           |                         | 540,000                                      | 8,144,846    | None                                       | None   | 540,000  | 8,144,846  | 8,684,846  | 122,173                  |                      |
| San Antonio        | TX           |                         | 1,120,000                                    | 2,075,196    | None                                       | None   | 1,120,000  | 2,075,196  | 3,195,196  | 619,100                  |                      |
| San Antonio        | TX           |                         | 1,200,000                                    | 2,489,568    | None                                       | None   | 1,200,000  | 2,489,568  | 3,689,568  | 742,721                  |                      |
| South              |              |                         |  |              |  |        |  |            |            |                          |                      |
| Jordan             | UT           |                         | 6,260,000                                    | 19,565,376   | None                                       | None   | 6,260,000  | 19,565,376 | 25,825,376 | 1,206,532                |                      |
| Federal Way        | WA           |                         | 2,650,000                                    | 8,480,517    | None                                       | None   | 2,650,000  | 8,480,517  | 11,130,517 | 409,892                  |                      |
| Kent               | WA           |                         | 4,086,250                                    | 7,588,750    | None                                       | None   | 4,086,250  | 7,588,750  | 11,675,000 | 2,137,498                |                      |
| <u>Health care</u> |              |                         |  |              |  |        |  |            |            |                          |                      |
| Enterprise         | AL           |                         | 697,210                                      | 2,265,932    | None                                       | None   | 697,210  | 2,265,932  | 2,963,142  | 358,773                  |                      |
| Hot Springs        | AR           | 875,397                 | 210,979                                      | 2,003,689    | None                                       | None   | 210,979  | 2,003,689  | 2,214,668  | 226,608                  |                      |
| Hot Springs        | AR           | 972,663                 | 235,299                                      | 2,234,659    | None                                       | None   | 235,299  | 2,234,659  | 2,469,958  | 252,729                  |                      |
| Hot Springs        | AR           | 2,455,974               | 904,597                                      | 5,821,180    | None                                       | None   | 904,597  | 5,821,180  | 6,725,777  | 658,348                  |                      |
| Apple Valley       | CA           |                         | 486,371                                      | 15,383,518   | None                                       | None   | 486,371  | 15,383,518 | 15,869,889 | 1,593,673                |                      |
| Shasta Lake        | CA           |                         | 390,906                                      | 9,754,092    | None                                       | None   | 390,906  | 9,754,092  | 10,144,998 | 1,103,141                |                      |
| Augusta            | GA           |                         | 526,247                                      | 1,710,304    | None                                       | None   | 526,247  | 1,710,304  | 2,236,551  | 270,798                  |                      |
| Brunswick          | GA           |                         | 290,369                                      | 788,880      | 83,729                                     | 31,059 | 290,369  | 903,668    | 1,194,037  | 644,672                  |                      |
| Valdosta           | GA           |                         | 432,035                                      | 1,404,115    | None                                       | None   | 432,035  | 1,404,115  | 1,836,150  | 222,318                  |                      |
| Valdosta           | GA           |                         | 413,489                                      | 1,343,840    | None                                       | None   | 413,489  | 1,343,840  | 1,757,329  | 212,775                  |                      |
| Blackfoot          | ID           |                         | 494,854                                      | 1,608,277    | None                                       | None   | 494,854  | 1,608,277  | 2,103,131  | 254,644                  |                      |
| Chicago            | IL           |                         | 250,000                                      | 1,307,607    | 30,997                                     | None   | 250,000  | 1,338,604  | 1,588,604  | 41,601                   |                      |
| New Castle         | IN           |                         | 564,055                                      | 1,833,180    | None                                       | None   | 564,055  | 1,833,180  | 2,397,235  | 290,253                  |                      |
| Kansas City        | KS           |                         | 521,988                                      | 1,696,460    | None                                       | None   | 521,988  | 1,696,460  | 2,218,448  | 268,606                  |                      |
| Shreveport         | LA           |                         | 423,234                                      | 1,375,511    | None                                       | None   | 423,234  | 1,375,511  | 1,798,745  | 217,789                  |                      |
| Billerica          | MA           |                         | 398,292                                      | 740,107      | 21,044                                     | 15,024 | 398,292  | 776,175    | 1,174,467  | 294,856                  |                      |
| Kansas City        | MO           |                         | 340,000                                      | 1,523,155    | None                                       | None   | 340,000  | 1,523,155  | 1,863,155  | 185,317                  |                      |
| St. Louis          | MO           |                         | 2,852,903                                    | 38,694,147   | 18,301                                     | None   | 2,852,903  | 38,712,448 | 41,565,351 | 4,367,299                |                      |
| St. Louis          | MO           |                         | 4,278,685                                    | 19,900,592   | None                                       | None   | 4,278,685  | 19,900,592 | 24,179,277 | 2,250,662                |                      |
| Gulfport           | MS           |                         | 299,464                                      | 502,326      | 224,556                                    | 46,809 | 299,464  | 773,691    | 1,073,155  | 476,421                  |                      |

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|               |    |           |            |        |        |           |            |            |           |     |
|---------------|----|-----------|------------|--------|--------|-----------|------------|------------|-----------|-----|
| Wilmington    | NC | 811,533   | 5,498,659  | None   | None   | 811,533   | 5,498,659  | 6,310,192  | 870,621   | 1/2 |
| Lincoln       | NE | 707,636   | 2,299,818  | None   | None   | 707,636   | 2,299,818  | 3,007,454  | 364,138   | 1/2 |
| Mount Vernon  | OH | 726,626   | 1,351,151  | None   | 22,995 | 726,626   | 1,374,146  | 2,100,772  | 556,065   | 11  |
| Okmulgee      | OK | 397,605   | 1,292,216  | None   | None   | 397,605   | 1,292,216  | 1,689,821  | 204,601   | 1/2 |
| Sellersville  | PA | 763,355   | 2,480,903  | None   | None   | 763,355   | 2,480,903  | 3,244,258  | 392,810   | 1/2 |
| Abbeville     | SC | 446,204   | 1,450,164  | None   | None   | 446,204   | 1,450,164  | 1,896,368  | 229,609   | 1/2 |
| North Augusta | SC | 498,284   | 1,619,423  | None   | None   | 498,284   | 1,619,423  | 2,117,707  | 256,409   | 1/2 |
| Dickson       | TN | 531,717   | 1,728,079  | None   | None   | 531,717   | 1,728,079  | 2,259,796  | 273,613   | 1/2 |
| Memphis       | TN | 602,208   | 1,957,176  | None   | None   | 602,208   | 1,957,176  | 2,559,384  | 309,886   | 1/2 |
| Memphis       | TN | 822,791   | 2,674,071  | None   | None   | 822,791   | 2,674,071  | 3,496,862  | 423,395   | 1/2 |
| Bedford       | TX | 1,607,524 | 56,219,108 | None   | None   | 1,607,524 | 56,219,108 | 57,826,632 | 6,358,113 | 1/2 |
| Hampton       | VA | 373,499   | 836,071    | 7,601  | 33,022 | 373,499   | 876,694    | 1,250,193  | 674,869   | 12  |
| Muskego       | WI | 1,528,232 | 26,297,695 | 92,891 | None   | 1,528,232 | 26,390,586 | 27,918,818 | 2,976,375 | 1/2 |

**Home  
Furnishings**

|                 |    |           |            |           |         |           |            |            |           |            |     |
|-----------------|----|-----------|------------|-----------|---------|-----------|------------|------------|-----------|------------|-----|
| Little Rock     | AR | 1,079,232 | 2,594,956  | 132,816   | 116     | 1,079,232 | 2,727,888  | 3,807,120  | 1,998,852 | 7/2        |     |
| Osceola         | AR | 88,759    | 520,047    | 4,083     | None    | 88,759    | 524,130    | 612,889    | 389,783   | 6/3        |     |
| Wynne           | AR | 70,000    | 547,576    | 58,039    | 2,024   | 70,000    | 607,639    | 677,639    | 434,193   | 11/10/1998 |     |
| Jackson         | CA | 300,000   | 390,849    | 6,775     | 57      | 300,000   | 397,681    | 697,681    | 397,653   | 2/2        |     |
| Pueblo          | CO | 371,645   | 1,207,845  | None      | None    | 371,645   | 1,207,845  | 1,579,490  | 191,242   | 1/2        |     |
| Danbury         | CT | 643,736   | 3,621,163  | 324,674   | 243,250 | 643,736   | 4,189,087  | 4,832,823  | 3,006,567 | 9/3        |     |
| Brandon         | FL | 430,000   | 1,020,608  | None      | None    | 430,000   | 1,020,608  | 1,450,608  | 756,949   | 6/2        |     |
| Hudson          | FL | 397,101   | 1,290,578  | None      | None    | 397,101   | 1,290,578  | 1,687,679  | 204,341   | 1/2        |     |
| Ocala           | FL | 339,690   | 543,504    | None      | None    | 339,690   | 543,504    | 883,194    | 437,521   | 11         |     |
| Palm Harbor     | FL | 364,939   | 1,186,052  | None      | None    | 364,939   | 1,186,052  | 1,550,991  | 187,792   | 1/2        |     |
| Pensacola       | FL | 370,809   | 1,205,128  | None      | None    | 370,809   | 1,205,128  | 1,575,937  | 190,812   | 1/2        |     |
| Spring Hill     | FL | 370,810   | 1,205,131  | None      | None    | 370,810   | 1,205,131  | 1,575,941  | 190,812   | 1/2        |     |
| Tampa           | FL | 685,000   | 885,624    | None      | None    | 685,000   | 885,624    | 1,570,624  | 656,836   | 6/2        |     |
| Tampa           | FL | 494,763   | 767,737    | 71,880    | 373     | 494,763   | 839,990    | 1,334,753  | 626,201   | 12         |     |
| West Palm Beach | FL | 347,651   | 706,081    | 69,111    | 373     | 347,651   | 775,565    | 1,123,216  | 553,251   | 12         |     |
| Rome            | GA | 254,902   | 486,812    | 110,997   | 84      | 254,902   | 597,893    | 852,795    | 408,006   | 11         |     |
| Joliet          | IL | 440,000   | 910,689    | None      | 94      | 440,000   | 910,783    | 1,350,783  | 675,514   | 6/2        |     |
| Anderson        | IN | 180,628   | 653,162    | 108,685   | 179     | 180,628   | 762,026    | 942,654    | 604,299   | 11         |     |
| Mishawaka       | IN | 1,070,000 | 4,321,944  | None      | None    | 1,070,000 | 4,321,944  | 5,391,944  | 381,772   | 10         |     |
| Kansas City     | KS | 185,955   | 413,014    | 31,870    | 8,583   | 185,955   | 453,467    | 639,422    | 446,348   | 5/1        |     |
| Overland Park   | KS | 6,310,177 | 2,600,000  | 4,566,981 | 53,334  | None      | 2,600,000  | 4,620,315  | 7,220,315 | 146,063    | 3/3 |
| Overland Park   | KS | 3,389,823 | 1,480,000  | 2,672,995 | 32,001  | None      | 1,480,000  | 2,704,996  | 4,184,996 | 85,510     | 3/3 |
| Alexandria      | LA | 400,000   | 810,608    | None      | 168     | 400,000   | 810,776    | 1,210,776  | 601,367   | 6/2        |     |
| Monroe          | LA | 450,000   | 835,608    | None      | None    | 450,000   | 835,608    | 1,285,608  | 619,741   | 6/2        |     |
| Battle Creek    | MI | 485,000   | 895,689    | None      | 266     | 485,000   | 895,955    | 1,380,955  | 664,437   | 6/2        |     |
| Bay City        | MI | 397,531   | 1,291,976  | None      | None    | 397,531   | 1,291,976  | 1,689,507  | 204,563   | 1/2        |     |
| Eden Prairie    | MN | 500,502   | 1,055,244  | None      | None    | 500,502   | 1,055,244  | 1,555,746  | 754,463   | 3          |     |
| Hattiesburg     | MS | 300,000   | 660,608    | None      | 168     | 300,000   | 660,776    | 960,776    | 490,117   | 6/2        |     |
| Ridgeland       | MS | 306,460   | 995,995    | None      | None    | 306,460   | 995,995    | 1,302,455  | 157,699   | 1/2        |     |
| Asheboro        | NC | 373,128   | 1,212,666  | None      | None    | 373,128   | 1,212,666  | 1,585,794  | 192,005   | 1/2        |     |
| Matthews        | NC | 768,222   | 843,401    | 46,414    | 37,821  | 768,222   | 927,636    | 1,695,858  | 683,082   | 12         |     |
| Grand Island    | NE | 455,921   | 1,481,742  | None      | None    | 455,921   | 1,481,742  | 1,937,663  | 234,609   | 1/2        |     |
| Cortland        | NY | 448,156   | 1,456,507  | None      | None    | 448,156   | 1,456,507  | 1,904,663  | 230,614   | 1/2        |     |
| Green Island    | NY | 1,181,947 | 20,808,780 | 76,149    | None    | 1,181,947 | 20,884,929 | 22,066,876 | 2,359,283 | 1/2        |     |
| Middletown      | NY | 2,700,000 | 14,093,893 | None      | None    | 2,700,000 | 14,093,893 | 16,793,893 | 23,490    | 12         |     |
| Oneonta         | NY | 354,283   | 1,151,419  | None      | None    | 354,283   | 1,151,419  | 1,505,702  | 182,308   | 1/2        |     |
| Rotterdam       | NY | 390,926   | 1,270,510  | None      | None    | 390,926   | 1,270,510  | 1,661,436  | 201,164   | 1/2        |     |
| Ashtabula       | OH | 359,857   | 1,169,537  | None      | None    | 359,857   | 1,169,537  | 1,529,394  | 185,177   | 1/2        |     |
| Dayton          | OH | 401,723   | 698,872    | 48,970    | 206     | 401,723   | 748,048    | 1,149,771  | 534,436   | 6/2        |     |
| Kettering       | OH | 316,341   | 1,028,109  | None      | None    | 316,341   | 1,028,109  | 1,344,450  | 162,784   | 1/2        |     |
| Lancaster       | OH | 250,000   | 830,689    | None      | None    | 250,000   | 830,689    | 1,080,689  | 616,092   | 6/2        |     |
| Piqua           | OH | 375,833   | 1,221,457  | None      | None    | 375,833   | 1,221,457  | 1,597,290  | 193,397   | 1/2        |     |
| Altoona         | PA | 455,000   | 745,694    | None      | None    | 455,000   | 745,694    | 1,200,694  | 553,054   | 6/2        |     |
| Cranberry       | PA | 369,761   | 1,201,723  | None      | None    | 369,761   | 1,201,723  | 1,571,484  | 190,273   | 1/2        |     |
| Erie            | PA | 510,000   | 900,689    | None      | None    | 510,000   | 900,689    | 1,410,689  | 668,009   | 6/2        |     |
| Pennsdale       | PA | 315,000   | 835,648    | None      | None    | 315,000   | 835,648    | 1,150,648  | 619,770   | 6/2        |     |
| Whitehall       | PA | 515,525   | 1,146,868  | None      | None    | 515,525   | 1,146,868  | 1,662,393  | 850,592   | 6/3        |     |
| Columbia        | SC | 600,000   | 900,725    | None      | 296     | 600,000   | 901,021    | 1,501,021  | 668,317   | 6/2        |     |

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|                |    |         |         |           |      |         |         |           |         |      |
|----------------|----|---------|---------|-----------|------|---------|---------|-----------|---------|------|
| Murrells Inlet | SC | 296,236 | 962,766 | None      | None | 296,236 | 962,766 | 1,259,002 | 152,438 | 1/2  |
| Jackson        | TN | 380,000 | 750,608 | (114,143) | 12   | 380,000 | 636,477 | 1,016,477 | 557,313 | 6/2  |
| Abilene        | TX | 400,000 | 680,616 | None      | None | 400,000 | 680,616 | 1,080,616 | 504,788 | 6/2  |
| Amarillo       | TX | 140,000 | 419,734 | None      | None | 140,000 | 419,734 | 559,734   | 420,651 | 9/2  |
| Plainview      | TX | 125,000 | 734,558 | 40,000    | 49   | 125,000 | 774,607 | 899,607   | 571,955 | 1/2  |
| San Antonio    | TX | 323,451 | 637,991 | 47,914    | None | 323,451 | 685,905 | 1,009,356 | 508,315 | 12/2 |
| Victoria       | TX | 291,380 | 946,984 | None      | None | 291,380 | 946,984 | 1,238,364 | 149,939 | 1/2  |
| Webster        | TX | 283,604 | 538,002 | 2,470     | 186  | 283,604 | 540,658 | 824,262   | 423,109 | 6/2  |
| Pasco          | WA | 161,700 | 359,142 | 56,707    | None | 161,700 | 415,849 | 577,549   | 404,204 | 8/2  |
| Eau Claire     | WI | 260,000 | 820,689 | None      | 211  | 260,000 | 820,900 | 1,080,900 | 608,866 | 6/2  |

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REALTY INCOME CORPORATION AND SUBSIDIARIES

SCHEDULE III REAL ESTATE AND ACCUMULATED DEPRECIATION

AS OF DECEMBER 31, 2016

| Description             | Encumbrances | Initial Cost to Company Buildings, Improvements and Acquisition |            | Cost Capitalized Subsequent to Acquisition |        | Gross Amount at Which Carried at Close of Period (Notes 3, 4, 6 and 7) Buildings, Improvements and Acquisition |            |            | Accumulated Depreciation | Date of Construction |
|-------------------------|--------------|---|------------|--|--------|--|------------|------------|--------------------------|----------------------|
|                         |              | Land  | Fees       | Improvements                               | Costs  | Land   | Fees       | Total      |                          |                      |
| (Note 1)                | (Note 2)     |   |            |  |        |  |            |            | (Note 5)                 |                      |
| La Crosse               | WI           | 372,883   | 877,812    | None                                       | 250    | 372,883  | 878,062    | 1,250,945  | 651,268                  |                      |
| <u>Home improvement</u> |              |   |            |  |        |  |            |            |                          |                      |
| Kenai                   | AK           | 2,350,000   | 5,400,025  | None                                       | None   | 2,350,000  | 5,400,025  | 7,750,025  | 513,002                  |                      |
| Birmingham              | AL           | 717,675   | 1,774,814  | None                                       | None   | 717,675  | 1,774,814  | 2,492,489  | 127,195                  |                      |
| Tucson                  | AZ           | 4,170,000   | 14,213,818 | None                                       | None   | 4,170,000  | 14,213,818 | 18,383,818 | 1,445,072                |                      |
| Tucson                  | AZ           | 6,718,115   | 15,094,661 | None                                       | None   | 4,280,000  | 15,094,661 | 19,374,661 | 1,433,993                |                      |
| Lawndale                | CA           | 667,007   | 1,238,841  | None                                       | 49     | 667,007  | 1,238,890  | 1,905,897  | 894,062                  |                      |
| Los Angeles             | CA           | 163,668   | 304,097    | None                                       | 49     | 163,668  | 304,146    | 467,814    | 219,488                  |                      |
| Morgan Hill             | CA           | 5,100,000   | 7,219,244  | None                                       | None   | 5,100,000  | 7,219,244  | 12,319,244 | 733,956                  |                      |
| Van Nuys                | CA           | 750,293   | 1,393,545  | None                                       | 49     | 750,293  | 1,393,594  | 2,143,887  | 1,005,706                |                      |
| <u>Greenwood</u>        |              |   |            |  |        |  |            |            |                          |                      |
| Village                 | CO           | 9,700,000   | 13,352,870 | None                                       | None   | 9,700,000  | 13,352,870 | 23,052,870 | 1,357,542                |                      |
| Augusta                 | GA           | 2,701,584   | 18,072,555 | 171,032                                    | None   | 2,701,584  | 18,243,587 | 20,945,171 | 2,944,794                |                      |
| Austell                 | GA           | 9,161,124   | -          | None                                       | None   | 9,161,124  | -          | 9,161,124  | -                        |                      |
| Conley                  | GA           | 727,106   | 904,138    | 29,754                                     | None   | 727,106  | 933,892    | 1,660,998  | 92,216                   |                      |
| Valdosta                | GA           | 2,550,000   | 11,989,018 | None                                       | None   | 2,550,000  | 11,989,018 | 14,539,018 | 1,178,920                |                      |
| Cedar Rapids            | IA           | 294,195   | 732,929    | None                                       | None   | 294,195  | 732,929    | 1,027,124  | 37,868                   |                      |
| Kansas City             | KS           | 854,158   | 1,810,915  | None                                       | None   | 854,158  | 1,810,915  | 2,665,073  | 147,891                  |                      |
| Lenexa                  | KS           | 1,051,077   | 1,952,233  | None                                       | None   | 1,051,077  | 1,952,233  | 3,003,310  | 855,729                  |                      |
| <u>Overland</u>         |              |   |            |  |        |  |            |            |                          |                      |
| Park                    | KS           | 3,400,000   | 12,372,646 | None                                       | None   | 3,400,000  | 12,372,646 | 15,772,646 | 268,074                  |                      |
| Topeka                  | KS           | 11,952,705  | 35,657,677 | None                                       | None   | 2,189,122  | 35,657,677 | 37,846,799 | 4,071,756                |                      |
| Gretna                  | LA           | 4,260,000   | 8,433,877  | None                                       | None   | 4,260,000  | 8,433,877  | 12,693,877 | 42,169                   |                      |
| Jefferson               | LA           | 610,004   | 1,293,280  | None                                       | None   | 610,004  | 1,293,280  | 1,903,284  | 105,618                  |                      |
| Baltimore               | MD           | 171,320   | 318,882    | None                                       | None   | 171,320  | 318,882    | 490,202    | 230,137                  |                      |
| Chillicothe             | MO           | 804,948   | 1,495,138  | None                                       | None   | 804,948  | 1,495,138  | 2,300,086  | 655,369                  |                      |
| Columbia                | MO           | 2,039,436   | 3,787,757  | None                                       | None   | 2,039,436  | 3,787,757  | 5,827,193  | 1,660,300                |                      |
| Columbia                | MO           | 1,080,521   | 2,006,915  | None                                       | None   | 1,080,521  | 2,006,915  | 3,087,436  | 879,698                  |                      |
| Fulton                  | MO           | 791,603   | 1,470,353  | None                                       | None   | 791,603  | 1,470,353  | 2,261,956  | 644,505                  |                      |
| Jefferson City          | MO           | 1,481,299   | 2,751,217  | None                                       | 17,466 | 1,481,299  | 2,768,683  | 4,249,982  | 1,206,418                |                      |
| Kirksville              | MO           | 1,421,788   | 2,640,696  | None                                       | None   | 1,421,788  | 2,640,696  | 4,062,484  | 1,157,505                |                      |
| Macon                   | MO           | 493,394   | 916,537    | None                                       | None   | 493,394  | 916,537    | 1,409,931  | 401,749                  |                      |
| Moberly                 | MO           | 1,293,387   | 2,402,283  | None                                       | None   | 1,293,387  | 2,402,283  | 3,695,670  | 1,052,999                |                      |
| Mattews                 | NC           | 610,177   | 1,394,743  | 86,087                                     | 68,013 | 610,177  | 1,548,843  | 2,159,020  | 1,070,528                |                      |
| Omaha                   | NE           | 1,515,773   | 2,816,678  | None                                       | 32     | 1,515,773  | 2,816,710  | 4,332,483  | 1,234,674                |                      |
| <u>Haddon</u>           |              |   |            |  |        |  |            |            |                          |                      |
| Heights                 | NJ           | 80,000  | 534,400    | 60,057                                     | None   | 80,000   | 594,457    | 674,457    | 37,113                   |                      |
| <u>Voorhees</u>         |              |   |            |  |        |  |            |            |                          |                      |
| Township                | NJ           | 10,503,964  | 4,280,000  | None                                       | None   | 10,503,964   | 4,280,000  | 14,783,964 | 21,400                   |                      |
| Rochester               | NY           | 158,168   | 294,456    | None                                       | None   | 158,168  | 294,456    | 452,624    | 212,510                  |                      |
| Akron                   | OH           | 359,775   | 762,765    | None                                       | None   | 359,775  | 762,765    | 1,122,540  | 62,292                   |                      |
| Canton                  | OH           | 70,000  | 908,666    | None                                       | None   | 70,000   | 908,666    | 978,666    | 74,208                   |                      |

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|                                  |    |           |            |             |        |           |            |            |           |            |
|----------------------------------|----|-----------|------------|-------------|--------|-----------|------------|------------|-----------|------------|
| Columbus                         | OH | 230,000   | 538,088    | None        | None   | 230,000   | 538,088    | 768,088    | 43,944    |            |
| Massillon                        | OH | 6,523,018 | 939,016    | None        | None   | 6,523,018 | 939,016    | 7,462,034  | 20,345    |            |
| Edmond                           | OK | 1,030,000 | 1,317,842  | None        | None   | 1,030,000 | 1,317,842  | 2,347,842  | 94,445    |            |
| Columbia                         | TN | 610,000   | 985,954    | None        | None   | 610,000   | 985,954    | 1,595,954  | 90,379    |            |
| Johnson City                     | TN | 467,167   | 580,911    | None        | None   | 467,167   | 580,911    | 1,048,078  | 55,187    |            |
| Knoxville                        | TN | 6,486,801 | -          | None        | None   | 6,486,801 | -          | 6,486,801  | -         |            |
| Amarillo                         | TX | 1,140,000 | 1,082,966  | None        | None   | 1,140,000 | 1,082,966  | 2,222,966  | 86,379    |            |
| Carrollton                       | TX | 201,569   | 374,342    | None        | 102    | 201,569   | 374,444    | 576,013    | 195,366   |            |
| Cedar Park                       | TX | 253,591   | 827,237    | 126,892     | 41,396 | 253,591   | 995,525    | 1,249,116  | 738,792   |            |
| Longview                         | TX | 300,000   | 980,898    | None        | None   | 300,000   | 980,898    | 1,280,898  | 63,758    |            |
| Midland                          | TX | 1,590,052 | 2,953,473  | None        | None   | 1,590,052 | 2,953,473  | 4,543,525  | 1,294,606 |            |
| Odessa                           | TX | 1,346,834 | 2,501,783  | None        | None   | 1,346,834 | 2,501,783  | 3,848,617  | 1,096,615 |            |
| San Antonio                      | TX | 367,890   | 683,750    | None        | None   | 367,890   | 683,750    | 1,051,640  | 493,442   |            |
| Stafford                         | TX | 1,025,959 | 1,275,756  | None        | None   | 1,025,959 | 1,275,756  | 2,301,715  | 121,197   |            |
| Webster                          | TX | 770,000   | 976,851    | 8,565       | None   | 770,000   | 985,416    | 1,755,416  | 78,034    |            |
| Wichita Falls                    | TX | 120,000   | 464,338    | None        | None   | 120,000   | 464,338    | 584,338    | 37,036    |            |
| Chesapeake                       | VA | 144,014   | 649,869    | None        | 11,754 | 144,014   | 661,623    | 805,637    | 660,723   |            |
| Richmond                         | VA | 713,319   | 886,996    | None        | None   | 713,319   | 886,996    | 1,600,315  | 84,265    |            |
| Bellingham                       | WA | 4,140,000 | 16,417,981 | None        | None   | 4,140,000 | 16,417,981 | 20,557,981 | 1,012,442 |            |
| Spokane                          | WA | 4,930,000 | 15,428,206 | None        | None   | 4,930,000 | 15,428,206 | 20,358,206 | 951,406   |            |
| Baraboo                          | WI | 110,000   | 719,613    | None        | None   | 110,000   | 719,613    | 829,613    | 57,398    |            |
| Mukwonago                        | WI | 180,000   | 938,997    | 29,462      | None   | 180,000   | 968,459    | 1,148,459  | 43,696    |            |
| Neenah                           | WI | 200,000   | 1,343,343  | None        | None   | 200,000   | 1,343,343  | 1,543,343  | 109,706   |            |
| <u>Insurance</u>                 |    |           |            |             |        |           |            |            |           |            |
| Cedar Falls                      | IA | 634,343   | 6,331,030  | None        | None   | 634,343   | 6,331,030  | 6,965,373  | 1,107,930 |            |
| <u>Jewelry</u>                   |    |           |            |             |        |           |            |            |           |            |
| Plymouth                         | MA | -         | 1,809,315  | None        | None   | -         | 1,809,315  | 1,809,315  | 286,475   |            |
| Watchung                         | NJ | -         | 2,446,115  | None        | None   | -         | 2,446,115  | 2,446,115  | 387,302   |            |
| Amherst                          | NY | -         | 1,841,863  | None        | None   | -         | 1,841,863  | 1,841,863  | 291,628   |            |
| Lake Grove                       | NY | -         | 2,171,696  | None        | None   | -         | 2,171,696  | 2,171,696  | 343,852   |            |
| <u>Machinery</u>                 |    |           |            |             |        |           |            |            |           |            |
| Tomah                            | WI | 1,630,917 | 12,938,430 | None        | None   | 1,630,917 | 12,938,430 | 14,569,347 | 2,307,353 |            |
| <u>Motor vehicle dealerships</u> |    |           |            |             |        |           |            |            |           |            |
| Robertsdale                      | AL | 3,026,015 | 6,117,490  | None        | None   | 3,026,015 | 6,117,490  | 9,143,505  | 2,449,858 | 1/29/2007  |
| West Covina                      | CA | 311,040   | 577,733    | 252,854     | 45,714 | 311,040   | 876,301    | 1,187,341  | 474,228   |            |
| Longmont                         | CO | 2,502,092 | 6,906,609  | None        | 115    | 2,502,092 | 6,906,724  | 9,408,816  | 3,418,886 |            |
| Clearwater                       | FL | 9,110,000 | 8,215,668  | 500         | None   | 9,110,000 | 8,216,168  | 17,326,168 | 260,182   |            |
| Gulf Breeze                      | FL | 3,518,413 | 905,480    | None        | None   | 3,518,413 | 905,480    | 4,423,893  | 387,847   |            |
| Pensacola                        | FL | 308,067   | 573,708    | 23,430      | 2,775  | 308,067   | 599,913    | 907,980    | 256,038   |            |
| Sanford                          | FL | 5,380,000 | 4,387,546  | None        | None   | 5,380,000 | 4,387,546  | 9,767,546  | 138,939   |            |
| Stockbridge                      | GA | 2,470,000 | 8,693,515  | None        | None   | 2,470,000 | 8,693,515  | 11,163,515 | 1,202,603 |            |
| Woodstock                        | GA | 2,509,102 | 2,509,993  | None        | None   | 2,509,102 | 2,509,993  | 5,019,095  | 1,125,313 |            |
| Island Lake                      | IL | 2,107,134 | 6,383,412  | None        | None   | 2,107,134 | 6,383,412  | 8,490,546  | 2,955,879 |            |
| Louisville                       | KY | 4,070,000 | 11,863,002 | 500         | None   | 4,070,000 | 11,863,502 | 15,933,502 | 612,984   |            |
| South                            |    |           |            |             |        |           |            |            |           |            |
| Portland                         | ME | 7,692,000 | -          | None        | None   | 7,692,000 | -          | 7,692,000  | -         |            |
| Charlotte                        | NC | 3,560,000 | 5,847,436  | None        | None   | 3,560,000 | 5,847,436  | 9,407,436  | 730,930   |            |
| Coffax                           | NC | 1,125,979 | 2,196,033  | None        | None   | 1,125,979 | 2,196,033  | 3,322,012  | 1,055,341 |            |
| Statesville                      | NC | 2,353,825 | 4,159,653  | None        | None   | 2,353,825 | 4,159,653  | 6,513,478  | 1,975,316 |            |
| Chichester                       | NH | 578,314   | 4,546,307  | None        | None   | 578,314   | 4,546,307  | 5,124,621  | 2,172,840 |            |
| Churchville                      | NY | 1,000,000 | 5,755,166  | None        | None   | 1,000,000 | 5,755,166  | 6,755,166  | 2,432,536 | 6/6/2006   |
| Akron                            | OH | 715,953   | 554,589    | None        | None   | 715,953   | 554,589    | 1,270,542  | 250,922   | 2/13/2006  |
| Hillsboro                        | OR | 1,611,084 | 1,936,755  | None        | 58     | 1,611,084 | 1,936,813  | 3,547,897  | 797,337   |            |
| Wood Village                     | OR | 3,822,277 | 5,687,110  | None        | 58     | 3,822,277 | 5,687,168  | 9,509,445  | 2,276,678 |            |
| Myrtle Beach                     | SC | 4,099,824 | 2,081,997  | (1,800,804) | None   | 2,299,020 | 2,081,997  | 4,381,017  | 981,893   | 7/28/2000  |
| Fort Worth                       | TX | 5,210,000 | 10,504,651 | 500         | None   | 5,210,000 | 10,505,151 | 15,715,151 | 227,626   |            |
| Garland                          | TX | 3,233,329 | 12,064,417 | 500         | None   | 3,233,329 | 12,064,917 | 15,298,246 | 1,990,833 |            |
| Houston                          | TX | 3,630,000 | 9,733,649  | 500         | None   | 3,630,000 | 9,734,149  | 13,364,149 | 502,936   |            |
| Houston                          | TX | 3,850,000 | 2,884,228  | None        | None   | 3,850,000 | 2,884,228  | 6,734,228  | 62,492    |            |
| Katy                             | TX | 1,347,454 | 8,564,135  | None        | None   | 1,347,454 | 8,564,135  | 9,911,589  | 3,818,081 | 10/28/2005 |
| Plano                            | TX | 5,040,000 | 3,520,851  | None        | None   | 5,040,000 | 3,520,851  | 8,560,851  | 76,285    |            |
| San Antonio                      | TX | 4,337,454 | 7,312,625  | 500         | None   | 4,337,454 | 7,313,125  | 11,650,579 | 1,182,412 |            |

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**Office**

**supplies**

|                  |    |           |           |         |         |           |           |           |           |           |
|------------------|----|-----------|-----------|---------|---------|-----------|-----------|-----------|-----------|-----------|
| Lakewood         | CA | 1,398,387 | 3,098,607 | None    | 10,284  | 1,398,387 | 3,108,891 | 4,507,278 | 2,482,755 |           |
| Riverside        | CA | 1,410,177 | 1,659,850 | None    | 80      | 1,410,177 | 1,659,930 | 3,070,107 | 1,280,806 |           |
| Casselberry      | FL | -         | 1,277,112 | 117,788 | 268     | -         | 1,395,168 | 1,395,168 | 599,810   | 7/14/2005 |
| Hutchinson       | KS | 269,964   | 1,704,013 | 81,476  | None    | 269,964   | 1,785,489 | 2,055,453 | 1,385,598 |           |
| Salina           | KS | 240,423   | 1,829,837 | 92,454  | None    | 240,423   | 1,922,291 | 2,162,714 | 1,504,979 |           |
| Asheboro         | NC | 465,557   | 2,176,416 | 21,418  | 153     | 465,557   | 2,197,987 | 2,663,544 | 1,657,378 |           |
| Westbury         | NY | 3,808,076 | 2,377,932 | 236,278 | 338,968 | 3,808,076 | 2,953,178 | 6,761,254 | 2,056,854 |           |
| New Philadelphia | OH | 726,636   | 1,650,672 | 29,340  | 114     | 726,636   | 1,680,126 | 2,406,762 | 1,320,367 |           |

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REALTY INCOME CORPORATION AND SUBSIDIARIES

SCHEDULE III REAL ESTATE AND ACCUMULATED DEPRECIATION

AS OF DECEMBER 31, 2016

| Description                      | Encumbrances | Initial Cost to Company |            |   | Cost Capitalized Subsequent to Acquisition |           | Gross Amount at Which Carried at Close of Period (Notes 3, 4, 6 and 7) |            |            | Accumulated Depreciation | Date of Construction |
|----------------------------------|--------------|-------------------------|------------|---|--|-----------|--|------------|------------|--------------------------|----------------------|
|                                  |              | Land                    | Fees       | Buildings, Improvements and Acquisition | Improvements                               | Costs     | Land   | Fees       | Total      |                          |                      |
| (Note 1)                         | (Note 2)     | Land                    | Fees       | Improvements                            | Costs                                      | Land      | Fees   | Total      | (Note 5)   | Construction             |                      |
| Edmond                           | OK           | 1,390,000               | 3,009,650  | 284,935                                 | None                                       | 1,390,000 | 3,294,585  | 4,684,585  | 793,995    | 1                        |                      |
| <u>Other manufacturing</u>       |              |                         |            |   |  |           |  |            |            |                          |                      |
| Prescott                         | AR           | 593,604                 | 11,944,641 | None                                    | None                                       | 593,604   | 11,944,641   | 12,538,245 | 1,350,882  | 1                        |                      |
| Tucson                           | AZ           | 14,907,372              | 3,799,899  | 202,273                                 | None                                       | 3,799,899 | 32,303,812   | 36,103,711 | 3,694,778  | 1                        |                      |
| East Windsor                     | NJ           | 9,625,000               | 240,000    | 13,307,041                              | 22,563                                     | None      | 240,000  | 13,329,604 | 13,569,604 | 1,031,827                | 4                    |
| Marysville                       | OH           | 540,000                 | 14,900,974 | None                                    | None                                       | 540,000   | 14,900,974   | 15,440,974 | 493,151    | 1                        |                      |
| Duncan                           | SC           | 490,000                 | 2,292,068  | 2,900                                   | None                                       | 490,000   | 2,294,968  | 2,784,968  | 221,782    | 8                        |                      |
| El Paso                          | TX           | 1,769,633               | 17,892,956 | 633,600                                 | 187,394                                    | 1,769,633 | 18,713,950   | 20,483,583 | 2,224,158  | 1                        |                      |
| McAllen                          | TX           | 6,012,467               | 332,107    | 12,786,107                              | None                                       | None      | 332,107  | 12,786,107 | 13,118,214 | 15,222                   | 1                    |
| <u>Packaging</u>                 |              |                         |            |   |  |           |  |            |            |                          |                      |
| Mundelein                        | IL           | 444,000                 | 14,356,000 | None                                    | None                                       | 444,000   | 14,356,000   | 14,800,000 | 17,090     | 1                        |                      |
| Nicholasville                    | KY           | 1,000,000               | 15,932,000 | None                                    | None                                       | 1,000,000 | 15,932,000   | 16,932,000 | 170,700    | 8                        |                      |
| Lewisburg                        | OH           | 3,116,364               | 641,174    | 11,787,510                              | None                                       | None      | 641,174  | 11,787,510 | 12,428,684 | 1,984,231                | 1                    |
| Chester                          | VA           | 1,770,000               | 14,922,913 | None                                    | None                                       | 1,770,000 | 14,922,913   | 16,692,913 | 870,503    | 1                        |                      |
| Raphine                          | VA           | 2,679,884               | 21,236,904 | None                                    | None                                       | 2,679,884 | 21,236,904   | 23,916,788 | 4,707,514  | 1                        |                      |
| Wytheville                       | VA           | 2,175,524               | 33,138,859 | 2,255,121                               | None                                       | 2,175,524 | 35,393,980   | 37,569,504 | 5,596,422  | 1                        |                      |
| <u>Paper</u>                     |              |                         |            |   |  |           |  |            |            |                          |                      |
| Marianna                         | FL           | 1,473,182               | 6,930,359  | None                                    | None                                       | 1,473,182 | 6,930,359  | 8,403,541  | 1,559,331  | 1                        |                      |
| Columbia                         | SC           | 989,232                 | 5,004,326  | None                                    | None                                       | 989,232   | 5,004,326  | 5,993,558  | 577,880    | 1                        |                      |
| <u>Pet supplies and services</u> |              |                         |            |   |  |           |  |            |            |                          |                      |
| Los Angeles                      | CA           | 902,494                 | 1,676,204  | 437,070                                 | 182,667                                    | 902,494   | 2,295,941  | 3,198,435  | 1,270,083  | 1                        |                      |
| Duluth                           | GA           | 361,058                 | 1,591,629  | None                                    | None                                       | 361,058   | 1,591,629  | 1,952,687  | 1,084,078  | 1/27/1999                |                      |
| Marietta                         | GA           | 495,412                 | 1,526,370  | None                                    | None                                       | 495,412   | 1,526,370  | 2,021,782  | 1,022,975  | 5/28/1999                |                      |
| Ottawa                           | IL           | 2,351,842               | 52,407,677 | 237,848                                 | None                                       | 2,351,842 | 52,645,525   | 54,997,367 | 6,040,042  | 1                        |                      |
| Indianapolis                     | IN           | 427,000                 | 1,296,901  | None                                    | None                                       | 427,000   | 1,296,901  | 1,723,901  | 863,246    | 3/10/2000                |                      |
| Sudbury                          | MA           | 543,038                 | 2,477,213  | None                                    | None                                       | 543,038   | 2,477,213  | 3,020,251  | 1,629,900  | 11/12/1999               |                      |
| Tyngsboro                        | MA           | 312,204                 | 1,222,522  | None                                    | None                                       | 312,204   | 1,222,522  | 1,534,726  | 906,697    | 6                        |                      |
| Warren North                     | MI           | 356,348                 | 903,351    | 155,408                                 | 31,687                                     | 356,348   | 1,090,446  | 1,446,794  | 807,434    | 1                        |                      |
| Plainfield                       | NJ           | 985,430                 | 1,590,447  | None                                    | None                                       | 985,430   | 1,590,447  | 2,575,877  | 1,095,669  | 9                        |                      |
| Albuquerque                      | NM           | 684,036                 | 874,914    | 308,265                                 | None                                       | 684,036   | 1,183,179  | 1,867,215  | 849,828    | 1                        |                      |
| Maineville                       | OH           | 173,105                 | 384,468    | 174,659                                 | 330  | 173,105   | 559,457  | 732,562    | 415,223    | 1                        |                      |
| Middletown                       | OH           | 337,572                 | 777,943    | 41,328                                  | 22,683                                     | 337,572   | 841,954  | 1,179,526  | 641,105    | 1                        |                      |
| Mount Pleasant                   | SC           | 40,700                  | 180,400    | 111,572                                 | 6,545                                      | 40,700    | 298,517  | 339,217    | 226,032    | 1                        |                      |



## Edgar Filing: REALTY INCOME CORP - Form 10-K

Restaurants -casual dining

|               |    |           |           |             |        |           |           |           |           |            |
|---------------|----|-----------|-----------|-------------|--------|-----------|-----------|-----------|-----------|------------|
| Boaz          | AL | 829,001   | 1,541,245 | 480         | 14,413 | 829,001   | 1,556,138 | 2,385,139 | 635,424   |            |
| Gadsden       | AL | 242,194   | 449,977   | None        | 6,138  | 242,194   | 456,115   | 698,309   | 185,524   |            |
| Gadsden       | AL | 851,124   | 1,582,332 | 83,171      | 25,239 | 851,124   | 1,690,742 | 2,541,866 | 676,031   |            |
| Sylacauga     | AL | 801,413   | 1,490,012 | 71,434      | 19,187 | 801,413   | 1,580,633 | 2,382,046 | 628,305   |            |
| El Dorado     | AR | 907,534   | 1,687,608 | 117,309     | 20,759 | 907,534   | 1,825,676 | 2,733,210 | 718,282   |            |
| Jacksonville  | AR | 267,376   | 497,124   | 29,762      | 5,795  | 267,376   | 532,681   | 800,057   | 204,886   |            |
| Russellville  | AR | 864,497   | -         | None        | 24,800 | 864,497   | 24,800    | 889,297   | 3,737     |            |
| Flagstaff     | AZ | 846,045   | 1,980,383 | None        | None   | 846,045   | 1,980,383 | 2,826,428 | 62,712    |            |
| Glendale      | AZ | 624,761   | 895,976   | 189,347     | 50,859 | 624,761   | 1,136,182 | 1,760,943 | 804,410   |            |
| Glendale      | AZ | 1,940,000 | 1,889,732 | None        | None   | 1,940,000 | 1,889,732 | 3,829,732 | 59,842    |            |
| Goodyear      | AZ | 794,360   | 1,274,445 | None        | None   | 794,360   | 1,274,445 | 2,068,805 | 523,711   | 2/23/2006  |
| Surprise      | AZ | 681,288   | 1,008,310 | None        | None   | 681,288   | 1,008,310 | 1,689,598 | 477,714   | 9/29/2004  |
| La Verne      | CA | -         | 1,477,413 | None        | None   | -         | 1,477,413 | 1,477,413 | 233,924   |            |
| San Dimas     | CA | 240,562   | 445,521   | 91,821      | 2,690  | 240,562   | 540,032   | 780,594   | 526,832   |            |
| Denver        | CO | 540,250   | 1,132,450 | None        | None   | 540,250   | 1,132,450 | 1,672,700 | 543,011   | 7/29/2004  |
| Fort Collins  | CO | 898,688   | 2,103,607 | None        | None   | 898,688   | 2,103,607 | 3,002,295 | 66,614    |            |
| Lakewood      | CO | 1,606,511 | 5,865     | None        | None   | 1,606,511 | 5,865     | 1,612,376 | 2,905     | 7/26/2006  |
| Louisville    | CO | 997,040   | 1,721,700 | None        | None   | 997,040   | 1,721,700 | 2,718,740 | 54,521    |            |
| Parker        | CO | 778,054   | 1,148,443 | None        | 4,363  | 778,054   | 1,152,806 | 1,930,860 | 529,095   | 6/10/2005  |
| Parker        | CO | -         | 1,789,040 | None        | None   | -         | 1,789,040 | 1,789,040 | 283,265   |            |
| Cromwell      | CT | 531,861   | 989,638   | None        | None   | 531,861   | 989,638   | 1,521,499 | 357,914   |            |
| East Windsor  | CT | -         | 1,235,134 | None        | None   | -         | 1,235,134 | 1,235,134 | 463,153   |            |
| Manchester    | CT | -         | 1,353,727 | None        | None   | -         | 1,353,727 | 1,353,727 | 507,625   |            |
| New Milford   | CT | -         | 705,127   | 24,437      | 26,125 | -         | 755,689   | 755,689   | 290,744   |            |
| Plainville    | CT | -         | 1,452,933 | None        | None   | -         | 1,452,933 | 1,452,933 | 544,828   |            |
| Tewksbury     | CT | 392,079   | 730,927   | 19,598      | 14,701 | 392,079   | 765,226   | 1,157,305 | 279,742   |            |
| Torrington    | CT | 504,167   | 939,051   | 75,434      | 10,000 | 504,167   | 1,024,485 | 1,528,652 | 391,279   |            |
| West Haven    | CT | 540,663   | 1,006,829 | (191,944)   | 25,142 | 540,663   | 840,027   | 1,380,690 | 407,519   |            |
| Windsor Locks | CT | 844,967   | 1,571,965 | None        | None   | 844,967   | 1,571,965 | 2,416,932 | 589,470   |            |
| Jacksonville  | FL | 1,451,180 | 658,461   | 59,396      | 13     | 1,451,180 | 717,870   | 2,169,050 | 297,835   | 8/4/2006   |
| Lakeland      | FL | 1,018,551 | 1,273,189 | None        | None   | 1,018,551 | 1,273,189 | 2,291,740 | 201,588   |            |
| Land O Lakes  | FL | 770,136   | 1,190,937 | None        | None   | 770,136   | 1,190,937 | 1,961,073 | 518,746   | 10/21/2005 |
| Melbourne     | FL | -         | 790,083   | 6,800       | 285    | -         | 797,168   | 797,168   | 345,182   |            |
| New Port      |    |           |           |             |        |           |           |           |           |            |
| Richey        | FL | 929,402   | 1,459,392 | 56,969      | 32,400 | 929,402   | 1,548,761 | 2,478,163 | 652,871   | 11/13/2006 |
| Orange City   | FL | 1,290,082 | 1,612,603 | None        | None   | 1,290,082 | 1,612,603 | 2,902,685 | 255,329   |            |
| Orlando       | FL | 230,000   | 1,066,339 | None        | None   | 230,000   | 1,066,339 | 1,296,339 | 1,066,339 |            |
| Orlando       | FL | 1,135,310 | 1,306,940 | 15,082      | 18,309 | 1,135,310 | 1,340,331 | 2,475,641 | 531,528   | 1/10/2007  |
| Orlando       | FL | 735,000   | 1,367,891 | None        | None   | 735,000   | 1,367,891 | 2,102,891 | 512,942   |            |
| Orlando       | FL | -         | 790,583   | 24,415      | 38,527 | -         | 853,525   | 853,525   | 332,190   |            |
| Sebring       | FL | 737,465   | 921,832   | None        | None   | 737,465   | 921,832   | 1,659,297 | 145,957   |            |
| Vero Beach    | FL | 1,381,247 | 1,726,559 | None        | None   | 1,381,247 | 1,726,559 | 3,107,806 | 273,372   |            |
| Americus      | GA | 709,624   | 1,319,578 | 146,843     | 6,036  | 709,624   | 1,472,457 | 2,182,081 | 579,889   |            |
| Buford        | GA | 1,229,933 | 1,537,417 | 2,000       | None   | 1,229,933 | 1,539,417 | 2,769,350 | 243,470   |            |
| Conyers       | GA | 1,047,499 | 2,451,936 | None        | None   | 1,047,499 | 2,451,936 | 3,499,435 | 77,645    |            |
| Douglasville  | GA | 1,345,928 | 2,324,166 | None        | None   | 1,345,928 | 2,324,166 | 3,670,094 | 73,599    |            |
| Gainesville   | GA | 922,954   | 2,160,409 | None        | None   | 922,954   | 2,160,409 | 3,083,363 | 68,413    |            |
| Garden City   | GA | 197,225   | 438,043   | 142,215     | 3,257  | 197,225   | 583,515   | 780,740   | 489,329   |            |
| Lithonia      | GA | 89,220    | -         | None        | 246    | 89,220    | 246       | 89,466    | 119       |            |
| Norcross      | GA | 827,707   | 1,538,875 | 115,596     | 16,522 | 827,707   | 1,670,993 | 2,498,700 | 690,503   |            |
| Savannah      | GA | 719,188   | 1,337,352 | 93,855      | 23,190 | 719,188   | 1,454,397 | 2,173,585 | 579,774   |            |
| Savannah      | GA | 1,204,088 | 2,079,235 | None        | None   | 1,204,088 | 2,079,235 | 3,283,323 | 65,842    |            |
| Snellville    | GA | 710,600   | 1,321,389 | (995,794)   | 532    | 710,600   | 326,127   | 1,036,727 | 571,805   |            |
| Statesboro    | GA | 926,462   | 1,722,290 | None        | 19,800 | 926,462   | 1,742,090 | 2,668,552 | 699,424   |            |
| Suwanee       | GA | 1,490,000 | 2,065,314 | None        | None   | 1,490,000 | 2,065,314 | 3,555,314 | 65,402    |            |
| Thomasville   | GA | 894,504   | 1,662,939 | 87,387      | 26,155 | 894,504   | 1,776,481 | 2,670,985 | 730,612   |            |
| Valdosta      | GA | 901,658   | 1,676,225 | 4,820       | 30,696 | 901,658   | 1,711,741 | 2,613,399 | 707,211   |            |
| Warner Robins | GA | 896,841   | 1,667,267 | (1,259,913) | 349    | 896,841   | 407,703   | 1,304,544 | 718,187   |            |
| Warner Robins | GA | 1,286,698 | 2,221,885 | None        | None   | 1,286,698 | 2,221,885 | 3,508,583 | 70,360    |            |
| Waycross      | GA | 956,765   | 1,778,566 | None        | None   | 956,765   | 1,778,566 | 2,735,331 | 720,318   |            |
| Ankeny        | IA | 100,000   | 349,218   | 25,075      | 558    | 100,000   | 374,851   | 474,851   | 374,318   |            |
| Burlington    | IA | 653,057   | 1,214,571 | (578,090)   | 757    | 653,057   | 637,238   | 1,290,295 | 495,572   |            |
| Cedar Rapids  | IA | 822,331   | 1,528,939 | None        | None   | 822,331   | 1,528,939 | 2,351,270 | 619,219   |            |
| Clive         | IA | 840,697   | 1,563,046 | None        | 558    | 840,697   | 1,563,604 | 2,404,301 | 633,057   |            |
| Sioux City    | IA | 979,171   | 1,690,845 | None        | None   | 979,171   | 1,690,845 | 2,670,016 | 53,543    |            |
| Nampa         | ID | 74,156    | 343,820   | 28,206      | None   | 74,156    | 372,026   | 446,182   | 356,118   |            |
| Rexburg       | ID | 90,760    | 420,787   | 59,798      | None   | 90,760    | 480,585   | 571,345   | 445,672   |            |
| Alton         | IL | 225,785   | 419,315   | 75,320      | 23,817 | 225,785   | 518,452   | 744,237   | 426,530   |            |

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|              |    |           |           |         |        |           |           |           |         |            |
|--------------|----|-----------|-----------|---------|--------|-----------|-----------|-----------|---------|------------|
| Champaign    | IL | 805,888   | 1,498,402 | 3,419   | None   | 805,888   | 1,501,821 | 2,307,709 | 606,937 |            |
| Champaign    | IL | 590,000   | 2,081,355 | None    | None   | 590,000   | 2,081,355 | 2,671,355 | 65,910  |            |
| Effingham    | IL | 783,528   | 1,456,874 | None    | None   | 783,528   | 1,456,874 | 2,240,402 | 590,033 |            |
| Mount Vernon | IL | 883,110   | 1,641,741 | None    | None   | 883,110   | 1,641,741 | 2,524,851 | 664,904 |            |
| Oswego       | IL | 953,394   | 1,208,677 | 1,988   | 32,405 | 953,394   | 1,243,070 | 2,196,464 | 558,832 | 6/15/2005  |
| Peoria       | IL | 662,460   | 1,060,577 | 14,651  | 12,085 | 662,460   | 1,087,313 | 1,749,773 | 528,481 | 10/13/2004 |
| Swansea      | IL | 890,625   | 1,655,743 | 288,559 | 21,851 | 890,625   | 1,966,153 | 2,856,778 | 822,033 |            |
| Waukegan     | IL | 1,330,000 | 2,470,909 | None    | 8      | 1,330,000 | 2,470,917 | 3,800,917 | 893,645 |            |

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REALTY INCOME CORPORATION AND SUBSIDIARIES

SCHEDULE III REAL ESTATE AND ACCUMULATED DEPRECIATION

AS OF DECEMBER 31, 2016

| Description         | Encumbrances | Initial Cost to Company |           |   |              | Cost Capitalized Subsequent to Acquisition |           | Gross Amount at Which Carried at Close of Period (Notes 3, 4, 6 and 7) |           |           | Accumulated Depreciation | Date of Construction |
|---------------------|--------------|-------------------------|-----------|---|--------------|--|-----------|--|-----------|-----------|--------------------------|----------------------|
|                     |              | Land                    | Fees      | Buildings, Improvements and Acquisition | Improvements | Carrying Costs                             | Land      | Fees   | Total     | (Note 5)  |                          |                      |
| Anderson            | IN           | 831,077                 | 1,545,131 | 16,655                                  | 30,694       | 831,077                                    | 1,592,480 | 2,423,557  | 655,060   |           |                          |                      |
| Evansville          | IN           | 999,824                 | 1,726,507 | None                                    | None         | 999,824                                    | 1,726,507 | 2,726,331  | 54,673    |           |                          |                      |
| Lafayette           | IN           | 1,273,149               | 2,198,489 | None                                    | None         | 1,273,149                                  | 2,198,489 | 3,471,638  | 69,619    |           |                          |                      |
| Marion              | IN           | 685,194                 | 1,274,206 | 45,372                                  | 19,275       | 685,194                                    | 1,338,853 | 2,024,047  | 551,023   |           |                          |                      |
| Michigan City       | IN           | 840,998                 | 1,563,545 | (887,415)                               | 393          | 840,998                                    | 676,523   | 1,517,521  | 633,487   |           |                          |                      |
| Terre Haute         | IN           | 767,189                 | 1,426,532 | 64,431                                  | 107          | 767,189                                    | 1,491,070 | 2,258,259  | 1,032,636 |           |                          |                      |
| El Dorado           | KS           | 87,400                  | 405,206   | 50,518                                  | 4,338        | 87,400                                     | 460,062   | 547,462  | 426,533   |           |                          |                      |
| Salina              | KS           | 683,265                 | 1,647,429 | None                                    | None         | 683,265                                    | 1,647,429 | 2,330,694  | 94,232    | 7/27/2015 |                          |                      |
| Shawnee             | KS           | 953,916                 | 1,773,245 | None                                    | None         | 953,916                                    | 1,773,245 | 2,727,161  | 718,163   |           |                          |                      |
| Shawnee             | KS           | -                       | 1,573,049 | None                                    | None         | -  | 1,573,049 | 1,573,049  | 249,066   |           |                          |                      |
| Topeka              | KS           | 1,005,484               | 1,256,855 | None                                    | None         | 1,005,484                                  | 1,256,855 | 2,262,339  | 199,002   |           |                          |                      |
| Wichita             | KS           | 900,768                 | 2,108,474 | None                                    | None         | 900,768                                    | 2,108,474 | 3,009,242  | 66,768    |           |                          |                      |
| Murray              | KY           | 831,246                 | 1,545,422 | 111,189                                 | 26,343       | 831,246                                    | 1,682,954 | 2,514,200  | 674,059   |           |                          |                      |
| Richmond            | KY           | 913,770                 | 1,698,726 | None                                    | 183          | 913,770                                    | 1,698,909 | 2,612,679  | 688,010   |           |                          |                      |
| Alexandria          | LA           | -                       | 1,118,270 | None                                    | None         | -  | 1,118,270 | 1,118,270  | 177,059   |           |                          |                      |
| Alexandria          | LA           | 740,000                 | 1,800,869 | None                                    | None         | 740,000                                    | 1,800,869 | 2,540,869  | 57,028    |           |                          |                      |
| Baton Rouge         | LA           | -                       | 1,748,499 | None                                    | None         | -  | 1,748,499 | 1,748,499  | 276,846   |           |                          |                      |
| Covington           | LA           | 1,250,677               | 2,159,685 | None                                    | None         | 1,250,677                                  | 2,159,685 | 3,410,362  | 68,390    |           |                          |                      |
| Houma               | LA           | 1,061,671               | 1,973,864 | 12,063                                  | 48,189       | 1,061,671                                  | 2,034,116 | 3,095,787  | 822,753   |           |                          |                      |
| Jennings            | LA           | 107,120                 | 496,636   | 17,656                                  | 1,742        | 107,120                                    | 516,034   | 623,154  | 499,937   |           |                          |                      |
| Lake Charles        | LA           | 790,398                 | 1,850,125 | None                                    | None         | 790,398                                    | 1,850,125 | 2,640,523  | 58,587    |           |                          |                      |
| Morgan City         | LA           | 832,895                 | 1,548,993 | 26,151                                  | 28,395       | 832,895                                    | 1,603,539 | 2,436,434  | 661,166   |           |                          |                      |
| New Iberia          | LA           | 917,582                 | 1,706,269 | 80,944                                  | 30,339       | 917,582                                    | 1,817,552 | 2,735,134  | 744,396   |           |                          |                      |
| Opelousas           | LA           | 949,157                 | 1,764,908 | (1,243,612)                             | 567          | 949,157                                    | 521,863   | 1,471,020  | 748,072   |           |                          |                      |
| Ruston              | LA           | 982,427                 | 1,826,696 | None                                    | None         | 982,427                                    | 1,826,696 | 2,809,123  | 739,811   |           |                          |                      |
| Shreveport          | LA           | 269,130                 | 500,382   | None                                    | 5,219        | 269,130                                    | 505,601   | 774,731  | 206,143   |           |                          |                      |
| Slidell             | LA           | 1,340,000               | 2,019,213 | None                                    | None         | 1,340,000                                  | 2,019,213 | 3,359,213  | 43,750    |           |                          |                      |
| West Monroe         | LA           | 839,404                 | 1,964,836 | None                                    | None         | 839,404                                    | 1,964,836 | 2,804,240  | 62,220    |           |                          |                      |
| Zachary             | LA           | 898,306                 | 1,670,527 | 24,217                                  | 28,442       | 898,306                                    | 1,723,186 | 2,621,492  | 692,015   |           |                          |                      |
| Amesbury            | MA           | -                       | 790,494   | None                                    | None         | -  | 790,494   | 790,494  | 493,697   |           |                          |                      |
| Attleboro           | MA           | 369,815                 | 693,655   | None                                    | None         | 369,815                                    | 693,655   | 1,063,470  | 417,348   |           |                          |                      |
| Auburn              | MA           | 418,250                 | 779,623   | 500                                     | None         | 418,250                                    | 780,123   | 1,198,373  | 292,808   |           |                          |                      |
| Chicopee            | MA           | 761,606                 | 1,417,624 | None                                    | None         | 761,606                                    | 1,417,624 | 2,179,230  | 531,592   |           |                          |                      |
| Chicopee Falls East | MA           | 302,982                 | 565,894   | 65,789                                  | 7,544        | 302,982                                    | 639,227   | 942,209  | 240,842   |           |                          |                      |
| Longmeadow          | MA           | 614,319                 | 1,144,128 | None                                    | None         | 614,319                                    | 1,144,128 | 1,758,447  | 429,031   |           |                          |                      |
| Gardner Great       | MA           | 625,000                 | 828,564   | None                                    | None         | 625,000                                    | 828,564   | 1,453,564  | 472,877   |           |                          |                      |
| Barrington          | MA           | 422,625                 | 788,089   | 69,608                                  | 10,347       | 422,625                                    | 868,044   | 1,290,669  | 330,731   |           |                          |                      |
| Greenfield          | MA           | 761,417                 | 1,417,273 | None                                    | None         | 761,417                                    | 1,417,273 | 2,178,690  | 531,460   |           |                          |                      |
| Haverhill           | MA           | 568,635                 | 1,058,815 | None                                    | None         | 568,635                                    | 1,058,815 | 1,627,450  | 397,039   |           |                          |                      |
| Holyoke             | MA           | 577,667                 | 1,076,023 | None                                    | None         | 577,667                                    | 1,076,023 | 1,653,690  | 403,492   |           |                          |                      |
| Lee                 | MA           | 540,506                 | 1,007,010 | None                                    | None         | 540,506                                    | 1,007,010 | 1,547,516  | 377,612   |           |                          |                      |

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|                |    |           |            |           |        |           |            |            |           |            |
|----------------|----|-----------|------------|-----------|--------|-----------|------------|------------|-----------|------------|
| North Adams    | MA | 377,300   | 703,914    | 46,114    | 351    | 377,300   | 750,379    | 1,127,679  | 267,643   |            |
| Norwood        | MA | 840,616   | 1,563,923  | None      | None   | 840,616   | 1,563,923  | 2,404,539  | 586,454   |            |
| Palmer         | MA | 411,524   | 598,480    | None      | None   | 411,524   | 598,480    | 740,004    | 360,084   |            |
| Peabody        | MA | 529,555   | 222,590    | None      | None   | 529,555   | 222,590    | 752,145    | 133,923   |            |
| Pittsfield     | MA | 286,241   | 950,022    | None      | None   | 286,241   | 950,022    | 1,236,263  | 571,595   |            |
| Raynham        | MA | 761,417   | 1,417,287  | None      | None   | 761,417   | 1,417,287  | 2,178,704  | 531,465   |            |
| Sagamore       |    |           |            |           |        |           |            |            |           |            |
| Beach          | MA | 620,188   | 1,155,007  | None      | None   | 620,188   | 1,155,007  | 1,775,195  | 433,110   |            |
| Saugus         | MA | -         | 737,971    | None      | None   | -         | 737,971    | 737,971    | 367,046   |            |
| Seekonk        | MA | 614,417   | 1,144,267  | None      | None   | 614,417   | 1,144,267  | 1,758,684  | 429,083   |            |
| South          |    |           |            |           |        |           |            |            |           |            |
| Dartmouth      | MA | 379,217   | 707,492    | 15,163    | 79     | 379,217   | 722,734    | 1,101,951  | 266,706   |            |
| Springfield    | MA | 230,030   | 865,572    | None      | None   | 230,030   | 865,572    | 1,095,602  | 520,784   |            |
| Springfield    | MA | 227,207   | 958,444    | None      | None   | 227,207   | 958,444    | 1,185,651  | 576,662   |            |
| Stoneham       | MA | 397,544   | 191,717    | None      | None   | 397,544   | 191,717    | 589,261    | 115,348   |            |
| Sudbury        | MA | -         | 633,843    | 81,654    | 14,427 | -         | 729,924    | 729,924    | 319,981   |            |
| Swansea        | MA | 173,853   | 488,699    | None      | None   | 173,853   | 488,699    | 662,552    | 294,032   |            |
| West           |    |           |            |           |        |           |            |            |           |            |
| Springfield    | MA | 243,556   | 455,532    | 104,424   | 9,894  | 243,556   | 569,850    | 813,406    | 207,254   |            |
| West           |    |           |            |           |        |           |            |            |           |            |
| Springfield    | MA | 761,417   | 1,417,273  | None      | None   | 761,417   | 1,417,273  | 2,178,690  | 531,460   |            |
| Wilbraham      | MA | 9,626,112 | 19,964,016 | 2,500     | None   | 9,626,112 | 19,966,516 | 29,592,628 | 6,838,180 |            |
| Wollaston      | MA | 411,366   | 766,745    | None      | None   | 411,366   | 766,745    | 1,178,111  | 287,512   |            |
| Worcester      | MA | 578,336   | 1,077,426  | None      | None   | 578,336   | 1,077,426  | 1,655,762  | 404,017   |            |
| Waterville     | ME | -         | 717,653    | None      | 105    | -         | 717,758    | 717,758    | 463,209   |            |
| Windham        | ME | -         | 831,301    | 1,000     | None   | -         | 832,301    | 832,301    | 312,649   |            |
| Comstock Park  | MI | 810,477   | 1,506,864  | 70,386    | 255    | 810,477   | 1,577,505  | 2,387,982  | 632,277   |            |
| Flint          | MI | 827,853   | -          | 5,631     | 94     | 827,853   | 5,725      | 833,578    | 669       |            |
| Flint          | MI | 885,144   | 1,645,531  | 70,987    | 32,018 | 885,144   | 1,748,536  | 2,633,680  | 720,416   |            |
| Lansing        | MI | 873,536   | 1,623,973  | None      | 27,640 | 873,536   | 1,651,613  | 2,525,149  | 658,595   |            |
| Saginaw        | MI | 766,531   | 1,425,263  | 14,030    | 23,051 | 766,531   | 1,462,344  | 2,228,875  | 600,734   |            |
| Saginaw        | MI | 1,153,595 | 1,992,043  | None      | None   | 1,153,595 | 1,992,043  | 3,145,638  | 63,081    |            |
| Westland       | MI | 869,530   | 1,616,568  | None      | 210    | 869,530   | 1,616,778  | 2,486,308  | 654,793   |            |
| Champlin       | MN | 583,515   | 729,394    | None      | None   | 583,515   | 729,394    | 1,312,909  | 115,487   |            |
| Inver Grove    |    |           |            |           |        |           |            |            |           |            |
| Hghts          | MN | 1,010,000 | 2,344,614  | None      | None   | 1,010,000 | 2,344,614  | 3,354,614  | 74,246    |            |
| Roseville      | MN | 281,600   | 1,305,560  | None      | 288    | 281,600   | 1,305,848  | 1,587,448  | 1,305,678 |            |
| Bridgeton      | MO | 743,559   | 1,585,207  | 295,301   | 21,240 | 743,559   | 1,901,748  | 2,645,307  | 714,214   |            |
| Farmington     | MO | 780,812   | 1,451,767  | 214,865   | 25,259 | 780,812   | 1,691,891  | 2,472,703  | 651,977   |            |
| Festus         | MO | 808,595   | 1,503,364  | (664,610) | 2,875  | 808,595   | 841,629    | 1,650,224  | 600,225   |            |
| Hazelwood      | MO | 157,117   | 725,327    | (104,329) | None   | 157,117   | 620,998    | 778,115    | 620,998   |            |
| Jefferson City | MO | 713,088   | 1,325,993  | 98,612    | 22,035 | 713,088   | 1,446,640  | 2,159,728  | 560,656   |            |
| Kansas City    | MO | 715,640   | 894,550    | None      | None   | 715,640   | 894,550    | 1,610,190  | 141,637   |            |
| Kansas City    | MO | 872,364   | 1,090,455  | None      | None   | 872,364   | 1,090,455  | 1,962,819  | 172,655   |            |
| Ozark          | MO | 140,000   | 292,482    | None      | None   | 140,000   | 292,482    | 432,482    | 223,739   |            |
| Poplar Bluff   | MO | 774,256   | 1,439,603  | None      | None   | 774,256   | 1,439,603  | 2,213,859  | 583,038   |            |
| Raymore        | MO | 726,583   | 1,351,055  | None      | 23,779 | 726,583   | 1,374,834  | 2,101,417  | 548,600   |            |
| Sedalia        | MO | 269,798   | 599,231    | 11,556    | None   | 269,798   | 610,787    | 880,585    | 610,787   |            |
| Sedalia        | MO | 696,604   | 1,295,380  | 39,992    | 808    | 696,604   | 1,336,180  | 2,032,784  | 536,273   |            |
| Springfield    | MO | -         | 1,390,167  | None      | None   | -         | 1,390,167  | 1,390,167  | 220,110   |            |
| St. Charles    | MO | 175,413   | 809,791    | None      | 81     | 175,413   | 809,872    | 985,285    | 809,823   |            |
| St. Charles    | MO | 695,121   | 1,001,878  | None      | 1,149  | 695,121   | 1,003,027  | 1,698,148  | 843,651   | 12/22/1995 |
| St. Robert     | MO | 744,158   | 1,383,694  | None      | 31,455 | 744,158   | 1,415,149  | 2,159,307  | 577,357   |            |
| Sullivan       | MO | 85,500    | 396,400    | (40,743)  | 13,500 | 85,500    | 369,157    | 454,657    | 366,207   |            |
| Columbus       | MS | 720,310   | 1,339,963  | None      | None   | 720,310   | 1,339,963  | 2,060,273  | 542,684   |            |
| Corinth        | MS | 867,086   | 1,612,029  | None      | 81     | 867,086   | 1,612,110  | 2,479,196  | 652,903   |            |
| Flowood        | MS | 154,733   | 287,549    | None      | None   | 154,733   | 287,549    | 442,282    | 118,374   |            |
| Hattiesburg    | MS | 856,070   | 1,592,088  | None      | None   | 856,070   | 1,592,088  | 2,448,158  | 644,794   |            |
| Meridian       | MS | -         | 2,481,172  | 231,363   | 19,128 | -         | 2,731,663  | 2,731,663  | 999,029   |            |
| Vicksburg      | MS | 698,189   | 1,298,881  | (736,106) | 690    | 698,189   | 563,465    | 1,261,654  | 577,381   |            |
| Durham         | NC | 1,034,787 | 2,422,182  | None      | None   | 1,034,787 | 2,422,182  | 3,456,969  | 76,702    |            |
| Forest City    | NC | 872,424   | 1,621,940  | None      | 183    | 872,424   | 1,622,123  | 2,494,547  | 656,912   |            |
| Goldsboro      | NC | 811,502   | 1,509,029  | 72,109    | 35,050 | 811,502   | 1,616,188  | 2,427,690  | 667,230   |            |
| Greenville     | NC | 760,000   | 1,837,890  | None      | None   | 760,000   | 1,837,890  | 2,597,890  | 58,200    |            |
| Highpoint      | NC | 1,170,000 | 2,301,150  | None      | None   | 1,170,000 | 2,301,150  | 3,471,150  | 49,858    |            |
| Kernersville   | NC | 836,896   | 1,556,334  | None      | 13,017 | 836,896   | 1,569,351  | 2,406,247  | 642,912   |            |
| Lumberton      | NC | 1,560,000 | 2,521,795  | None      | None   | 1,560,000 | 2,521,795  | 4,081,795  | 79,857    |            |
| Rocky Mount    | NC | 996,506   | 2,332,575  | None      | None   | 996,506   | 2,332,575  | 3,329,081  | 73,865    |            |
| Salisbury      | NC | 777,412   | 1,445,863  | (821,200) | None   | 777,412   | 624,663    | 1,402,075  | 585,573   |            |
| Salisbury      | NC | 650,000   | 2,103,127  | None      | None   | 650,000   | 2,103,127  | 2,753,127  | 45,568    |            |

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|                |    |           |           |      |      |           |           |           |         |           |
|----------------|----|-----------|-----------|------|------|-----------|-----------|-----------|---------|-----------|
| Southern Pines | NC | 1,444,847 | 2,494,980 | None | None | 1,444,847 | 2,494,980 | 3,939,827 | 79,008  |           |
| Sylva          | NC | 919,724   | 1,709,783 | None | 131  | 919,724   | 1,709,914 | 2,629,638 | 692,588 |           |
| Winston-Salem  | NC | 1,093,829 | 2,560,382 | None | None | 1,093,829 | 2,560,382 | 3,654,211 | 81,079  |           |
| Bellevue       | NE | 656,061   | 1,004,384 | None | None | 656,061   | 1,004,384 | 1,660,445 | 448,178 | 9/20/2005 |
| Omaha          | NE | 592,716   | 1,009,253 | None | 32   | 592,716   | 1,009,285 | 1,602,001 | 461,928 | 5/5/2005  |
| Papillion      | NE | 654,788   | 908,685   | None | None | 654,788   | 908,685   | 1,563,473 | 420,214 | 3/9/2005  |
| Concord        | NH | 577,667   | 1,075,628 | None | None | 577,667   | 1,075,628 | 1,653,295 | 403,343 |           |
| Concord        | NH | 849,884   | 1,581,175 | None | None | 849,884   | 1,581,175 | 2,431,059 | 592,924 |           |

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REALTY INCOME CORPORATION AND SUBSIDIARIES

SCHEDULE III REAL ESTATE AND ACCUMULATED DEPRECIATION

AS OF DECEMBER 31, 2016

| Description<br>(Note 1) | Encumbrances<br>(Note 2) | Initial Cost to Company |  |              |        | Cost Capitalized<br>Subsequent<br>to Acquisition |           | Gross Amount at Which Carried<br>at Close of Period (Notes 3, 4, 6 and<br>7) |         |           | Accumulated<br>Depreciation<br>(Note 5) | Date of<br>Construction | Ac |
|-------------------------|--------------------------|-------------------------|--|--------------|--------|--|-----------|--|---------|-----------|---|-------------------------|----|
|                         |                          | Land                    | Buildings,<br>Improvements<br>and<br>Acquisition<br>Fees | Improvements | Costs  | Land   | Fees      | Total  |         |           |   |                         |    |
| Dover                   | NH                       | 687,917                 | 1,280,378  | None         | None   | 687,917  | 1,280,378 | 1,968,295  | 480,125 |           | 8/3                                     |                         |    |
| Laconia                 | NH                       | 330,520                 | 467,594  | None         | None   | 330,520  | 467,594   | 798,114  | 281,334 |           | 12/1                                    |                         |    |
| Manchester              | NH                       | 266,337                 | 486,676  | None         | None   | 266,337  | 486,676   | 753,013  | 292,815 |           | 12/1                                    |                         |    |
| Portsmouth              | NH                       | 391,650                 | 730,167  | 37,475       | 18,167 | 391,650  | 785,809   | 1,177,459  | 302,598 |           | 8/3                                     |                         |    |
| Rochester               | NH                       | 262,059                 | 695,771  | None         | None   | 262,059  | 695,771   | 957,830  | 418,620 |           | 12/1                                    |                         |    |
| Clark                   | NJ                       | 541,792                 | 1,009,085  | None         | None   | 541,792  | 1,009,085 | 1,550,877  | 378,390 |           | 8/3                                     |                         |    |
| Hackettstown            | NJ                       | 307,186                 | 525,142  | None         | None   | 307,186  | 525,142   | 832,328  | 315,959 |           | 12/1                                    |                         |    |
| Middletown              | NJ                       | -                       | 640,403  | 31,043       | 7      | -  | 671,453   | 671,453  | 390,710 |           | 8/3                                     |                         |    |
| Mount Holly             | NJ                       | -                       | 1,092,178  | None         | None   | -  | 1,092,178 | 1,092,178  | 395,001 |           | 12/1                                    |                         |    |
| Pompton                 |                          |                         |  |              |        |  |           |  |         |           |   |                         |    |
| Plains                  | NJ                       | 455,700                 | 849,125  | 88,127       | 17,448 | 455,700  | 954,700   | 1,410,400  | 325,900 |           | 8/3                                     |                         |    |
| Toms River              | NJ                       | 826,449                 | 1,537,659  | None         | None   | 826,449  | 1,537,659 | 2,364,108  | 576,605 |           | 8/3                                     |                         |    |
| Albuquerque             | NM                       | -                       | 1,307,933  | None         | None   | -  | 1,307,933 | 1,307,933  | 207,089 |           | 1/2                                     |                         |    |
| Albany                  | NY                       | 457,538                 | 852,510  | 42,302       | 13,692 | 457,538  | 908,504   | 1,366,042  | 348,131 |           | 8/3                                     |                         |    |
| Clifton Park            | NY                       | 1,040,997               | 1,936,100  | None         | None   | 1,040,997  | 1,936,100 | 2,977,097  | 726,020 |           | 8/3                                     |                         |    |
| Delmar                  | NY                       | 316,382                 | 590,387  | 24,178       | 14,789 | 316,382  | 629,354   | 945,736  | 249,353 |           | 8/3                                     |                         |    |
| East                    |                          |                         |  |              |        |  |           |  |         |           |   |                         |    |
| Greenbush               | NY                       | 623,313                 | 1,160,389  | None         | None   | 623,313  | 1,160,389 | 1,783,702  | 435,129 |           | 8/3                                     |                         |    |
| New Hartford            | NY                       | 226,041                 | 422,563  | None         | None   | 226,041  | 422,563   | 648,604  | 158,444 |           | 8/3                                     |                         |    |
| Plattsburgh             | NY                       | 977,012                 | 1,817,269  | None         | None   | 977,012  | 1,817,269 | 2,794,281  | 681,459 |           | 8/3                                     |                         |    |
| Rochester               | NY                       | -                       | 1,911,958  | None         | None   | -  | 1,911,958 | 1,911,958  | 302,727 |           | 1/2                                     |                         |    |
| Akron                   | OH                       | 723,347                 | 17   | 248,731      | 23,690 | 723,347  | 272,438   | 995,785  | 39,142  |           | 12/2                                    |                         |    |
| Akron                   | OH                       | 318,182                 | 593,654  | 39,113       | 16,560 | 318,182  | 649,327   | 967,509  | 223,981 |           | 8/3                                     |                         |    |
| Dayton                  | OH                       | 1,284,902               | 2,218,783  | None         | None   | 1,284,902  | 2,218,783 | 3,503,685  | 70,261  |           | 3/3                                     |                         |    |
| Defiance                | OH                       | 71,273                  | 135,109  | None         | None   | 71,273   | 135,109   | 206,382  | 50,649  |           | 8/3                                     |                         |    |
| Elyria                  | OH                       | 79,545                  | 150,491  | None         | None   | 79,545   | 150,491   | 230,036  | 56,417  |           | 8/3                                     |                         |    |
| Marion                  | OH                       | 739,651                 | 1,375,358  | None         | None   | 739,651  | 1,375,358 | 2,115,009  | 557,019 |           | 11/                                     |                         |    |
| Mason                   | OH                       | 770,000                 | 2,246,001  | None         | None   | 770,000  | 2,246,001 | 3,016,001  | 48,663  |           | 6/2                                     |                         |    |
| Maumee                  | OH                       | 296,970                 | 555,134  | None         | None   | 296,970  | 555,134   | 852,104  | 208,155 |           | 8/3                                     |                         |    |
| Mount                   |                          |                         |  |              |        |  |           |  |         |           |   |                         |    |
| Vernon                  | OH                       | 147,212                 | 276,407  | None         | None   | 147,212  | 276,407   | 423,619  | 103,634 |           | 8/3                                     |                         |    |
| Parma                   |                          |                         |  |              |        |  |           |  |         |           |   |                         |    |
| Heights                 | OH                       | 275,758                 | 514,866  | None         | None   | 275,758  | 514,866   | 790,624  | 193,058 |           | 8/3                                     |                         |    |
| Sandusky                | OH                       | 824,270                 | 1,532,494  | None         | None   | 824,270  | 1,532,494 | 2,356,764  | 620,659 |           | 11/                                     |                         |    |
| Sandusky                | OH                       | 128,158                 | 240,761  | None         | None   | 128,158  | 240,761   | 368,919  | 90,268  |           | 8/3                                     |                         |    |
| Springdale              | OH                       | 1,895,200               | 2,369,000  | None         | None   | 1,895,200  | 2,369,000 | 4,264,200  | 375,092 |           | 1/2                                     |                         |    |
| Stow                    | OH                       | 317,546                 | 712,455  | None         | 114    | 317,546  | 712,569   | 1,030,115  | 712,569 |           | 12/3                                    |                         |    |
| Westlake                | OH                       | 922,871                 | 2,160,212  | None         | None   | 922,871  | 2,160,212 | 3,083,083  | 68,407  |           | 3/3                                     |                         |    |
| Wooster                 | OH                       | 763,642                 | 1,419,901  | None         | None   | 763,642  | 1,419,901 | 2,183,543  | 575,059 |           | 11/                                     |                         |    |
| Broken Arrow            | OK                       | 245,000                 | 369,002  | 30,742       | 10,278 | 245,000  | 410,022   | 655,022  | 307,589 |           | 12/1                                    |                         |    |
| Norman                  | OK                       | 734,335                 | 335,097  | None         | 78,164 | 734,335  | 413,261   | 1,147,596  | 191,783 | 9/29/1995 | 6/5                                     |                         |    |
| Norman                  | OK                       | 1,260,559               | 2,176,748  | None         | None   | 1,260,559  | 2,176,748 | 3,437,307  | 68,930  |           | 3/3                                     |                         |    |
|                         | OK                       | 759,826                 | -  | 228,699      | 34,874 | 759,826  | 263,573   | 1,023,399  | 17,486  |           | 7/6                                     |                         |    |

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|               |    |           |           |             |         |           |           |           |           |            |      |
|---------------|----|-----------|-----------|-------------|---------|-----------|-----------|-----------|-----------|------------|------|
| Oklahoma City |    |           |           |             |         |           |           |           |           |            |      |
| Oklahoma City | OK | 1,165,405 | 2,165,989 | None        | 45,131  | 1,165,405 | 2,211,120 | 3,376,525 | 893,664   |            | 11/  |
| Ponca City    | OK | 625,000   | 1,454,300 | None        | None    | 625,000   | 1,454,300 | 2,079,300 | 69,485    | 10/7/2015  | 1/2  |
| Tulsa         | OK | 490,000   | 910,004   | None        | None    | 490,000   | 910,004   | 1,400,004 | 398,885   |            | 1/2  |
| Tulsa         | OK | 360,500   | 669,605   | 14,520      | None    | 360,500   | 684,125   | 1,044,625 | 286,962   |            | 5/1  |
| Tulsa         | OK | 1,021,904 | 1,899,486 | 29,140      | 21,989  | 1,021,904 | 1,950,615 | 2,972,519 | 784,553   |            | 11/  |
| Beaverton     | OR | -         | 1,689,352 | None        | None    | -         | 1,689,352 | 1,689,352 | 267,481   |            | 1/2  |
| Hermiston     | OR | 85,560    | 396,675   | 73,725      | 10,433  | 85,560    | 480,833   | 566,393   | 425,690   |            | 12/  |
| Lake Oswego   | OR | 175,899   | 815,508   | 181,383     | 41,962  | 175,899   | 1,038,853 | 1,214,752 | 870,318   |            | 5/1  |
| Salem         | OR | -         | 865,668   | None        | None    | -         | 865,668   | 865,668   | 137,064   |            | 1/2  |
| Feasterville  |    |           |           |             |         |           |           |           |           |            |      |
| Trev          | PA | 236,303   | 441,673   | None        | None    | 236,303   | 441,673   | 677,976   | 165,610   |            | 8/3  |
| Gap           | PA | -         | 1,012,812 | 1,000       | None    | -         | 1,013,812 | 1,013,812 | 380,715   |            | 8/3  |
| Gettysburg    | PA | 289,040   | 809,676   | None        | None    | 289,040   | 809,676   | 1,098,716 | 487,153   |            | 12/  |
| Harrisburg    | PA | 577,667   | 1,075,635 | None        | 22,033  | 577,667   | 1,097,668 | 1,675,335 | 410,004   |            | 8/3  |
| Horsham       | PA | 554,361   | 1,032,352 | None        | None    | 554,361   | 1,032,352 | 1,586,713 | 387,115   |            | 8/3  |
| Indiana       | PA | 828,653   | 1,540,630 | 61,487      | 17,739  | 828,653   | 1,619,856 | 2,448,509 | 659,395   |            | 11/  |
| Lancaster     | PA | 170,304   | 413,960   | None        | None    | 170,304   | 413,960   | 584,264   | 249,064   |            | 12/  |
| Lebanon       | PA | -         | 1,292,172 | None        | None    | -         | 1,292,172 | 1,292,172 | 563,342   |            | 8/3  |
| Philadelphia  | PA | 503,556   | 937,999   | None        | None    | 503,556   | 937,999   | 1,441,555 | 351,733   |            | 8/3  |
| North         |    |           |           |             |         |           |           |           |           |            |      |
| Providence    | RI | -         | 790,921   | None        | None    | -         | 790,921   | 790,921   | 427,535   |            | 8/3  |
| Columbia      | SC | 1,100,000 | 1,829,980 | None        | None    | 1,100,000 | 1,829,980 | 2,929,980 | 57,949    |            | 3/3  |
| Florence      | SC | 956,430   | 2,238,768 | None        | None    | 956,430   | 2,238,768 | 3,195,198 | 70,894    |            | 3/3  |
| Gaffney       | SC | 727,738   | 1,353,238 | 57,635      | 235     | 727,738   | 1,411,108 | 2,138,846 | 579,478   |            | 11/  |
| Greenwood     | SC | 822,783   | 1,420,792 | None        | None    | 822,783   | 1,420,792 | 2,243,575 | 44,992    |            | 3/3  |
| Hilton Head   | SC | 1,218,232 | 1,522,790 | None        | None    | 1,218,232 | 1,522,790 | 2,741,022 | 241,108   |            | 1/2  |
| Lancaster     | SC | 778,616   | 1,448,099 | (1,056,134) | 493     | 778,616   | 392,458   | 1,171,074 | 591,196   |            | 11/  |
| N Myrtle      |    |           |           |             |         |           |           |           |           |            |      |
| Beach         | SC | 945,478   | 2,213,132 | None        | None    | 945,478   | 2,213,132 | 3,158,610 | 70,083    |            | 3/3  |
| Rock Hill     | SC | 826,216   | 1,536,499 | 480         | 46,661  | 826,216   | 1,583,640 | 2,409,856 | 637,206   |            | 11/  |
| Rock Hill     | SC | 1,150,000 | 2,178,624 | None        | None    | 1,150,000 | 2,178,624 | 3,328,624 | 68,990    |            | 3/3  |
| Sumter        | SC | 1,232,145 | 2,127,682 | None        | None    | 1,232,145 | 2,127,682 | 3,359,827 | 67,377    |            | 3/3  |
| Sioux Falls   | SD | 1,046,609 | 1,807,297 | None        | None    | 1,046,609 | 1,807,297 | 2,853,906 | 57,231    |            | 3/3  |
| Bartlett      | TN | 420,000   | 674,437   | 76,972      | 20,326  | 420,000   | 771,735   | 1,191,735 | 505,479   | 5/12/1999  | 2/2  |
| Chattanooga   | TN | 827,594   | 1,538,633 | 186,235     | 535     | 827,594   | 1,725,403 | 2,552,997 | 689,981   |            | 11/  |
| Dyersburg     | TN | 695,135   | 1,292,644 | 146,259     | None    | 695,135   | 1,438,903 | 2,134,038 | 591,180   |            | 11/  |
| Greeneville   | TN | 936,669   | 1,741,253 | None        | 131     | 936,669   | 1,741,384 | 2,678,053 | 705,333   |            | 11/  |
| Johnson City  | TN | 881,225   | 1,638,285 | 167,447     | 16,066  | 881,225   | 1,821,798 | 2,703,023 | 707,013   |            | 11/  |
| Kingsport     | TN | 786,332   | 1,462,055 | (1,002,020) | 476     | 786,332   | 460,511   | 1,246,843 | 672,057   |            | 11/  |
| Memphis       | TN | 871,951   | 1,621,017 | 255,627     | 10      | 871,951   | 1,876,654 | 2,748,605 | 704,981   |            | 11/  |
| Memphis       | TN | 1,217,412 | 1,521,765 | None        | None    | 1,217,412 | 1,521,765 | 2,739,177 | 240,946   |            | 1/2  |
| Memphis       | TN | -         | 1,336,687 | None        | None    | -         | 1,336,687 | 1,336,687 | 211,642   |            | 1/2  |
| Morristown    | TN | 182,935   | 340,274   | None        | 10,826  | 182,935   | 351,100   | 534,035   | 150,964   |            | 12/2 |
| Murfreesboro  | TN | 1,428,122 | 2,466,098 | None        | None    | 1,428,122 | 2,466,098 | 3,894,220 | 78,093    |            | 3/3  |
| Newport       | TN | 640,841   | 1,191,858 | 71,563      | 9,856   | 640,841   | 1,273,277 | 1,914,118 | 519,870   |            | 11/  |
| Amarillo      | TX | 763,283   | 1,995,460 | None        | None    | 763,283   | 1,995,460 | 2,758,743 | 646,798   | 9/12/2008  | 3/3  |
| Amarillo      | TX | 609,000   | 1,486,302 | None        | None    | 609,000   | 1,486,302 | 2,095,302 | 85,846    | 7/13/2015  | 10/  |
| Austin        | TX | 699,395   | 1,167,223 | None        | 144     | 699,395   | 1,167,367 | 1,866,762 | 499,095   | 2/15/2006  | 9/1  |
| Austin        | TX | 976,803   | 1,361,281 | 36,880      | 30,504  | 976,803   | 1,428,665 | 2,405,468 | 598,670   | 10/23/2006 | 6/1  |
| Bedford       | TX | 919,303   | 98,231    | 23,966      | 139     | 919,303   | 122,336   | 1,041,639 | 110,507   |            | 12/2 |
| Cedar Park    | TX | 634,489   | 1,472,504 | None        | 266     | 634,489   | 1,472,770 | 2,107,259 | 614,217   | 6/19/2006  | 1/1  |
| El Campo      | TX | 98,060    | 454,631   | None        | None    | 98,060    | 454,631   | 552,691   | 454,631   |            | 11/2 |
| El Paso       | TX | -         | 1,399,487 | None        | None    | -         | 1,399,487 | 1,399,487 | 221,585   |            | 1/2  |
| El Paso       | TX | -         | 1,591,758 | None        | None    | -         | 1,591,758 | 1,591,758 | 252,028   |            | 1/2  |
| Georgetown    | TX | 870,981   | 1,177,824 | 168,185     | 280     | 870,981   | 1,346,289 | 2,217,270 | 610,645   | 6/2/2006   | 1/1  |
| Greenville    | TX | 909,311   | 1,690,848 | 34,606      | 27,914  | 909,311   | 1,753,368 | 2,662,679 | 737,671   |            | 11/  |
| Harker        |    |           |           |             |         |           |           |           |           |            |      |
| Heights       | TX | 943,812   | 1,897,644 | None        | None    | 943,812   | 1,897,644 | 2,841,456 | 621,467   | 8/28/2008  | 3/2  |
| Hillsboro     | TX | 75,992    | 352,316   | 158,254     | 9,364   | 75,992    | 519,934   | 595,926   | 423,624   |            | 8/1  |
| Houston       | TX | 1,096,376 | 2,300,690 | 235,500     | 102,443 | 1,096,376 | 2,638,633 | 3,735,009 | 2,074,904 |            | 9/8  |
| Houston       | TX | 989,152   | 1,838,713 | None        | 25,823  | 989,152   | 1,864,536 | 2,853,688 | 763,934   |            | 11/  |
| Irving        | TX | 1,500,411 | 2,156     | None        | None    | 1,500,411 | 2,156     | 1,502,567 | 1,197     |            | 2/5  |
| Killeen       | TX | 1,327,348 | 2,467,204 | 17,494      | 28,845  | 1,327,348 | 2,513,543 | 3,840,891 | 1,017,254 |            | 11/  |
| Live Oak      | TX | 727,956   | 1,214,835 | 181,920     | 274     | 727,956   | 1,397,029 | 2,124,985 | 669,666   | 9/27/2005  | 6/1  |
| Longview      | TX | 1,231,857 | 2,289,864 | None        | 52      | 1,231,857 | 2,289,916 | 3,521,773 | 927,395   |            | 11/  |
| Lufkin        | TX | 105,904   | 490,998   | None        | None    | 105,904   | 490,998   | 596,902   | 490,998   |            | 10/  |
| Mesquite      | TX | 134,940   | 625,612   | None        | 140     | 134,940   | 625,752   | 760,692   | 625,619   |            | 3/2  |

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|             |    |           |           |         |        |           |           |           |         |            |      |
|-------------|----|-----------|-----------|---------|--------|-----------|-----------|-----------|---------|------------|------|
| Mesquite    | TX | 729,596   | 120,820   | None    | 91     | 729,596   | 120,911   | 850,507   | 120,876 |            | 12/2 |
| Mexia       | TX | 93,620    | 434,046   | 50,273  | 11,861 | 93,620    | 496,180   | 589,800   | 470,257 |            | 12/1 |
| New         |    |           |           |         |        |           |           |           |         |            |      |
| Braunfels   | TX | 860,262   | 1,169,016 | 250,000 | 56,399 | 860,262   | 1,475,415 | 2,335,677 | 740,824 | 2/14/2006  | 10/1 |
| Palestine   | TX | 825,066   | 1,534,394 | 59,064  | 26,449 | 825,066   | 1,619,907 | 2,444,973 | 644,798 |            | 11/  |
| Plano       | TX | 2,420,222 | 769       | None    | None   | 2,420,222 | 769       | 2,420,991 | 446     | 3/12/2003  | 6/2  |
| San Antonio | TX | 835,431   | 1,185,257 | None    | 49,500 | 835,431   | 1,234,757 | 2,070,188 | 559,155 | 12/2/2005  | 6/2  |
| San Antonio | TX | 690,443   | 1,109,136 | None    | 40,500 | 690,443   | 1,149,636 | 1,840,079 | 521,128 | 10/24/2005 | 6/2  |
| San Antonio | TX | 835,586   | 1,227,220 | None    | 45,000 | 835,586   | 1,272,220 | 2,107,806 | 537,525 | 9/14/2006  | 5/9  |
| Sugar Land  | TX | 1,376,186 | 1,720,233 | None    | None   | 1,376,186 | 1,720,233 | 3,096,419 | 272,370 |            | 1/2  |
| Temple      | TX | 797,574   | 1,193,813 | 1,350   | 144    | 797,574   | 1,195,307 | 1,992,881 | 494,563 | 9/14/2006  | 4/7  |
| Waxahachie  | TX | 326,935   | 726,137   | 64,925  | 20,790 | 326,935   | 811,852   | 1,138,787 | 758,689 |            | 12/2 |
| Waxahachie  | TX | 1,035,794 | 1,925,746 | None    | 165    | 1,035,794 | 1,925,911 | 2,961,705 | 780,089 |            | 11/  |

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REALTY INCOME CORPORATION AND SUBSIDIARIES

SCHEDULE III REAL ESTATE AND ACCUMULATED DEPRECIATION

AS OF DECEMBER 31, 2016

| Description                        | Encumbrances | Initial Cost to Company |  | Cost Capitalized Subsequent to Acquisition |                | Gross Amount at Which Carried at Close of Period (Notes 3, 4, 6 and 7) |  |           | Accumulated Depreciation | Date of Construction |
|------------------------------------|--------------|-------------------------|--|--|----------------|--|--|-----------|--------------------------|----------------------|
|                                    |              | Land                    | Buildings, Improvements and Acquisition Fees | Improvements                               | Carrying Costs | Land   | Buildings, Improvements and Acquisition Fees | Total     |                          |                      |
| Centerville                        | UT           | 1,056,314               | 1,320,393                                    | None                                       | None           | 1,056,314  | 1,320,393                                    | 2,376,707 | 209,062                  | 1/                   |
| Bluefield                          | VA           | 845,277                 | 1,571,754                                    | None                                       | None           | 845,277  | 1,571,754                                    | 2,417,031 | 636,559                  | 11                   |
| Charlottesville                    | VA           | -                       | 1,283,010                                    | None                                       | None           | -  | 1,283,010                                    | 1,283,010 | 203,143                  | 1/                   |
| Chester                            | VA           | 541,628                 | 1,008,771                                    | None                                       | None           | 541,628  | 1,008,771                                    | 1,550,399 | 378,272                  | 8/                   |
| Christiansburg                     | VA           | 1,335,724               | 2,306,544                                    | None                                       | None           | 1,335,724  | 2,306,544                                    | 3,642,268 | 73,041                   | 3/                   |
| Danville                           | VA           | 751,055                 | 1,396,772                                    | 66,062                                     | 18,130         | 751,055  | 1,480,964                                    | 2,232,019 | 618,396                  | 11                   |
| Martinsville                       | VA           | 833,114                 | 1,549,167                                    | 71,660                                     | 13,084         | 833,114  | 1,633,911                                    | 2,467,025 | 644,155                  | 11                   |
| Midlothian                         | VA           | 421,479                 | 785,639                                      | 248,110                                    | 27,205         | 421,479  | 1,060,954                                    | 1,482,433 | 412,213                  | 8/                   |
| Richmond                           | VA           | 385,000                 | 717,891                                      | (114,900)                                  | 145            | 385,000  | 603,136                                      | 988,136   | 263,870                  | 8/                   |
| Roanoke                            | VA           | -                       | 1,660,095                                    | None                                       | None           | -  | 1,660,095                                    | 1,660,095 | 262,848                  | 1/                   |
| Staunton                           | VA           | 867,684                 | 1,613,368                                    | 39,262                                     | None           | 867,684  | 1,652,630                                    | 2,520,314 | 676,689                  | 11                   |
| Williamsburg                       | VA           | 651,167                 | 1,212,201                                    | 16,985                                     | 105            | 651,167  | 1,229,291                                    | 1,880,458 | 456,383                  | 8/                   |
| Williamsburg                       | VA           | 1,550,000               | 1,836,709                                    | None                                       | None           | 1,550,000  | 1,836,709                                    | 3,386,709 | 39,795                   | 6/                   |
| Bennington                         | VT           | 118,823                 | 673,551                                      | None                                       | None           | 118,823  | 673,551                                      | 792,374   | 405,251                  | 12                   |
| Rutland                            | VT           | 812,197                 | 1,511,184                                    | None                                       | None           | 812,197  | 1,511,184                                    | 2,323,381 | 566,677                  | 8/                   |
| Williston                          | VT           | -                       | 1,197,659                                    | None                                       | None           | -  | 1,197,659                                    | 1,197,659 | 558,926                  | 8/                   |
| Madison                            | WI           | 770,000                 | 2,243,040                                    | None                                       | None           | 770,000  | 2,243,040                                    | 3,013,040 | 71,030                   | 3/                   |
| Martinsburg                        | WV           | 1,169,275               | 2,019,119                                    | None                                       | None           | 1,169,275  | 2,019,119                                    | 3,188,394 | 63,939                   | 3/                   |
| Parkersburg                        | WV           | 722,732                 | 1,343,920                                    | 63,217                                     | 33,305         | 722,732  | 1,440,442                                    | 2,163,174 | 619,502                  | 11                   |
| <u>Restaurants - quick service</u> |              |                         |  |  |                |  |  |           |                          |                      |
| Alabaster                          | AL           | 335,197                 | 622,697                                      | None                                       | None           | 335,197  | 622,697                                      | 957,894   | 256,344                  | 9/                   |
| Alabaster                          | AL           | 550,000                 | 1,588,482                                    | None                                       | None           | 550,000  | 1,588,482                                    | 2,138,482 | 66,187                   | 12                   |
| Aliceville                         | AL           | 950,000                 | 1,215,379                                    | None                                       | None           | 950,000  | 1,215,379                                    | 2,165,379 | 50,641                   | 12                   |
| Andalusia                          | AL           | 252,403                 | 468,949                                      | None                                       | None           | 252,403  | 468,949                                      | 721,352   | 193,051                  | 9/                   |
| Athens                             | AL           | 560,000                 | 1,324,359                                    | None                                       | None           | 560,000  | 1,324,359                                    | 1,884,359 | 50,767                   | 1                    |
| Atmore                             | AL           | 272,044                 | 505,636                                      | None                                       | None           | 272,044  | 505,636                                      | 777,680   | 310,961                  | 8/                   |
| Attalla                            | AL           | 148,993                 | 276,890                                      | None                                       | None           | 148,993  | 276,890                                      | 425,883   | 113,986                  | 9/                   |
| Bessemer                           | AL           | 172,438                 | 320,429                                      | None                                       | None           | 172,438  | 320,429                                      | 492,867   | 131,910                  | 9/                   |
| Birmingham                         | AL           | 251,434                 | 467,185                                      | None                                       | None           | 251,434  | 467,185                                      | 718,619   | 287,315                  | 8/                   |
| Birmingham                         | AL           | 650,000                 | 1,426,647                                    | None                                       | None           | 650,000  | 1,426,647                                    | 2,076,647 | 54,688                   | 1                    |
| Brent                              | AL           | 134,432                 | 249,846                                      | None                                       | None           | 134,432  | 249,846                                      | 384,278   | 102,853                  | 9/                   |
| Chelsea                            | AL           | 490,000                 | 1,347,268                                    | None                                       | None           | 490,000  | 1,347,268                                    | 1,837,268 | 83,082                   | 6/                   |
| Clanton                            | AL           | 230,036                 | 427,391                                      | None                                       | None           | 230,036  | 427,391                                      | 657,427   | 262,843                  | 8/                   |
| Clanton                            | AL           | 570,000                 | 1,308,215                                    | None                                       | None           | 570,000  | 1,308,215                                    | 1,878,215 | 54,509                   | 12                   |
| Clanton                            | AL           | 770,000                 | 1,594,248                                    | None                                       | None           | 770,000  | 1,594,248                                    | 2,364,248 | 61,113                   | 1                    |
| Demopolis                          | AL           | 251,349                 | 466,972                                      | None                                       | None           | 251,349  | 466,972                                      | 718,321   | 287,186                  | 8/                   |
| Evergreen                          | AL           | 148,982                 | 276,881                                      | None                                       | None           | 148,982  | 276,881                                      | 425,863   | 113,983                  | 9/                   |
| Fayette                            | AL           | 1,160,000               | 1,208,911                                    | None                                       | None           | 1,160,000  | 1,208,911                                    | 2,368,911 | 38,282                   | 3/                   |
| Fort Payne                         | AL           | 303,056                 | 563,001                                      | None                                       | None           | 303,056  | 563,001                                      | 866,057   | 346,243                  | 8/                   |
| Fort Payne                         | AL           | 814,113                 | 1,513,596                                    | None                                       | 183            | 814,113  | 1,513,779                                    | 2,327,892 | 1,513,623                | 11                   |
| Gardendale                         | AL           | 398,669                 | 740,568                                      | None                                       | None           | 398,669  | 740,568                                      | 1,139,237 | 455,447                  | 8/                   |

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|                   |    |           |           |           |        |           |           |           |           |     |
|-------------------|----|-----------|-----------|-----------|--------|-----------|-----------|-----------|-----------|-----|
| Greenville        | AL | 226,108   | 420,117   | None      | None   | 226,108   | 420,117   | 646,225   | 172,948   | 9/  |
| Haleyville        | AL | 262,500   | 488,357   | None      | None   | 262,500   | 488,357   | 750,857   | 176,621   | 12/ |
| Hamilton          | AL | 214,198   | 397,991   | None      | None   | 214,198   | 397,991   | 612,189   | 163,840   | 9/  |
| Hanceville        | AL | 290,000   | 1,426,914 | None      | None   | 290,000   | 1,426,914 | 1,716,914 | 59,455    | 12/ |
| Hartselle         | AL | 820,000   | 1,232,323 | None      | None   | 820,000   | 1,232,323 | 2,052,323 | 51,347    | 12/ |
| Henagar           | AL | 530,000   | 1,688,777 | None      | None   | 530,000   | 1,688,777 | 2,218,777 | 53,478    | 3/  |
| Hokes Bluff       | AL | 720,000   | 1,748,671 | None      | None   | 720,000   | 1,748,671 | 2,468,671 | 72,861    | 12/ |
| Jacksonville      | AL | 680,000   | 1,270,736 | None      | None   | 680,000   | 1,270,736 | 1,950,736 | 78,362    | 6/  |
| Jasper            | AL | 850,000   | 1,219,115 | None      | None   | 850,000   | 1,219,115 | 2,069,115 | 50,796    | 12/ |
| Leeds             | AL | 171,145   | 318,028   | None      | None   | 171,145   | 318,028   | 489,173   | 130,922   | 9/  |
| Lincoln           | AL | 1,200,000 | 1,392,694 | None      | None   | 1,200,000 | 1,392,694 | 2,592,694 | 53,387    | 1/  |
| Lineville         | AL | 900,000   | 1,251,388 | None      | None   | 900,000   | 1,251,388 | 2,151,388 | 52,141    | 12/ |
| McCalla           | AL | 610,000   | 1,303,425 | None      | None   | 610,000   | 1,303,425 | 1,913,425 | 80,378    | 6/  |
| Meridianville     | AL | 250,000   | 1,430,680 | None      | None   | 250,000   | 1,430,680 | 1,680,680 | 54,843    | 1/  |
| Millbrook         | AL | 650,000   | 1,691,984 | None      | None   | 650,000   | 1,691,984 | 2,341,984 | 70,499    | 12/ |
| Mobile            | AL | 286,333   | 531,950   | None      | None   | 286,333   | 531,950   | 818,283   | 218,986   | 9/  |
| Montgomery        | AL | 143,693   | 267,060   | None      | None   | 143,693   | 267,060   | 410,753   | 109,940   | 9/  |
| Montgomery        | AL | 145,206   | 269,870   | None      | None   | 145,206   | 269,870   | 415,076   | 111,096   | 9/  |
| Montgomery        | AL | 380,468   | 706,777   | None      | None   | 380,468   | 706,777   | 1,087,245 | 288,601   | 10/ |
| Moody             | AL | 530,000   | 1,819,472 | None      | None   | 530,000   | 1,819,472 | 2,349,472 | 57,617    | 3/  |
| Northport         | AL | 832,541   | 1,040,676 | None      | None   | 832,541   | 1,040,676 | 1,873,217 | 164,774   | 1/  |
| Oneonta           | AL | 1,190,000 | 1,151,263 | None      | None   | 1,190,000 | 1,151,263 | 2,341,263 | 47,969    | 12/ |
| Opp               | AL | 160,778   | 298,782   | None      | None   | 160,778   | 298,782   | 459,560   | 122,003   | 10/ |
| Pell City         | AL | 490,000   | 1,288,925 | None      | None   | 490,000   | 1,288,925 | 1,778,925 | 79,484    | 6/  |
| Prattville        | AL | 254,278   | 472,432   | None      | None   | 254,278   | 472,432   | 726,710   | 194,484   | 9/  |
| Russellville      | AL | 630,000   | 1,184,964 | None      | None   | 630,000   | 1,184,964 | 1,814,964 | 45,424    | 1/  |
| Selma             | AL | 910,000   | 969,042   | None      | None   | 910,000   | 969,042   | 1,879,042 | 37,147    | 1/  |
| Southside         | AL | 681,987   | 1,404,324 | None      | None   | 681,987   | 1,404,324 | 2,086,311 | 58,513    | 12/ |
| Thomasville       | AL | 190,000   | 490,466   | None      | None   | 190,000   | 490,466   | 680,466   | 20,436    | 12/ |
| Trussville        | AL | 256,485   | 476,510   | None      | None   | 256,485   | 476,510   | 732,995   | 194,575   | 10/ |
| Vernon            | AL | 680,000   | 1,125,994 | None      | None   | 680,000   | 1,125,994 | 1,805,994 | 46,916    | 12/ |
| Warrior           | AL | 159,109   | 295,676   | None      | None   | 159,109   | 295,676   | 454,785   | 121,720   | 9/  |
| Warrior           | AL | 1,070,000 | 932,540   | None      | None   | 1,070,000 | 932,540   | 2,002,540 | 35,747    | 1/  |
| Winfield          | AL | 770,000   | 1,237,048 | None      | None   | 770,000   | 1,237,048 | 2,007,048 | 39,173    | 3/  |
| Arkadelphia       | AR | 248,868   | 462,744   | None      | None   | 248,868   | 462,744   | 711,612   | 188,954   | 10/ |
| Bentonville       | AR | 377,086   | 700,582   | None      | None   | 377,086   | 700,582   | 1,077,668 | 430,854   | 8/  |
| Hope              | AR | 288,643   | 536,715   | None      | None   | 288,643   | 536,715   | 825,358   | 330,071   | 8/  |
| Jonesboro         | AR | 173,984   | 323,371   | 99,392    | 11,807 | 173,984   | 434,570   | 608,554   | 131,959   | 11/ |
| Malvern           | AR | 219,703   | 408,588   | None      | None   | 219,703   | 408,588   | 628,291   | 168,202   | 9/  |
| North Little Rock | AR | 317,000   | 589,377   | None      | None   | 317,000   | 589,377   | 906,377   | 362,458   | 8/  |
| Pocahontas        | AR | 241,128   | 447,988   | None      | None   | 241,128   | 447,988   | 689,116   | 182,928   | 10/ |
| Siloam Springs    | AR | 190,000   | 352,808   | None      | None   | 190,000   | 352,808   | 542,808   | 269,888   | 11/ |
| Phoenix           | AZ | 704,014   | 1,307,998 | (145,542) | None   | 558,472   | 1,307,998 | 1,866,470 | 490,497   | 8/  |
| Tucson            | AZ | 107,393   | 500,154   | None      | None   | 107,393   | 500,154   | 607,547   | 498,792   | 1/  |
| Tucson            | AZ | 463,231   | 860,982   | None      | None   | 463,231   | 860,982   | 1,324,213 | 322,866   | 8/  |
| Yuma              | AZ | 236,121   | 541,651   | None      | None   | 236,121   | 541,651   | 777,772   | 403,526   | 5/  |
| Barstow           | CA | 689,842   | 690,204   | None      | 189    | 689,842   | 690,393   | 1,380,235 | 505,008   | 9/  |
| Fresno            | CA | 561,502   | 1,043,688 | None      | None   | 561,502   | 1,043,688 | 1,605,190 | 391,379   | 8/  |
| Livermore         | CA | 662,161   | 823,242   | None      | None   | 662,161   | 823,242   | 1,485,403 | 602,342   | 9/  |
| Rancho Cucamonga  | CA | 95,192    | 441,334   | None      | None   | 95,192    | 441,334   | 536,526   | 441,334   | 12/ |
| Riverside         | CA | 90,000    | 170,394   | 135,301   | None   | 90,000    | 305,695   | 395,695   | 251,166   | 12/ |
| Sacramento        | CA | 386,793   | 417,290   | None      | None   | 386,793   | 417,290   | 804,083   | 308,099   | 7/  |
| San Ramon         | CA | 406,000   | 1,126,930 | None      | None   | 406,000   | 1,126,930 | 1,532,930 | 1,126,930 | 12/ |
| Aurora            | CO | 288,558   | 537,322   | None      | None   | 288,558   | 537,322   | 825,880   | 201,491   | 8/  |
| Aurora            | CO | 210,000   | 540,346   | None      | None   | 210,000   | 540,346   | 750,346   | 116,174   | 8/  |
| Broomfield        | CO | 444,277   | -         | None      | None   | 444,277   | -         | 444,277   | -         | 8/  |
| Brush             | CO | 90,000    | 220,976   | None      | None   | 90,000    | 220,976   | 310,976   | 47,510    | 8/  |
| Castle Rock       | CO | 670,000   | 744,760   | None      | 77     | 670,000   | 744,837   | 1,414,837 | 43,458    | 7/  |
| Colorado Springs  | CO | 152,000   | 704,736   | None      | None   | 152,000   | 704,736   | 856,736   | 704,736   | 9/  |
| Fort Morgan       | CO | 80,000    | 350,452   | None      | None   | 80,000    | 350,452   | 430,452   | 75,347    | 8/  |
| Greenwood Village | CO | 1,681,038 | -         | None      | None   | 1,681,038 | -         | 1,681,038 | -         | 6/  |
| Lafayette         | CO | 450,000   | 59,281    | None      | None   | 450,000   | 59,281    | 509,281   | 12,745    | 8/  |
| Lakewood          | CO | 510,000   | 124,971   | None      | None   | 510,000   | 124,971   | 634,971   | 26,869    | 8/  |
| Littleton         | CO | 260,000   | 508,347   | None      | None   | 260,000   | 508,347   | 768,347   | 109,295   | 8/  |
| Littleton         | CO | 470,000   | 207,744   | None      | None   | 470,000   | 207,744   | 677,744   | 44,665    | 8/  |

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|             |    |         |         |      |      |         |         |           |         |    |
|-------------|----|---------|---------|------|------|---------|---------|-----------|---------|----|
| Westminster | CO | 261,466 | 487,102 | None | None | 261,466 | 487,102 | 748,568   | 182,661 | 8/ |
| Meriden     | CT | 369,482 | 687,116 | None | None | 369,482 | 687,116 | 1,056,598 | 257,666 | 8/ |
| Bartow      | FL | 480,000 | 500,603 | None | None | 480,000 | 500,603 | 980,603   | 29,202  | 7/ |
| Chipley     | FL | 270,439 | 502,655 | None | None | 270,439 | 502,655 | 773,094   | 309,128 | 8/ |
| Clearwater  | FL | 484,090 | 899,658 | None | None | 484,090 | 899,658 | 1,383,748 | 337,370 | 8/ |
| Clearwater  | FL | 370,000 | 512,393 | None | None | 370,000 | 512,393 | 882,393   | 110,165 | 8/ |
| Dade City   | FL | 140,000 | 387,991 | None | None | 140,000 | 387,991 | 527,991   | 83,418  | 8/ |

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REALTY INCOME CORPORATION AND SUBSIDIARIES

SCHEDULE III REAL ESTATE AND ACCUMULATED DEPRECIATION

AS OF DECEMBER 31, 2016

| Description<br>(Note 1) | Encumbrances<br>(Note 2) | Initial Cost to Company |  | Cost Capitalized<br>Subsequent<br>to Acquisition |       | Gross Amount at Which Carried<br>at Close of Period (Notes 3, 4, 6 and<br>7) |  |           | Accumulated<br>Depreciation<br>(Note 5) | Date of<br>Construction | Ac   |
|-------------------------|--------------------------|-------------------------|--|--|-------|--|--|-----------|---|-------------------------|------|
|                         |                          | Land                    | Buildings,<br>Improvements<br>and<br>Acquisition<br>Fees | Improvements                                     | Costs | Land   | Buildings,<br>Improvements<br>and<br>Acquisition<br>Fees | Total     |   |                         |      |
| Defuniak Springs        | FL                       | 269,554                 | 501,010  | None   | None  | 269,554  | 501,010  | 770,564   | 308,116                                 |                         | 8/3  |
| Dunedin                 | FL                       | 440,000                 | 100,727  | None   | None  | 440,000  | 100,727  | 540,727   | 21,656                                  |                         | 8/2  |
| Jacksonville            | FL                       | 150,210                 | 693,445  | None   | None  | 150,210  | 693,445  | 843,655   | 693,445                                 |                         | 9/1  |
| Lake Placid             | FL                       | 220,000                 | 206,076  | None   | None  | 220,000  | 206,076  | 426,076   | 44,306                                  |                         | 8/2  |
| Lakeland                | FL                       | 310,000                 | 519,387  | None   | None  | 310,000  | 519,387  | 829,387   | 111,668                                 |                         | 8/2  |
| Lakeland                | FL                       | 530,000                 | 556,704  | None   | None  | 530,000  | 556,704  | 1,086,704 | 119,691                                 |                         | 8/2  |
| Lakeland                | FL                       | 170,000                 | 288,777  | None   | None  | 170,000  | 288,777  | 458,777   | 62,087                                  |                         | 8/2  |
| New Port                |                          |                         |  |  |       |  |  |           |   |                         |      |
| Richey                  | FL                       | 260,000                 | 579,385  | None   | None  | 260,000  | 579,385  | 839,385   | 124,568                                 |                         | 8/2  |
| Orlando                 | FL                       | 600,000                 | 949,489  | None   | None  | 600,000  | 949,489  | 1,549,489 | 669,611                                 | 5/27/1999               | 12/  |
| Oviedo                  | FL                       | 204,200                 | 911,338  | None   | None  | 204,200  | 911,338  | 1,115,538 | 612,270                                 | 3/27/2000               | 8/2  |
| Oviedo                  | FL                       | 456,108                 | 847,515  | None   | None  | 456,108  | 847,515  | 1,303,623 | 377,144                                 |                         | 11/2 |
| Oviedo                  | FL                       | 465,993                 | 866,048  | None   | None  | 465,993  | 866,048  | 1,332,041 | 324,766                                 |                         | 8/2  |
| Palm Bay                | FL                       | 330,000                 | 556,668  | None   | None  | 330,000  | 556,668  | 886,668   | 396,283                                 | 2/17/1999               | 12/  |
| Panama City             | FL                       | 202,047                 | 375,424  | None   | None  | 202,047  | 375,424  | 577,471   | 153,298                                 |                         | 10/  |
| Pensacola               | FL                       | 767,303                 | 1,424,991  | None   | None  | 767,303  | 1,424,991  | 2,192,294 | 239,873                                 |                         | 10/  |
| Port Richey             | FL                       | 848,210                 | 1,575,247  | None   | None  | 848,210  | 1,575,247  | 2,423,457 | 265,167                                 |                         | 10/  |
| Saint Petersburg        | FL                       | 379,455                 | 705,487  | None   | None  | 379,455  | 705,487  | 1,084,942 | 264,555                                 |                         | 8/2  |
| Saint Petersburg        | FL                       | 370,000                 | 675,403  | None   | None  | 370,000  | 675,403  | 1,045,403 | 145,212                                 |                         | 8/2  |
| Seffner                 | FL                       | 200,000                 | 209,679  | None   | None  | 200,000  | 209,679  | 409,679   | 45,081                                  |                         | 8/2  |
| Tallahassee             | FL                       | 385,000                 | 715,857  | None   | None  | 385,000  | 715,857  | 1,100,857 | 258,901                                 |                         | 12/2 |
| Tallahassee             | FL                       | 175,000                 | 325,857  | None   | None  | 175,000  | 325,857  | 500,857   | 117,851                                 |                         | 12/2 |
| Tampa                   | FL                       | 545,211                 | 1,013,321  | None   | None  | 545,211  | 1,013,321  | 1,558,532 | 379,993                                 |                         | 8/2  |
| Tampa                   | FL                       | 470,000                 | 208,666  | None   | None  | 470,000  | 208,666  | 678,666   | 44,863                                  |                         | 8/2  |
| Tampa                   | FL                       | 430,000                 | 589,949  | None   | None  | 430,000  | 589,949  | 1,019,949 | 126,839                                 |                         | 8/2  |
| Temple Terrace          | FL                       | 962,500                 | 1,788,133  | None   | None  | 962,500  | 1,788,133  | 2,750,633 | 670,548                                 |                         | 8/2  |
| Venice                  | FL                       | 340,000                 | 28,239   | None   | None  | 340,000  | 28,239   | 368,239   | 6,071                                   |                         | 8/2  |
| Wauchula                | FL                       | 260,000                 | 324,525  | None   | None  | 260,000  | 324,525  | 584,525   | 69,773                                  |                         | 8/2  |
| Zephyrhills             | FL                       | 220,000                 | 662,046  | None   | None  | 220,000  | 662,046  | 882,046   | 142,340                                 |                         | 8/2  |
| Augusta                 | GA                       | 410,000                 | 722,093  | None   | None  | 410,000  | 722,093  | 1,132,093 | 42,122                                  |                         | 7/2  |
| Bowdon                  | GA                       | 760,000                 | 1,388,891  | None   | None  | 760,000  | 1,388,891  | 2,148,891 | 57,870                                  |                         | 12/  |
| Bremen                  | GA                       | 600,000                 | 1,682,353  | None   | None  | 600,000  | 1,682,353  | 2,282,353 | 47,667                                  |                         | 4/2  |
| Buford                  | GA                       | 400,000                 | 361,957  | None   | None  | 400,000  | 361,957  | 761,957   | 77,821                                  |                         | 8/2  |
| Buford                  | GA                       | 1,085,401               | 1,356,752  | None   | None  | 1,085,401  | 1,356,752  | 2,442,153 | 214,819                                 |                         | 1/2  |
| Cairo                   | GA                       | 210,000                 | 390,566  | None   | None  | 210,000  | 390,566  | 600,566   | 141,255                                 |                         | 12/2 |
| Cumming                 | GA                       | 520,000                 | 248,510  | None   | None  | 520,000  | 248,510  | 768,510   | 53,430                                  |                         | 8/2  |
| Duluth                  | GA                       | 536,205                 | 996,521  | None   | None  | 536,205  | 996,521  | 1,532,726 | 373,694                                 |                         | 8/2  |
| Evans                   | GA                       | 416,474                 | 849,080  | None   | None  | 416,474  | 849,080  | 1,265,554 | 49,530                                  |                         | 7/2  |
| Grovetown               | GA                       | 540,000                 | 1,223,410  | None   | None  | 540,000  | 1,223,410  | 1,763,410 | 71,366                                  |                         | 7/2  |

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|                  |    |           |           |      |      |           |           |           |         |     |
|------------------|----|-----------|-----------|------|------|-----------|-----------|-----------|---------|-----|
| Hartwell         | GA | 869,716   | 1,087,145 | None | None | 869,716   | 1,087,145 | 1,956,861 | 172,131 | 1/2 |
| Lawrenceville    | GA | 220,000   | 384,908   | None | None | 220,000   | 384,908   | 604,908   | 82,755  | 8/2 |
| Lilburn          | GA | 237,822   | 442,409   | None | None | 237,822   | 442,409   | 680,231   | 165,901 | 8/2 |
| Lilburn          | GA | 380,000   | 338,634   | None | None | 380,000   | 338,634   | 718,634   | 72,806  | 8/2 |
| Loganville       | GA | 340,000   | 422,840   | None | None | 340,000   | 422,840   | 762,840   | 90,911  | 8/2 |
| Marietta         | GA | 423,132   | 786,530   | None | None | 423,132   | 786,530   | 1,209,662 | 294,947 | 8/2 |
| Martinez         | GA | 517,290   | 1,054,618 | None | None | 517,290   | 1,054,618 | 1,571,908 | 61,519  | 7/2 |
| Norcross         | GA | 310,000   | 286,762   | None | None | 310,000   | 286,762   | 596,762   | 61,654  | 8/2 |
| Oakwood          | GA | 440,000   | 100,481   | None | None | 440,000   | 100,481   | 540,481   | 21,603  | 8/2 |
| Roswell          | GA | 310,767   | 578,088   | None | None | 310,767   | 578,088   | 888,855   | 216,779 | 8/2 |
| Tallapoosa       | GA | 1,110,000 | 1,300,294 | None | None | 1,110,000 | 1,300,294 | 2,410,294 | 54,179  | 12/ |
| Thomasville      | GA | 300,211   | 558,074   | None | None | 300,211   | 558,074   | 858,285   | 246,482 | 12/ |
| Washington       | GA | 292,628   | 543,862   | None | None | 292,628   | 543,862   | 836,490   | 334,470 | 8/3 |
| Waycross         | GA | 223,475   | 415,563   | None | None | 223,475   | 415,563   | 639,038   | 183,540 | 12/ |
| Winder           | GA | 230,000   | 429,116   | None | None | 230,000   | 429,116   | 659,116   | 92,260  | 8/2 |
| Altoona          | IA | 426,834   | 792,693   | None | None | 426,834   | 792,693   | 1,219,527 | 149,290 | 4/1 |
| Cedar Falls      | IA | 208,411   | 387,971   | None | None | 208,411   | 387,971   | 596,382   | 171,353 | 12/ |
| Cedar Falls      | IA | 187,250   | 349,057   | None | 278  | 187,250   | 349,335   | 536,585   | 126,357 | 12/ |
| Fort Dodge       | IA | 388,815   | 722,573   | None | None | 388,815   | 722,573   | 1,111,388 | 297,459 | 9/1 |
| Oelwein          | IA | 84,244    | 157,375   | None | 278  | 84,244    | 157,653   | 241,897   | 69,625  | 12/ |
| Ottumwa          | IA | 393,010   | 729,875   | None | None | 393,010   | 729,875   | 1,122,885 | 135,027 | 5/2 |
| Urbandale        | IA | 395,896   | 735,724   | None | None | 395,896   | 735,724   | 1,131,620 | 302,873 | 9/1 |
| Waterloo         | IA | 397,055   | 1,264,461 | None | 278  | 397,055   | 1,264,739 | 1,661,794 | 608     | 2/2 |
| Boise            | ID | 190,894   | 824,305   | None | None | 190,894   | 824,305   | 1,015,199 | 511,912 | 5/1 |
| Boise            | ID | 161,352   | 735,104   | None | None | 161,352   | 735,104   | 896,456   | 422,102 | 10/ |
| Bethalto         | IL | 180,000   | 166,596   | None | None | 180,000   | 166,596   | 346,596   | 35,818  | 8/2 |
| Buffalo Grove    | IL | 306,250   | 569,693   | None | None | 306,250   | 569,693   | 875,943   | 213,632 | 8/2 |
| Cahokia          | IL | 70,000    | 613,995   | None | None | 70,000    | 613,995   | 683,995   | 132,009 | 8/2 |
| Carlyle          | IL | 80,000    | 428,860   | None | None | 80,000    | 428,860   | 508,860   | 92,205  | 8/2 |
| Centralia        | IL | 225,966   | 420,573   | None | None | 225,966   | 420,573   | 646,539   | 185,752 | 12/ |
| Countryside      | IL | 301,000   | 559,824   | None | None | 301,000   | 559,824   | 860,824   | 209,930 | 8/2 |
| Edwardsville     | IL | 360,000   | 328,978   | None | None | 360,000   | 328,978   | 688,978   | 70,730  | 8/2 |
| Elgin            | IL | 700,000   | 1,300,943 | None | None | 700,000   | 1,300,943 | 2,000,943 | 487,851 | 8/2 |
| Fairview Heights | IL | 660,652   | 1,227,321 | None | None | 660,652   | 1,227,321 | 1,887,973 | 546,158 | 11/ |
| Godfrey          | IL | 200,000   | 282,701   | None | None | 200,000   | 282,701   | 482,701   | 60,781  | 8/2 |
| Gurnee           | IL | 735,000   | 1,365,747 | None | None | 735,000   | 1,365,747 | 2,100,747 | 512,153 | 8/2 |
| Harrisburg       | IL | 401,819   | 1,303,225 | None | None | 401,819   | 1,303,225 | 1,705,044 | 184,624 | 6/1 |
| Highland         | IL | 130,000   | 454,866   | None | None | 130,000   | 454,866   | 584,866   | 97,796  | 8/2 |
| Jerseyville      | IL | 150,000   | 420,481   | None | None | 150,000   | 420,481   | 570,481   | 90,403  | 8/2 |
| Joliet           | IL | 280,903   | 522,424   | None | None | 280,903   | 522,424   | 803,327   | 195,907 | 8/2 |
| Lincoln          | IL | 206,532   | 383,970   | None | None | 206,532   | 383,970   | 590,502   | 236,136 | 8/3 |
| Litchfield       | IL | 130,000   | 363,760   | None | None | 130,000   | 363,760   | 493,760   | 78,208  | 8/2 |
| Marion           | IL | 423,340   | 1,373,026 | None | None | 423,340   | 1,373,026 | 1,796,366 | 194,512 | 6/1 |
| Mascoutah        | IL | 80,000    | 435,792   | None | None | 80,000    | 435,792   | 515,792   | 93,695  | 8/2 |
| Mount Vernon     | IL | 385,304   | 1,249,662 | None | None | 385,304   | 1,249,662 | 1,634,966 | 177,035 | 6/1 |
| Red Bud          | IL | 180,000   | 251,200   | None | None | 180,000   | 251,200   | 431,200   | 54,008  | 8/2 |
| Rock Island      | IL | 138,463   | 258,066   | None | None | 138,463   | 258,066   | 396,529   | 113,978 | 12/ |
| Sparta           | IL | 240,000   | 236,571   | None | None | 240,000   | 236,571   | 476,571   | 50,863  | 8/2 |
| Sparta           | IL | 228,687   | 741,703   | None | None | 228,687   | 741,703   | 970,390   | 105,075 | 6/1 |
| Troy             | IL | 230,000   | 281,230   | None | None | 230,000   | 281,230   | 511,230   | 60,464  | 8/2 |
| Waukegan         | IL | 496,908   | 923,576   | None | None | 496,908   | 923,576   | 1,420,484 | 346,339 | 8/2 |
| Westmont         | IL | 475,300   | 883,468   | None | None | 475,300   | 883,468   | 1,358,768 | 331,298 | 8/2 |
| Wood River       | IL | 180,000   | 369,377   | None | None | 180,000   | 369,377   | 549,377   | 79,416  | 8/2 |
| Angola           | IN | 510,000   | 1,120,000 | None | None | 510,000   | 1,120,000 | 1,630,000 | 91,467  | 12/ |
| Angola           | IN | 390,000   | 1,170,039 | None | None | 390,000   | 1,170,039 | 1,560,039 | 91,653  | 1/2 |
| Auburn           | IN | 394,008   | 1,383,992 | None | None | 394,008   | 1,383,992 | 1,778,000 | 113,026 | 12/ |
| Bluffton         | IN | 377,609   | 1,326,391 | None | None | 377,609   | 1,326,391 | 1,704,000 | 108,322 | 12/ |
| Bluffton         | IN | 240,910   | 689,892   | None | None | 240,910   | 689,892   | 930,802   | 54,042  | 1/2 |
| Chesterton       | IN | 480,000   | 1,140,302 | None | None | 480,000   | 1,140,302 | 1,620,302 | 20,906  | 7/  |
| Columbia City    | IN | 520,000   | 1,480,000 | None | None | 520,000   | 1,480,000 | 2,000,000 | 120,867 | 12/ |
| Connersville     | IN | 360,000   | 1,286,631 | None | None | 360,000   | 1,286,631 | 1,646,631 | 15,011  | 9/3 |
| Crawfordsville   | IN | 300,000   | 1,552,000 | None | None | 300,000   | 1,552,000 | 1,852,000 | 126,747 | 12/ |
| Crown Point      | IN | 230,000   | 1,275,660 | None | None | 230,000   | 1,275,660 | 1,505,660 | 23,387  | 7/  |
| Decatur          | IN | 361,211   | 1,268,789 | None | None | 361,211   | 1,268,789 | 1,630,000 | 103,618 | 12/ |
| Decatur          | IN | 270,000   | 876,597   | None | None | 270,000   | 876,597   | 1,146,597 | 68,667  | 1/2 |
| Elkhart          | IN | 496,306   | 922,168   | None | None | 496,306   | 922,168   | 1,418,474 | 410,365 | 11/ |
| Evansville       | IN | 136,738   | 680,754   | None | 334  | 136,738   | 681,088   | 817,826   | 114,803 | 12/ |
| Evansville       | IN | 817,347   | 939,841   | None | None | 817,347   | 939,841   | 1,757,188 | 1,566   | 12/ |
| Fort Wayne       | IN | 270,000   | 1,211,000 | None | None | 270,000   | 1,211,000 | 1,481,000 | 98,898  | 12/ |

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|            |    |         |           |      |      |         |           |           |         |        |
|------------|----|---------|-----------|------|------|---------|-----------|-----------|---------|--------|
| Fort Wayne | IN | 390,000 | 973,000   | None | None | 390,000 | 973,000   | 1,363,000 | 79,462  | 12/31  |
| Fort Wayne | IN | 377,668 | 1,326,332 | None | None | 377,668 | 1,326,332 | 1,704,000 | 108,317 | 12/31  |
| Fort Wayne | IN | 476,075 | 1,671,925 | None | None | 476,075 | 1,671,925 | 2,148,000 | 136,541 | 12/31  |
| Fort Wayne | IN | 328,243 | 1,152,757 | None | None | 328,243 | 1,152,757 | 1,481,000 | 94,142  | 12/31  |
| Fort Wayne | IN | 860,000 | 1,436,000 | None | None | 860,000 | 1,436,000 | 2,296,000 | 117,273 | 12/31  |
| Fort Wayne | IN | 328,243 | 1,152,757 | None | None | 328,243 | 1,152,757 | 1,481,000 | 94,142  | 12/31  |
| Fort Wayne | IN | 330,000 | 1,579,222 | None | None | 330,000 | 1,579,222 | 1,909,222 | 123,706 | 1/2/21 |

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REALTY INCOME CORPORATION AND SUBSIDIARIES

SCHEDULE III REAL ESTATE AND ACCUMULATED DEPRECIATION

AS OF DECEMBER 31, 2016

| Description         | Encumbrances | Initial Cost to Company |  | Cost Capitalized Subsequent to Acquisition |       | Gross Amount at Which Carried at Close of Period (Notes 3, 4, 6 and 7) |  |           | Accumulated Depreciation | Date of Construction | Date of Acquisition |
|---------------------|--------------|-------------------------|--|--|-------|--|--|-----------|--------------------------|----------------------|---------------------|
|                     |              | Land                    | Buildings, Improvements and Acquisition Fees | Improvements                               | Costs | Land   | Buildings, Improvements and Acquisition Fees | Total     |                          |                      |                     |
| Fort Wayne IN       |              | 600,000                 | 764,942                                      | None                                       | None  | 600,000  | 764,942                                      | 1,364,942 | 29,323                   |                      | 1/14                |
| Fort Wayne IN       |              | 730,000                 | 778,621                                      | None                                       | None  | 730,000  | 778,621                                      | 1,508,621 | 29,847                   |                      | 1/14                |
| Fort Wayne IN       |              | 738,399                 | 849,061                                      | None                                       | None  | 738,399  | 849,061                                      | 1,587,460 | 1,415                    |                      | 12/8                |
| Fort Wayne IN       |              | 500,899                 | 575,968                                      | None                                       | None  | 500,899  | 575,968                                      | 1,076,867 | 960                      |                      | 12/8                |
| Fort Wayne IN       |              | 759,855                 | 873,732                                      | None                                       | None  | 759,855  | 873,732                                      | 1,633,587 | 1,456                    |                      | 12/8                |
| Frankfort IN        |              | 140,000                 | 897,000                                      | None                                       | None  | 140,000  | 897,000                                      | 1,037,000 | 73,255                   |                      | 12/3                |
| Hobart IN           |              | 510,000                 | 1,179,227                                    | None                                       | None  | 510,000  | 1,179,227                                    | 1,689,227 | 21,619                   |                      | 7/6                 |
| Huntington IN       |              | 377,609                 | 1,326,391                                    | None                                       | None  | 377,609  | 1,326,391                                    | 1,704,000 | 108,322                  |                      | 12/3                |
| Indianapolis IN     |              | 437,500                 | 813,225                                      | None                                       | None  | 437,500  | 813,225                                      | 1,250,725 | 304,958                  |                      | 8/2                 |
| Jasper IN           |              | 129,919                 | 242,199                                      | None                                       | None  | 129,919  | 242,199                                      | 372,118   | 106,970                  |                      | 12/2                |
| Kendallville IN     |              | 630,000                 | 1,889,000                                    | None                                       | None  | 630,000  | 1,889,000                                    | 2,519,000 | 154,268                  |                      | 12/3                |
| Kokomo IN           |              | 417,330                 | 775,555                                      | None                                       | None  | 417,330  | 775,555                                      | 1,192,885 | 334,781                  |                      | 3/2                 |
| Lafayette IN        |              | 344,866                 | 1,211,134                                    | None                                       | None  | 344,866  | 1,211,134                                    | 1,556,000 | 98,909                   |                      | 12/3                |
| Lebanon IN          |              | 350,000                 | 1,131,000                                    | None                                       | None  | 350,000  | 1,131,000                                    | 1,481,000 | 92,365                   |                      | 12/3                |
| Logansport IN       |              | 170,000                 | 1,311,000                                    | None                                       | None  | 170,000  | 1,311,000                                    | 1,481,000 | 107,065                  |                      | 12/3                |
| Marion IN           |              | 426,384                 | 792,314                                      | None                                       | None  | 426,384  | 792,314                                      | 1,218,698 | 349,938                  |                      | 12/1                |
| Michigan City IN    |              | 620,000                 | 1,414,291                                    | None                                       | None  | 620,000  | 1,414,291                                    | 2,034,291 | 25,929                   |                      | 7/6                 |
| Muncie IN           |              | 136,400                 | 632,380                                      | 8,000                                      | None  | 136,400  | 640,380                                      | 776,780   | 632,380                  |                      | 3/1                 |
| Muncie IN           |              | 67,156                  | 149,157                                      | 61,665                                     | 3,408 | 67,156   | 214,230                                      | 281,386   | 166,563                  |                      | 3/3                 |
| Muncie IN           |              | 644,177                 | 1,196,786                                    | None                                       | None  | 644,177  | 1,196,786                                    | 1,840,963 | 532,570                  |                      | 11/2                |
| Munster IN          |              | 560,000                 | 1,040,943                                    | None                                       | None  | 560,000  | 1,040,943                                    | 1,600,943 | 390,351                  |                      | 8/2                 |
| New Haven IN        |              | 328,243                 | 1,152,757                                    | None                                       | None  | 328,243  | 1,152,757                                    | 1,481,000 | 94,142                   |                      | 12/3                |
| Noblesville IN      |              | 430,000                 | 977,000                                      | None                                       | None  | 430,000  | 977,000                                      | 1,407,000 | 79,788                   |                      | 12/3                |
| North Manchester IN |              | 210,000                 | 679,000                                      | None                                       | None  | 210,000  | 679,000                                      | 889,000   | 55,452                   |                      | 12/3                |
| Plymouth IN         |              | 370,000                 | 1,006,612                                    | None                                       | None  | 370,000  | 1,006,612                                    | 1,376,612 | 18,455                   |                      | 7/6                 |
| Portland IN         |              | 262,598                 | 922,402                                      | None                                       | None  | 262,598  | 922,402                                      | 1,185,000 | 75,330                   |                      | 12/3                |
| Rensselaer IN       |              | 270,000                 | 1,123,344                                    | None                                       | None  | 270,000  | 1,123,344                                    | 1,393,344 | 20,595                   |                      | 7/6                 |
| Saint John IN       |              | 360,000                 | 1,236,085                                    | None                                       | None  | 360,000  | 1,236,085                                    | 1,596,085 | 22,662                   |                      | 7/6                 |
| South Bend IN       |              | 133,200                 | 617,545                                      | None                                       | 134   | 133,200  | 617,679                                      | 750,879   | 617,679                  |                      | 4/2                 |
| Valparaiso IN       |              | 365,612                 | 679,507                                      | None                                       | None  | 365,612  | 679,507                                      | 1,045,119 | 297,851                  |                      | 1/1                 |
| Valparaiso IN       |              | 660,000                 | 1,218,171                                    | None                                       | None  | 660,000  | 1,218,171                                    | 1,878,171 | 22,333                   |                      | 7/6                 |
| Valparaiso IN       |              | 920,000                 | 1,348,113                                    | None                                       | None  | 920,000  | 1,348,113                                    | 2,268,113 | 24,715                   |                      | 7/6                 |
| Wabash IN           |              | 210,000                 | 679,505                                      | None                                       | None  | 210,000  | 679,505                                      | 889,505   | 53,228                   |                      | 1/2                 |
| Warsaw IN           |              | 328,243                 | 1,152,757                                    | None                                       | None  | 328,243  | 1,152,757                                    | 1,481,000 | 94,142                   |                      | 12/3                |
| Washington West IN  |              | 155,856                 | 290,368                                      | None                                       | None  | 155,856  | 290,368                                      | 446,224   | 128,245                  |                      | 12/2                |
| Lafayette IN        |              | 344,866                 | 1,211,134                                    | None                                       | None  | 344,866  | 1,211,134                                    | 1,556,000 | 98,909                   |                      | 12/3                |
| Chanute KS          |              | 330,852                 | 615,008                                      | None                                       | None  | 330,852  | 615,008                                      | 945,860   | 253,178                  |                      | 9/14                |
| Fort Scott KS       |              | 269,301                 | 500,698                                      | None                                       | None  | 269,301  | 500,698                                      | 769,999   | 206,121                  |                      | 9/14                |
| Kansas City KS      |              | 190,000                 | 700,039                                      | None                                       | None  | 190,000  | 700,039                                      | 890,039   | 150,508                  |                      | 8/2                 |
| Kansas City KS      |              | 170,000                 | 214,040                                      | None                                       | None  | 170,000  | 214,040                                      | 384,040   | 46,019                   |                      | 8/2                 |

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|                  |    |           |           |      |        |           |           |           |         |       |
|------------------|----|-----------|-----------|------|--------|-----------|-----------|-----------|---------|-------|
| Kansas City      | KS | 210,000   | 624,304   | None | None   | 210,000   | 624,304   | 834,304   | 134,225 | 8/29  |
| Kansas City      | KS | 140,000   | 767,812   | None | None   | 140,000   | 767,812   | 907,812   | 165,079 | 8/29  |
| Lawrence         | KS | 410,000   | 338,788   | None | None   | 410,000   | 338,788   | 748,788   | 72,839  | 8/29  |
| Overland Park    | KS | 754,020   | 1,401,069 | None | None   | 754,020   | 1,401,069 | 2,155,089 | 525,398 | 8/29  |
| Parsons          | KS | 318,516   | 592,099   | None | None   | 318,516   | 592,099   | 910,615   | 243,747 | 9/14  |
| Bowling Green    | KY | 685,246   | 1,273,002 | None | None   | 685,246   | 1,273,002 | 1,958,248 | 566,486 | 11/22 |
| Hazard           | KY | 243,836   | 453,025   | None | 8      | 243,836   | 453,033   | 696,869   | 186,504 | 9/14  |
| Lexington        | KY | 122,200   | 1,400     | None | 31,495 | 122,200   | 32,895    | 155,095   | 15,901  | 12/31 |
| Madisonville     | KY | 422,501   | 784,831   | None | None   | 422,501   | 784,831   | 1,207,332 | 323,089 | 9/14  |
| Madisonville     | KY | 360,000   | 1,172,182 | None | None   | 360,000   | 1,172,182 | 1,532,182 | 25,397  | 6/29  |
| Paducah          | KY | 673,551   | 1,251,276 | None | None   | 673,551   | 1,251,276 | 1,924,827 | 556,818 | 11/22 |
| Bossier City     | LA | 172,269   | 320,497   | None | None   | 172,269   | 320,497   | 492,766   | 131,938 | 9/14  |
| Deridder         | LA | 371,127   | 690,819   | None | None   | 371,127   | 690,819   | 1,061,946 | 263,649 | 6/29  |
| Jonesboro        | LA | 163,651   | 304,492   | None | None   | 163,651   | 304,492   | 468,143   | 125,349 | 9/14  |
| Natchitoches     | LA | 291,675   | 541,890   | None | None   | 291,675   | 541,890   | 833,565   | 333,260 | 8/31  |
| Ruston           | LA | 170,274   | 316,792   | None | None   | 170,274   | 316,792   | 487,066   | 130,413 | 9/14  |
| Shreveport       | LA | 359,268   | 667,417   | None | None   | 359,268   | 667,417   | 1,026,685 | 410,459 | 8/31  |
| Shreveport       | LA | 154,671   | 287,815   | None | None   | 154,671   | 287,815   | 442,486   | 118,484 | 9/14  |
| Shreveport       | LA | 200,033   | 372,059   | None | None   | 200,033   | 372,059   | 572,092   | 153,164 | 9/14  |
| Shreveport       | LA | 259,987   | -         | None | None   | 259,987   | -         | 259,987   | -       | 9/14  |
| Vivian           | LA | 135,568   | 252,338   | None | None   | 135,568   | 252,338   | 387,906   | 103,879 | 9/14  |
| Winnfield        | LA | 145,973   | 271,661   | None | None   | 145,973   | 271,661   | 417,634   | 111,834 | 9/14  |
| Fall River       | MA | 962,500   | 1,787,831 | None | None   | 962,500   | 1,787,831 | 2,750,331 | 670,436 | 8/29  |
| Hagerstown       | MD | 499,396   | 928,250   | None | None   | 499,396   | 928,250   | 1,427,646 | 348,092 | 8/29  |
| Auburn           | ME | 422,898   | 486,276   | None | None   | 422,898   | 486,276   | 909,174   | 810     | 12/8  |
| Bath             | ME | 317,382   | 555,515   | None | None   | 317,382   | 555,515   | 872,897   | 926     | 12/8  |
| Lewiston         | ME | 722,573   | 830,864   | None | None   | 722,573   | 830,864   | 1,553,437 | 1,385   | 12/8  |
| Lewiston         | ME | 644,450   | 741,032   | None | None   | 644,450   | 741,032   | 1,385,482 | 1,235   | 12/8  |
| South Paris      | ME | 461,046   | 806,973   | None | None   | 461,046   | 806,973   | 1,268,019 | 1,345   | 12/8  |
| Alma             | MI | 430,000   | 958,127   | None | None   | 430,000   | 958,127   | 1,388,127 | 75,053  | 1/22  |
| Alma             | MI | 240,000   | 1,140,714 | None | None   | 240,000   | 1,140,714 | 1,380,714 | 89,356  | 1/22  |
| Alpena           | MI | 630,000   | 773,434   | None | None   | 630,000   | 773,434   | 1,403,434 | 60,586  | 1/22  |
| Bridgeport       | MI | 200,000   | 687,178   | None | None   | 200,000   | 687,178   | 887,178   | 53,829  | 1/22  |
| Brownstown       | MI | 380,000   | 1,072,130 | None | None   | 380,000   | 1,072,130 | 1,452,130 | 23,229  | 6/29  |
| Cadillac         | MI | 180,000   | 1,372,789 | None | None   | 180,000   | 1,372,789 | 1,552,789 | 107,535 | 1/22  |
| Canton           | MI | 279,923   | 521,223   | None | None   | 279,923   | 521,223   | 801,146   | 195,456 | 8/29  |
| Clare            | MI | 360,000   | 1,544,858 | None | None   | 360,000   | 1,544,858 | 1,904,858 | 121,014 | 1/22  |
| Commerce         | MI | 720,000   | 781,679   | None | None   | 720,000   | 781,679   | 1,501,679 | 9,120   | 9/30  |
| Fraser           | MI | 470,000   | 1,061,927 | None | None   | 470,000   | 1,061,927 | 1,531,927 | 26,548  | 5/18  |
| Gaylord          | MI | 680,000   | 1,344,159 | None | None   | 680,000   | 1,344,159 | 2,024,159 | 105,292 | 1/22  |
| Grand Rapids     | MI | 600,000   | 969,204   | None | None   | 600,000   | 969,204   | 1,569,204 | 75,921  | 1/22  |
| Grand Rapids     | MI | 490,000   | 1,090,246 | None | None   | 490,000   | 1,090,246 | 1,580,246 | 85,403  | 1/22  |
| Grayling         | MI | 130,000   | 665,292   | None | None   | 130,000   | 665,292   | 795,292   | 52,115  | 1/22  |
| Houghton         | MI | 170,000   | 664,188   | None | None   | 170,000   | 664,188   | 834,188   | 52,028  | 1/22  |
| Imlay City       | MI | 670,943   | 1,174,356 | None | None   | 670,943   | 1,174,356 | 1,845,299 | 1,957   | 12/8  |
| Ithaca           | MI | 350,000   | 812,266   | None | None   | 350,000   | 812,266   | 1,162,266 | 63,628  | 1/22  |
| Jackson          | MI | 1,420,000 | 1,162,384 | None | None   | 1,420,000 | 1,162,384 | 2,582,384 | 36,809  | 3/23  |
| Kentwood         | MI | 480,000   | 1,025,674 | None | None   | 480,000   | 1,025,674 | 1,505,674 | 59,831  | 7/22  |
| Lansing          | MI | 1,090,000 | 1,333,712 | None | None   | 1,090,000 | 1,333,712 | 2,423,712 | 42,234  | 3/23  |
| Livonia          | MI | 350,000   | 651,446   | None | None   | 350,000   | 651,446   | 1,001,446 | 244,290 | 8/29  |
| Ludington        | MI | 460,000   | 1,043,729 | None | None   | 460,000   | 1,043,729 | 1,503,729 | 81,759  | 1/22  |
| Plymouth         | MI | 670,000   | 900,391   | None | None   | 670,000   | 900,391   | 1,570,391 | 10,505  | 9/30  |
| Royal Oak        | MI | 600,777   | 690,814   | None | None   | 600,777   | 690,814   | 1,291,591 | 1,151   | 12/8  |
| Saginaw          | MI | 200,000   | 897,681   | None | None   | 200,000   | 897,681   | 1,097,681 | 70,318  | 1/22  |
| Sault St. Marie  | MI | 380,000   | 1,326,583 | None | None   | 380,000   | 1,326,583 | 1,706,583 | 103,916 | 1/22  |
| Southfield       | MI | 520,000   | 1,482,762 | None | None   | 520,000   | 1,482,762 | 2,002,762 | 32,127  | 6/29  |
| St John s        | MI | 670,000   | 1,154,736 | None | None   | 670,000   | 1,154,736 | 1,824,736 | 36,567  | 3/23  |
| St. Clair        | MI | 670,000   | 948,391   | None | None   | 670,000   | 948,391   | 1,618,391 | 11,065  | 9/30  |
| Shores           | MI | 670,000   | 948,391   | None | None   | 670,000   | 948,391   | 1,618,391 | 11,065  | 9/30  |
| Sterling Heights | MI | 910,000   | 832,868   | None | None   | 910,000   | 832,868   | 1,742,868 | 9,717   | 9/30  |
| Taylor           | MI | 250,000   | 925,883   | None | None   | 250,000   | 925,883   | 1,175,883 | 20,061  | 6/29  |



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|             |    |           |           |      |      |           |           |           |         |      |
|-------------|----|-----------|-----------|------|------|-----------|-----------|-----------|---------|------|
| Traverse    |    |           |           |      |      |           |           |           |         |      |
| City        | MI | 280,000   | 1,092,232 | None | None | 280,000   | 1,092,232 | 1,372,232 | 85,558  | 1/22 |
| Walker      | MI | 590,000   | 1,132,002 | None | None | 590,000   | 1,132,002 | 1,722,002 | 88,673  | 1/22 |
| West Branch | MI | 680,038   | 1,947,424 | None | None | 680,038   | 1,947,424 | 2,627,462 | 152,548 | 1/22 |
| Affton      | MO | 120,000   | 171,955   | None | None | 120,000   | 171,955   | 291,955   | 36,970  | 8/29 |
| Bolivar     | MO | 237,094   | 440,596   | None | None | 237,094   | 440,596   | 677,690   | 270,963 | 8/31 |
| Bridgeton   | MO | 570,000   | 228,347   | None | None | 570,000   | 228,347   | 798,347   | 49,095  | 8/29 |
| Buffalo     | MO | 159,346   | 296,519   | None | None | 159,346   | 296,519   | 455,865   | 122,067 | 9/14 |
| Cape        |    |           |           |      |      |           |           |           |         |      |
| Girardeau   | MO | 450,078   | 836,372   | None | None | 450,078   | 836,372   | 1,286,450 | 366,610 | 1/11 |
| Desloge     | MO | 1,020,010 | 1,275,012 | None | None | 1,020,010 | 1,275,012 | 2,295,022 | 201,877 | 1/22 |
| Dexter      | MO | 315,830   | 1,024,338 | None | None | 315,830   | 1,024,338 | 1,340,168 | 145,115 | 6/14 |
| Farmington  | MO | 340,042   | 1,102,863 | None | None | 340,042   | 1,102,863 | 1,442,905 | 156,239 | 6/14 |
| Florissant  | MO | 290,000   | 86,396    | None | None | 290,000   | 86,396    | 376,396   | 18,575  | 8/29 |
| Florissant  | MO | 250,000   | 239,221   | None | None | 250,000   | 239,221   | 489,221   | 51,433  | 8/29 |
| Grandview   | MO | 280,000   | 235,370   | None | None | 280,000   | 235,370   | 515,370   | 50,604  | 8/29 |

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REALTY INCOME CORPORATION AND SUBSIDIARIES

SCHEDULE III REAL ESTATE AND ACCUMULATED DEPRECIATION

AS OF DECEMBER 31, 2016

| Description       | Encumbrances | Initial Cost to Company |  |              |       | Cost Capitalized Subsequent to Acquisition |  | Gross Amount at Which Carried at Close of Period (Notes 3, 4, 6 and 7) |          |  | Accumulated Depreciation | Date of Construction | Date of Acquisition |
|-------------------|--------------|-------------------------|--|--------------|-------|--|--|--|----------|--|--------------------------|----------------------|---------------------|
|                   |              | Land                    | Buildings, Improvements and Acquisition Fees | Improvements | Costs | Land                                       | Buildings, Improvements and Acquisition Fees | Total  | (Note 5) |  |                          |                      |                     |
| Joplin MO         |              | 301,207                 | 749,000                                      | None         | None  | 301,207                                    | 749,000                                      | 1,050,207  | 141,551  |  | 9/14                     |                      |                     |
| Joplin MO         |              | 281,001                 | 522,428                                      | None         | None  | 281,001                                    | 522,428                                      | 803,429  | 215,066  |  | 9/14                     |                      |                     |
| Kansas City MO    |              | 230,000                 | 484,010                                      | None         | None  | 230,000                                    | 484,010                                      | 714,010  | 104,062  |  | 8/29                     |                      |                     |
| Kansas City MO    |              | 200,000                 | 339,994                                      | None         | None  | 200,000                                    | 339,994                                      | 539,994  | 73,099   |  | 8/29                     |                      |                     |
| Lee s Summit MO   |              | 500,000                 | 450,156                                      | None         | None  | 500,000                                    | 450,156                                      | 950,156  | 96,783   |  | 8/29                     |                      |                     |
| Mount Vernon MO   |              | 160,000                 | 282,586                                      | None         | None  | 160,000                                    | 282,586                                      | 442,586  | 216,168  |  | 11/20                    |                      |                     |
| Mountain Grove MO |              | 219,704                 | 408,591                                      | None         | None  | 219,704                                    | 408,591                                      | 628,295  | 168,203  |  | 9/14                     |                      |                     |
| Nevada MO         |              | 290,795                 | 540,616                                      | None         | None  | 290,795                                    | 540,616                                      | 831,411  | 222,554  |  | 9/14                     |                      |                     |
| Nixa MO           |              | 251,387                 | 467,430                                      | None         | None  | 251,387                                    | 467,430                                      | 718,817  | 192,425  |  | 9/14                     |                      |                     |
| Olivette MO       |              | 319,958                 | 1,037,725                                    | None         | None  | 319,958                                    | 1,037,725                                    | 1,357,683  | 147,011  |  | 6/14                     |                      |                     |
| Poplar Bluff MO   |              | 362,265                 | 1,174,938                                    | None         | None  | 362,265                                    | 1,174,938                                    | 1,537,203  | 166,450  |  | 6/14                     |                      |                     |
| Poplar Bluff MO   |              | 383,603                 | 1,244,145                                    | None         | None  | 383,603                                    | 1,244,145                                    | 1,627,748  | 176,254  |  | 6/14                     |                      |                     |
| Potosi MO         |              | 242,154                 | 785,383                                      | None         | None  | 242,154                                    | 785,383                                      | 1,027,537  | 111,263  |  | 6/14                     |                      |                     |
| Raymore MO        |              | 460,000                 | 663,580                                      | None         | None  | 460,000                                    | 663,580                                      | 1,123,580  | 142,670  |  | 8/29                     |                      |                     |
| Sikeston MO       |              | 327,805                 | 1,063,176                                    | None         | None  | 327,805                                    | 1,063,176                                    | 1,390,981  | 150,617  |  | 6/14                     |                      |                     |
| Springfield MO    |              | 251,381                 | 467,418                                      | None         | None  | 251,381                                    | 467,418                                      | 718,799  | 192,421  |  | 9/14                     |                      |                     |
| Springfield MO    |              | 225,939                 | 420,162                                      | None         | None  | 225,939                                    | 420,162                                      | 646,101  | 171,566  |  | 10/12                    |                      |                     |
| St. Louis MO      |              | 340,000                 | 88,519                                       | None         | None  | 340,000                                    | 88,519                                       | 428,519  | 19,032   |  | 8/29                     |                      |                     |
| St. Louis MO      |              | 500,000                 | 184,049                                      | None         | None  | 500,000                                    | 184,049                                      | 684,049  | 39,571   |  | 8/29                     |                      |                     |
| St. Louis MO      |              | 263,107                 | 853,340                                      | None         | None  | 263,107                                    | 853,340                                      | 1,116,447  | 120,890  |  | 6/14                     |                      |                     |
| St. Robert MO     |              | 329,242                 | 611,728                                      | None         | None  | 329,242                                    | 611,728                                      | 940,970  | 376,209  |  | 8/31                     |                      |                     |
| Webb City MO      |              | 337,647                 | 627,628                                      | None         | None  | 337,647                                    | 627,628                                      | 965,275  | 258,374  |  | 9/14                     |                      |                     |
| Biloxi Canton MS  |              | 414,902                 | 770,725                                      | None         | None  | 414,902                                    | 770,725                                      | 1,185,627  | 317,282  |  | 9/14                     |                      |                     |
| Canton MS         |              | 163,193                 | 303,268                                      | None         | None  | 163,193                                    | 303,268                                      | 466,461  | 124,845  |  | 9/14                     |                      |                     |
| Carthage MS       |              | 157,803                 | 293,257                                      | None         | None  | 157,803                                    | 293,257                                      | 451,060  | 120,724  |  | 9/14                     |                      |                     |
| Columbus MS       |              | 128,409                 | 238,775                                      | None         | None  | 128,409                                    | 238,775                                      | 367,184  | 105,459  |  | 12/22                    |                      |                     |
| Columbus MS       |              | 117,411                 | 218,350                                      | None         | None  | 117,411                                    | 218,350                                      | 335,761  | 96,437   |  | 12/22                    |                      |                     |
| Columbus MS       |              | 470,000                 | 1,438,148                                    | None         | None  | 470,000                                    | 1,438,148                                    | 1,908,148  | 55,129   |  | 1/5/                     |                      |                     |
| Corinth MS        |              | 285,607                 | 530,598                                      | None         | None  | 285,607                                    | 530,598                                      | 816,205  | 218,429  |  | 9/14                     |                      |                     |
| Flowood MS        |              | 470,000                 | 1,456,444                                    | None         | None  | 470,000                                    | 1,456,444                                    | 1,926,444  | 60,685   |  | 12/22                    |                      |                     |
| Forest MS         |              | 106,457                 | 198,007                                      | None         | None  | 106,457                                    | 198,007                                      | 304,464  | 87,452   |  | 12/22                    |                      |                     |
| Fulton MS         |              | 239,686                 | 445,337                                      | None         | None  | 239,686                                    | 445,337                                      | 685,023  | 273,880  |  | 8/31                     |                      |                     |
| Gautier MS        |              | 241,995                 | 449,607                                      | None         | None  | 241,995                                    | 449,607                                      | 691,602  | 185,088  |  | 9/14                     |                      |                     |
| Greenville MS     |              | 311,324                 | 578,378                                      | None         | None  | 311,324                                    | 578,378                                      | 889,702  | 355,700  |  | 8/31                     |                      |                     |
| Greenwood MS      |              | 177,329                 | 329,520                                      | None         | None  | 177,329                                    | 329,520                                      | 506,849  | 135,653  |  | 9/14                     |                      |                     |
| Grenada MS        |              | 450,000                 | 922,929                                      | None         | None  | 450,000                                    | 922,929                                      | 1,372,929  | 38,455   |  | 12/22                    |                      |                     |
| Houston MS        |              | 226,962                 | 421,695                                      | None         | None  | 226,962                                    | 421,695                                      | 648,657  | 173,598  |  | 9/14                     |                      |                     |
| Indianola MS      |              | 270,639                 | 502,822                                      | None         | None  | 270,639                                    | 502,822                                      | 773,461  | 309,233  |  | 8/31                     |                      |                     |
| Iuka MS           |              | 139,243                 | 258,779                                      | None         | None  | 139,243                                    | 258,779                                      | 398,022  | 106,531  |  | 9/14                     |                      |                     |
| Jackson MS        |              | 237,982                 | 442,154                                      | None         | None  | 237,982                                    | 442,154                                      | 680,136  | 182,020  |  | 9/14                     |                      |                     |

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|              |    |           |           |       |      |           |           |           |         |       |
|--------------|----|-----------|-----------|-------|------|-----------|-----------|-----------|---------|-------|
| Jackson      | MS | 352,003   | 653,900   | None  | None | 352,003   | 653,900   | 1,005,903 | 267,009 | 10/12 |
| Jackson      | MS | 500,000   | 548,535   | None  | None | 500,000   | 548,535   | 1,048,535 | 22,856  | 12/22 |
| Jackson      | MS | 440,000   | 1,139,753 | None  | None | 440,000   | 1,139,753 | 1,579,753 | 47,490  | 12/22 |
| Jackson      | MS | 480,000   | 618,357   | None  | None | 480,000   | 618,357   | 1,098,357 | 25,765  | 12/22 |
| Kosciusko    | MS | 311,422   | 578,550   | None  | None | 311,422   | 578,550   | 889,972   | 238,170 | 9/14  |
| Magee        | MS | 264,395   | 491,206   | None  | None | 264,395   | 491,206   | 755,601   | 202,213 | 9/14  |
| Moss Point   | MS | 287,821   | 534,713   | None  | None | 287,821   | 534,713   | 822,534   | 220,124 | 9/14  |
| Natchez      | MS | 402,589   | 747,934   | None  | None | 402,589   | 747,934   | 1,150,523 | 300,420 | 12/22 |
| Newton       | MS | 284,350   | 528,311   | None  | None | 284,350   | 528,311   | 812,661   | 324,908 | 8/31  |
| Olive        |    |           |           |       |      |           |           |           |         |       |
| Branch       | MS | 332,234   | 617,192   | None  | None | 332,234   | 617,192   | 949,426   | 254,077 | 9/14  |
| Olive        |    |           |           |       |      |           |           |           |         |       |
| Branch       | MS | 362,276   | 673,055   | None  | None | 362,276   | 673,055   | 1,035,331 | 245,665 | 11/16 |
| Oxford       | MS | 297,182   | 552,097   | None  | 26   | 297,182   | 552,123   | 849,305   | 225,445 | 10/12 |
| Pearl        | MS | 265,646   | 722,221   | None  | None | 265,646   | 722,221   | 987,867   | 30,093  | 12/22 |
| Philadelphia | MS | 292,868   | 543,912   | None  | None | 292,868   | 543,912   | 836,780   | 223,911 | 9/14  |
| Pontotoc     | MS | 285,006   | 529,492   | None  | None | 285,006   | 529,492   | 814,498   | 217,974 | 9/14  |
| Richland     | MS | 364,900   | 897,118   | None  | None | 364,900   | 897,118   | 1,262,018 | 37,380  | 12/22 |
| Ridgeland    | MS | 460,000   | 1,021,885 | None  | None | 460,000   | 1,021,885 | 1,481,885 | 32,360  | 3/11  |
| Southaven    | MS | 498,426   | 925,905   | None  | None | 498,426   | 925,905   | 1,424,331 | 337,955 | 11/16 |
| Southaven    | MS | 300,000   | 889,884   | None  | None | 300,000   | 889,884   | 1,189,884 | 37,078  | 12/22 |
| Southaven    | MS | 468,858   | 1,152,703 | None  | None | 468,858   | 1,152,703 | 1,621,561 | 48,029  | 12/22 |
| Starkville   | MS | 175,436   | 326,005   | None  | None | 175,436   | 326,005   | 501,441   | 134,205 | 9/14  |
| Tupelo       | MS | 166,869   | 310,095   | None  | None | 166,869   | 310,095   | 476,964   | 127,656 | 9/14  |
| Tupelo       | MS | 225,934   | 419,857   | None  | None | 225,934   | 419,857   | 645,791   | 172,841 | 9/28  |
| Vicksburg    | MS | 275,895   | 512,632   | None  | None | 275,895   | 512,632   | 788,527   | 211,034 | 9/28  |
| Vicksburg    | MS | 410,000   | 608,682   | None  | None | 410,000   | 608,682   | 1,018,682 | 25,362  | 12/22 |
| West Point   | MS | 87,859    | 163,468   | 1,828 | None | 87,859    | 165,296   | 253,155   | 72,248  | 12/22 |
| Wiggins      | MS | 268,104   | 498,095   | None  | None | 268,104   | 498,095   | 766,199   | 205,049 | 9/14  |
| Butte        | MT | 1,070,000 | 786,953   | None  | None | 1,070,000 | 786,953   | 1,856,953 | 11,804  | 8/4   |
| Great Falls  | MT | 940,000   | 810,900   | None  | None | 940,000   | 810,900   | 1,750,900 | 12,164  | 8/4   |
| Helena       | MT | 760,000   | 816,231   | None  | None | 760,000   | 816,231   | 1,576,231 | 12,243  | 8/4   |
| Kalispell    | MT | 650,000   | 1,009,793 | None  | None | 650,000   | 1,009,793 | 1,659,793 | 21,879  | 6/30  |
| Kalispell    | MT | 810,000   | 835,779   | None  | None | 810,000   | 835,779   | 1,645,779 | 18,109  | 6/30  |
| Missoula     | MT | -         | 837,402   | None  | None | -         | 837,402   | 837,402   | 18,144  | 6/30  |
| Missoula     | MT | 860,000   | 822,122   | None  | None | 860,000   | 822,122   | 1,682,122 | 17,813  | 6/30  |
| Asheville    | NC | 264,226   | 491,419   | None  | None | 264,226   | 491,419   | 755,645   | 184,280 | 8/28  |
| Charlotte    | NC | 468,859   | 955,879   | None  | None | 468,859   | 955,879   | 1,424,738 | 55,760  | 7/27  |
| Charlotte    | NC | 210,000   | 662,231   | None  | None | 210,000   | 662,231   | 872,231   | 38,630  | 7/27  |
| Charlotte    | NC | 460,000   | 988,464   | None  | None | 460,000   | 988,464   | 1,448,464 | 57,660  | 7/27  |
| Charlotte    | NC | 458,612   | 934,988   | None  | None | 458,612   | 934,988   | 1,393,600 | 54,541  | 7/27  |
| Clinton      | NC | 380,000   | 962,394   | None  | None | 380,000   | 962,394   | 1,342,394 | 68,972  | 3/25  |
| Concord      | NC | 860,000   | 955,176   | None  | None | 860,000   | 955,176   | 1,815,176 | 4,776   | 11/22 |
| Connelly     |    |           |           |       |      |           |           |           |         |       |
| Springs      | NC | 390,000   | 1,002,204 | None  | None | 390,000   | 1,002,204 | 1,392,204 | 5,011   | 11/22 |
| Dallas       | NC | 530,000   | 973,642   | None  | None | 530,000   | 973,642   | 1,503,642 | 4,868   | 11/22 |
| Gastonia     | NC | 280,000   | 839,425   | None  | None | 280,000   | 839,425   | 1,119,425 | 4,197   | 11/22 |
| Granite      |    |           |           |       |      |           |           |           |         |       |
| Falls        | NC | 1,412,026 | 1,765,032 | None  | None | 1,412,026 | 1,765,032 | 3,177,058 | 279,463 | 1/22  |
| High Point   | NC | 872,587   | 1,090,734 | None  | None | 872,587   | 1,090,734 | 1,963,321 | 172,699 | 1/22  |
| Hildebran    | NC | 966,417   | 1,208,021 | None  | None | 966,417   | 1,208,021 | 2,174,438 | 191,270 | 1/22  |
| Kinston      | NC | 320,000   | 836,583   | None  | None | 320,000   | 836,583   | 1,156,583 | 59,955  | 3/25  |
| Lincolnton   | NC | 1,811,063 | 2,263,829 | None  | None | 1,811,063 | 2,263,829 | 4,074,892 | 358,440 | 1/22  |
| N            |    |           |           |       |      |           |           |           |         |       |
| Wilkesboro   | NC | 630,448   | 724,931   | None  | None | 630,448   | 724,931   | 1,355,379 | 1,208   | 12/8  |
| Newton       | NC | 960,000   | 1,010,399 | None  | None | 960,000   | 1,010,399 | 1,970,399 | 5,052   | 11/22 |
| Raeford      | NC | 773,505   | 966,881   | None  | None | 773,505   | 966,881   | 1,740,386 | 153,089 | 1/22  |
| Salisbury    | NC | 540,000   | 1,235,415 | None  | None | 540,000   | 1,235,415 | 1,775,415 | 6,177   | 11/22 |
| Southport    | NC | 460,000   | 1,214,095 | None  | None | 460,000   | 1,214,095 | 1,674,095 | 87,010  | 3/11  |
| Stanley      | NC | 566,546   | 651,454   | None  | None | 566,546   | 651,454   | 1,218,000 | 1,086   | 12/8  |
| Thomasville  | NC | 983,522   | 1,229,402 | None  | None | 983,522   | 1,229,402 | 2,212,924 | 194,655 | 1/22  |
| Walkertown   | NC | 1,033,636 | 1,292,046 | None  | None | 1,033,636 | 1,292,046 | 2,325,682 | 204,574 | 1/22  |
| Wallace      | NC | 230,000   | 905,484   | None  | None | 230,000   | 905,484   | 1,135,484 | 64,893  | 3/25  |
| Winston      |    |           |           |       |      |           |           |           |         |       |
| Salem        | NC | 353,239   | 656,427   | None  | None | 353,239   | 656,427   | 1,009,666 | 403,697 | 8/31  |
| Winston      |    |           |           |       |      |           |           |           |         |       |
| Salem        | NC | 126,423   | 235,323   | None  | None | 126,423   | 235,323   | 361,746   | 103,934 | 12/22 |
| Devils Lake  | ND | 150,390   | 279,798   | None  | None | 150,390   | 279,798   | 430,188   | 123,577 | 12/22 |
| Fargo        | ND | 217,057   | 403,609   | None  | None | 217,057   | 403,609   | 620,666   | 178,260 | 12/22 |
| Jamestown    | ND | 136,523   | 254,045   | None  | None | 136,523   | 254,045   | 390,568   | 112,203 | 12/22 |

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|            |    |         |           |      |      |         |           |           |         |       |
|------------|----|---------|-----------|------|------|---------|-----------|-----------|---------|-------|
| Minot      | ND | 153,870 | 286,260   | None | None | 153,870 | 286,260   | 440,130   | 126,432 | 12/22 |
| Omaha      | NE | 444,460 | 825,938   | None | 32   | 444,460 | 825,970   | 1,270,430 | 362,065 | 1/11  |
| Omaha      | NE | 350,000 | 650,877   | None | 32   | 350,000 | 650,909   | 1,000,909 | 244,106 | 8/28  |
| Amherst    | NY | 412,349 | 767,082   | None | None | 412,349 | 767,082   | 1,179,431 | 287,654 | 8/28  |
| Buffalo    | NY | 317,454 | 591,060   | None | None | 317,454 | 591,060   | 908,514   | 221,643 | 8/28  |
| Falconer   | NY | 606,120 | 696,957   | None | None | 606,120 | 696,957   | 1,303,077 | 1,162   | 12/8  |
| Syracuse   | NY | 743,043 | 854,401   | None | None | 743,043 | 854,401   | 1,597,444 | 1,424   | 12/16 |
| Bowling    |    |         |           |      |      |         |           |           |         |       |
| Green      | OH | 490,000 | 1,233,026 | None | None | 490,000 | 1,233,026 | 1,723,026 | 14,385  | 9/30  |
| Cincinnati | OH | 299,187 | 556,978   | None | None | 299,187 | 556,978   | 856,165   | 208,843 | 8/28  |
| Delaware   | OH | 580,000 | 845,272   | None | None | 580,000 | 845,272   | 1,425,272 | 4,226   | 11/30 |
| Galion     | OH | 160,000 | 967,572   | None | None | 160,000 | 967,572   | 1,127,572 | 4,838   | 11/30 |

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REALTY INCOME CORPORATION AND SUBSIDIARIES

SCHEDULE III REAL ESTATE AND ACCUMULATED DEPRECIATION

AS OF DECEMBER 31, 2016

| Description<br>(Note 1) | Encumbrances<br>(Note 2) | Initial Cost to Company |  | Cost Capitalized<br>Subsequent<br>to Acquisition |       | Gross Amount at Which Carried<br>at Close of Period (Notes 3, 4, 6 and<br>7) |  |           | Accumulated<br>Depreciation<br>(Note 5) | Date of<br>Construction | Date of<br>Acquisition |
|-------------------------|--------------------------|-------------------------|--|--|-------|--|--|-----------|---|-------------------------|------------------------|
|                         |                          | Land                    | Buildings,<br>Improvements<br>and<br>Acquisition<br>Fees | Improvements                                     | Costs | Land   | Buildings,<br>Improvements<br>and<br>Acquisition<br>Fees | Total     |   |                         |                        |
| Kenton                  | OH                       | 470,000                 | 695,990  | None   | None  | 470,000  | 695,990  | 1,165,990 | 3,480                                   |                         | 11/3                   |
| Marion                  | OH                       | 570,000                 | 813,387  | None   | None  | 570,000  | 813,387  | 1,383,387 | 4,067                                   |                         | 11/3                   |
| Marion                  | OH                       | 727,847                 | 836,929  | None   | None  | 727,847  | 836,929  | 1,564,776 | 1,395                                   |                         | 12/2                   |
| Mentor                  | OH                       | 394,450                 | 734,205  | None   | None  | 394,450  | 734,205  | 1,128,655 | 275,313                                 |                         | 8/2                    |
| Parma                   | OH                       | 473,710                 | 881,038  | None   | None  | 473,710  | 881,038  | 1,354,748 | 330,388                                 |                         | 8/2                    |
| Toledo                  | OH                       | 633,461                 | 1,177,718  | None   | None  | 633,461  | 1,177,718  | 1,811,179 | 441,643                                 |                         | 8/2                    |
| Upper<br>Sandusky       | OH                       | 260,000                 | 731,454  | None   | None  | 260,000  | 731,454  | 991,454   | 3,657                                   |                         | 11/3                   |
| Van Wert                | OH                       | 330,000                 | 907,061  | None   | None  | 330,000  | 907,061  | 1,237,061 | 71,053                                  |                         | 1/2                    |
| Van Wert                | OH                       | 710,000                 | 798,621  | None   | None  | 710,000  | 798,621  | 1,508,621 | 30,614                                  |                         | 1/1                    |
| Bixby                   | OK                       | 145,791                 | 271,272  | None   | None  | 145,791  | 271,272  | 417,063   | 119,812                                 |                         | 12/2                   |
| Checotah                | OK                       | 153,232                 | 285,092  | None   | None  | 153,232  | 285,092  | 438,324   | 125,916                                 |                         | 12/2                   |
| Idabel                  | OK                       | 214,244                 | 398,545  | None   | None  | 214,244  | 398,545  | 612,789   | 245,096                                 |                         | 8/3                    |
| Owasso                  | OK                       | 327,043                 | 607,645  | None   | None  | 327,043  | 607,645  | 934,688   | 373,698                                 |                         | 8/3                    |
| Tahlequah               | OK                       | 224,982                 | 418,341  | None   | None  | 224,982  | 418,341  | 643,323   | 184,767                                 |                         | 12/2                   |
| Tulsa                   | OK                       | 295,993                 | 549,981  | None   | None  | 295,993  | 549,981  | 845,974   | 338,235                                 |                         | 8/3                    |
| Salem                   | OR                       | 198,540                 | 689,507  | None   | None  | 198,540  | 689,507  | 888,047   | 507,203                                 |                         | 5/2                    |
| The Dalles              | OR                       | 1,034,805               | 1,293,506  | None   | None  | 1,034,805  | 1,293,506  | 2,328,311 | 204,805                                 |                         | 1/2                    |
| Greensburg              | PA                       | 315,000                 | 586,368  | None   | None  | 315,000  | 586,368  | 901,368   | 219,884                                 |                         | 8/2                    |
| Philadelphia            | PA                       | 423,333                 | 787,125  | None   | None  | 423,333  | 787,125  | 1,210,458 | 295,170                                 |                         | 8/2                    |
| Aiken                   | SC                       | 240,937                 | 447,656  | None   | None  | 240,937  | 447,656  | 688,593   | 184,285                                 |                         | 9/1                    |
| Aiken                   | SC                       | 618,572                 | 1,261,105  | None   | None  | 618,572  | 1,261,105  | 1,879,677 | 73,564                                  |                         | 7/2                    |
| Camden                  | SC                       | 450,000                 | 986,046  | None   | None  | 450,000  | 986,046  | 1,436,046 | 57,519                                  |                         | 7/2                    |
| Columbia                | SC                       | 952,423                 | 1,190,529  | None   | None  | 952,423  | 1,190,529  | 2,142,952 | 188,500                                 |                         | 1/2                    |
| Columbia                | SC                       | 812,611                 | 1,015,764  | None   | None  | 812,611  | 1,015,764  | 1,828,375 | 160,829                                 |                         | 1/2                    |
| Columbia                | SC                       | 710,000                 | 1,137,369  | None   | None  | 710,000  | 1,137,369  | 1,847,369 | 66,347                                  |                         | 7/2                    |
| Columbia                | SC                       | 344,602                 | 702,552  | None   | None  | 344,602  | 702,552  | 1,047,154 | 40,982                                  |                         | 7/2                    |
| Columbia                | SC                       | 350,000                 | 982,465  | None   | None  | 350,000  | 982,465  | 1,332,465 | 57,310                                  |                         | 7/2                    |
| Greer                   | SC                       | 580,000                 | 721,854  | None   | None  | 580,000  | 721,854  | 1,301,854 | 51,733                                  |                         | 3/2                    |
| Inman                   | SC                       | 809,987                 | 1,012,483  | None   | None  | 809,987  | 1,012,483  | 1,822,470 | 160,310                                 |                         | 1/2                    |
| Irmo                    | SC                       | 330,000                 | 1,008,769  | None   | None  | 330,000  | 1,008,769  | 1,338,769 | 58,845                                  |                         | 7/2                    |
| Leesville               | SC                       | 899,686                 | 1,124,607  | None   | None  | 899,686  | 1,124,607  | 2,024,293 | 178,063                                 |                         | 1/2                    |
| Lexington               | SC                       | 530,000                 | 1,278,314  | None   | None  | 530,000  | 1,278,314  | 1,808,314 | 74,568                                  |                         | 7/2                    |
| Lexington               | SC                       | 740,000                 | 969,462  | None   | None  | 740,000  | 969,462  | 1,709,462 | 1,616                                   |                         | 12/                    |
| Newberry                | SC                       | 708,489                 | 885,611  | None   | None  | 708,489  | 885,611  | 1,594,100 | 140,222                                 |                         | 1/2                    |
| Piedmont                | SC                       | 841,862                 | 1,052,327  | None   | None  | 841,862  | 1,052,327  | 1,894,189 | 166,619                                 |                         | 1/2                    |
| Rock Hill               | SC                       | 400,000                 | 950,185  | None   | None  | 400,000  | 950,185  | 1,350,185 | 55,427                                  |                         | 7/2                    |
| Spartanburg             | SC                       | 957,339                 | 1,196,673  | None   | None  | 957,339  | 1,196,673  | 2,154,012 | 189,473                                 |                         | 1/2                    |
| Walterboro              | SC                       | 240,000                 | 779,500  | None   | None  | 240,000  | 779,500  | 1,019,500 | 63,659                                  |                         | 12/                    |
| Chamberlain             | SD                       | 139,587                 | 259,627  | None   | None  | 139,587  | 259,627  | 399,214   | 114,668                                 |                         | 12/2                   |
| Madison                 | SD                       | 112,143                 | 208,660  | None   | None  | 112,143  | 208,660  | 320,803   | 92,157                                  |                         | 12/2                   |
| Rapid City              | SD                       | 197,967                 | 368,047  | None   | None  | 197,967  | 368,047  | 566,014   | 162,554                                 |                         | 12/2                   |
| Sioux Falls             | SD                       | 340,718                 | 633,332  | None   | None  | 340,718  | 633,332  | 974,050   | 252,277                                 |                         | 1/1                    |

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|                |    |           |           |         |        |           |           |           |         |          |      |
|----------------|----|-----------|-----------|---------|--------|-----------|-----------|-----------|---------|----------|------|
| Spearfish      | SD | 142,114   | 264,320   | None    | None   | 142,114   | 264,320   | 406,434   | 116,741 |          | 12/2 |
| Winner         | SD | 115,591   | 215,063   | None    | None   | 115,591   | 215,063   | 330,654   | 94,986  |          | 12/2 |
| Antioch        | TN | 244,470   | 454,016   | None    | None   | 244,470   | 454,016   | 698,486   | 185,390 |          | 10/2 |
| Brownsville    | TN | 289,379   | 538,081   | None    | None   | 289,379   | 538,081   | 827,460   | 330,911 |          | 8/3  |
| Chattanooga    | TN | 490,000   | 740,474   | 2,640   | None   | 490,000   | 743,114   | 1,233,114 | 75,474  |          | 6/30 |
| Collierville   | TN | 433,503   | 805,339   | None    | None   | 433,503   | 805,339   | 1,238,842 | 293,949 |          | 11/1 |
| Columbia       | TN | 410,242   | 761,878   | None    | None   | 410,242   | 761,878   | 1,172,120 | 311,100 |          | 10/2 |
| Germantown     | TN | 356,774   | 662,837   | None    | None   | 356,774   | 662,837   | 1,019,611 | 241,935 |          | 11/1 |
| Henderson      | TN | 155,954   | 289,815   | None    | None   | 155,954   | 289,815   | 445,769   | 119,307 |          | 9/1  |
| Hermitage      | TN | 341,251   | 633,753   | None    | None   | 341,251   | 633,753   | 975,004   | 258,782 |          | 10/2 |
| Jackson        | TN | 126,158   | 234,594   | None    | 469    | 126,158   | 235,063   | 361,221   | 103,820 |          | 12/2 |
| Jackson        | TN | 312,734   | 581,049   | 50,045  | 5,779  | 312,734   | 636,873   | 949,607   | 224,597 |          | 11/1 |
| Manchester     | TN | 411,504   | 764,222   | None    | None   | 411,504   | 764,222   | 1,175,726 | 312,057 |          | 10/2 |
| Martin         | TN | 173,616   | 322,616   | None    | None   | 173,616   | 322,616   | 496,232   | 132,810 |          | 9/1  |
| McMinnville    | TN | 442,735   | 635,260   | None    | None   | 442,735   | 635,260   | 1,077,995 | 255,144 |          | 12/2 |
| Memphis        | TN | 148,386   | 275,760   | None    | None   | 148,386   | 275,760   | 424,146   | 113,521 |          | 9/1  |
| Memphis        | TN | 254,423   | 472,680   | None    | None   | 254,423   | 472,680   | 727,103   | 193,011 |          | 10/1 |
| Memphis        | TN | 309,358   | 574,779   | None    | None   | 309,358   | 574,779   | 884,137   | 209,794 |          | 11/1 |
| Memphis        | TN | 361,660   | 983,255   | None    | None   | 361,660   | 983,255   | 1,344,915 | 40,969  |          | 12/2 |
| Memphis        | TN | 550,000   | 821,983   | None    | None   | 550,000   | 821,983   | 1,371,983 | 34,249  |          | 12/2 |
| Memphis        | TN | 445,782   | 1,095,968 | None    | None   | 445,782   | 1,095,968 | 1,541,750 | 45,665  |          | 12/2 |
| Memphis        | TN | 660,000   | 1,253,473 | None    | None   | 660,000   | 1,253,473 | 1,913,473 | 52,228  |          | 12/2 |
| Milan          | TN | 138,159   | 256,766   | None    | None   | 138,159   | 256,766   | 394,925   | 105,702 |          | 9/1  |
| Millington     | TN | 285,613   | 530,630   | None    | None   | 285,613   | 530,630   | 816,243   | 326,335 |          | 8/3  |
| Murfreesboro   | TN | 376,568   | 699,340   | None    | None   | 376,568   | 699,340   | 1,075,908 | 285,564 |          | 10/2 |
| Murfreesboro   | TN | 383,266   | 712,027   | None    | None   | 383,266   | 712,027   | 1,095,293 | 285,997 |          | 12/2 |
| Nashville      | TN | 147,915   | 274,700   | None    | None   | 147,915   | 274,700   | 422,615   | 112,169 |          | 10/2 |
| Nashville      | TN | 432,494   | 803,203   | None    | None   | 432,494   | 803,203   | 1,235,697 | 327,975 |          | 10/2 |
| Nashville      | TN | 350,983   | 651,825   | None    | None   | 350,983   | 651,825   | 1,002,808 | 266,162 |          | 10/2 |
| Nashville      | TN | 500,000   | 653,785   | 6,900   | None   | 500,000   | 660,685   | 1,160,685 | 66,828  |          | 6/30 |
| Ripley         | TN | 231,552   | 430,232   | None    | None   | 231,552   | 430,232   | 661,784   | 264,590 |          | 8/3  |
| Sevierville    | TN | 423,790   | 787,301   | None    | None   | 423,790   | 787,301   | 1,211,091 | 324,106 |          | 9/2  |
| Shelbyville    | TN | 245,370   | 455,687   | None    | None   | 245,370   | 455,687   | 701,057   | 186,072 |          | 10/2 |
| Trenton        | TN | 174,379   | 324,032   | None    | None   | 174,379   | 324,032   | 498,411   | 133,393 |          | 9/1  |
| Allen          | TX | 165,000   | 306,771   | None    | None   | 165,000   | 306,771   | 471,771   | 214,229 | 7/9/1999 | 5/2  |
| Arlington      | TX | 560,000   | 1,040,667 | None    | None   | 560,000   | 1,040,667 | 1,600,667 | 390,248 |          | 8/2  |
| Arlington      | TX | 269,284   | 500,766   | None    | None   | 269,284   | 500,766   | 770,050   | 187,786 |          | 8/2  |
| Aubrey         | TX | 140,000   | 726,739   | 122,905 | None   | 140,000   | 849,644   | 989,644   | 33,218  |          | 12/2 |
| Beaumont       | TX | 1,175,014 | 1,468,768 | None    | None   | 1,175,014 | 1,468,768 | 2,643,782 | 232,555 |          | 1/2  |
| Centerville    | TX | 340,000   | 873,035   | None    | None   | 340,000   | 873,035   | 1,213,035 | 50,927  |          | 7/2  |
| Coppell        | TX | 212,875   | 396,007   | None    | None   | 212,875   | 396,007   | 608,882   | 148,501 |          | 8/2  |
| Corpus Christi | TX | 826,321   | 1,032,902 | None    | None   | 826,321   | 1,032,902 | 1,859,223 | 163,543 |          | 1/2  |
| Crossroads     | TX | 310,000   | 706,609   | 114,605 | None   | 310,000   | 821,214   | 1,131,214 | 32,180  |          | 12/2 |
| Dallas         | TX | 386,451   | 718,361   | None    | None   | 386,451   | 718,361   | 1,104,812 | 269,384 |          | 8/2  |
| Denton         | TX | 380,000   | 700,572   | 110,497 | None   | 380,000   | 811,069   | 1,191,069 | 31,831  |          | 12/2 |
| Ennis          | TX | 173,250   | 384,793   | 45,798  | 12,600 | 173,250   | 443,191   | 616,441   | 414,502 |          | 12/2 |
| Farmersville   | TX | 190,000   | 677,920   | 117,515 | None   | 190,000   | 795,435   | 985,435   | 31,056  |          | 12/2 |
| Ferris         | TX | 922,690   | 1,153,363 | None    | None   | 922,690   | 1,153,363 | 2,076,053 | 182,616 |          | 1/2  |
| Forney         | TX | 1,141,991 | 1,427,489 | None    | None   | 1,141,991 | 1,427,489 | 2,569,480 | 226,019 |          | 1/2  |
| Fort Worth     | TX | 223,195   | 492,067   | None    | 54     | 223,195   | 492,121   | 715,316   | 492,121 |          | 6/2  |
| Fort Worth     | TX | 423,281   | 382,059   | None    | None   | 423,281   | 382,059   | 805,340   | 334,302 |          | 2/1  |
| Grand Prairie  | TX | 280,000   | 520,197   | None    | None   | 280,000   | 520,197   | 800,197   | 195,074 |          | 8/2  |
| Houston        | TX | 194,994   | 386,056   | None    | 128    | 194,994   | 386,184   | 581,178   | 386,184 |          | 6/2  |
| Houston        | TX | 113,693   | -         | None    | 58     | 113,693   | 58        | 113,751   | 28      |          | 3/7  |
| Houston        | TX | 335,664   | 624,233   | None    | None   | 335,664   | 624,233   | 959,897   | 234,086 |          | 8/2  |
| Houston        | TX | 1,003,721 | 1,254,651 | None    | None   | 1,003,721 | 1,254,651 | 2,258,372 | 198,653 |          | 1/2  |
| Hurst          | TX | 215,623   | 401,245   | None    | None   | 215,623   | 401,245   | 616,868   | 150,465 |          | 8/2  |
| Irving         | TX | 291,971   | 543,094   | None    | None   | 291,971   | 543,094   | 835,065   | 203,658 |          | 8/2  |
| Justin         | TX | 200,000   | 792,249   | 120,814 | None   | 200,000   | 913,063   | 1,113,063 | 35,898  |          | 12/2 |
| Krum           | TX | 120,000   | 753,238   | 156,281 | None   | 120,000   | 909,519   | 1,029,519 | 35,122  |          | 12/2 |
| Lewisville     | TX | 448,000   | 832,667   | None    | None   | 448,000   | 832,667   | 1,280,667 | 312,248 |          | 8/2  |
| Lufkin         | TX | 128,842   | 239,585   | None    | None   | 128,842   | 239,585   | 368,427   | 105,817 |          | 12/2 |
| Lumberton      | TX | 111,146   | 206,720   | None    | None   | 111,146   | 206,720   | 317,866   | 91,301  |          | 12/2 |
| Porter         | TX | 227,067   | 333,031   | None    | None   | 227,067   | 333,031   | 560,098   | 291,402 |          | 2/9  |
| Sanger         | TX | 150,000   | 702,524   | 119,691 | None   | 150,000   | 822,215   | 972,215   | 32,132  |          | 12/2 |
| Santa Fe South | TX | 304,414   | 623,331   | None    | None   | 304,414   | 623,331   | 927,745   | 468,479 |          | 3/2  |
| Houston        | TX | 1,139,426 | 1,424,283 | None    | None   | 1,139,426 | 1,424,283 | 2,563,709 | 225,511 |          | 1/2  |
| Stafford       | TX | 214,024   | 423,733   | None    | 128    | 214,024   | 423,861   | 637,885   | 423,861 |          | 6/2  |

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|           |    |           |           |      |      |           |           |           |         |     |
|-----------|----|-----------|-----------|------|------|-----------|-----------|-----------|---------|-----|
| Temple    | TX | 302,505   | 291,414   | None | None | 302,505   | 291,414   | 593,919   | 254,987 | 2/9 |
| Texarkana | TX | 311,263   | 578,266   | None | None | 311,263   | 578,266   | 889,529   | 355,631 | 8/3 |
| Victoria  | TX | 1,062,212 | 1,327,765 | None | None | 1,062,212 | 1,327,765 | 2,389,977 | 210,230 | 1/2 |
| Victoria  | TX | 884,385   | 1,105,481 | None | None | 884,385   | 1,105,481 | 1,989,866 | 175,034 | 1/2 |

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REALTY INCOME CORPORATION AND SUBSIDIARIES

SCHEDULE III REAL ESTATE AND ACCUMULATED DEPRECIATION

AS OF DECEMBER 31, 2016

| Description<br>(Note 1) | Encumbrances<br>(Note 2) | Initial Cost to Company |  |              | Cost Capitalized<br>Subsequent<br>to Acquisition |           | Gross Amount at Which Carried<br>at Close of Period (Notes 3, 4, 6 and<br>7) |            |            | Accumulated<br>Depreciation<br>(Note 5) | Date<br>Constru |
|-------------------------|--------------------------|-------------------------|--|--------------|--|-----------|--|------------|------------|---|-----------------|
|                         |                          | Land                    | Buildings,<br>Improvements<br>and<br>Acquisition<br>Fees | Improvements | Costs  | Land      | Buildings,<br>Improvements<br>and<br>Acquisition<br>Fees                     | Total      |            |   |                 |
| Vidor                   | TX                       | 146,291                 | 271,990  | None         | None   | 146,291   | 271,990  | 418,281    | 120,129    |   |                 |
| Hampton                 | VA                       | 805,000                 | 1,495,800  | None         | None   | 805,000   | 1,495,800  | 2,300,800  | 560,923    |   |                 |
| Lynchburg               | VA                       | 308,824                 | 573,529  | None         | None   | 308,824   | 573,529  | 882,353    | 144,338    |   |                 |
| Spokane                 | WA                       | 479,531                 | 646,719  | None         | None   | 479,531   | 646,719  | 1,126,250  | 486,065    |   |                 |
| Vancouver               | WA                       | 1,302,457               | 1,628,071  | None         | None   | 1,302,457 | 1,628,071  | 2,930,528  | 257,778    |   |                 |
| Appleton                | WI                       | 340,126                 | 631,662  | None         | None   | 340,126   | 631,662  | 971,788    | 118,963    |   |                 |
| Beaver Dam              | WI                       | 230,000                 | 980,309  | None         | None   | 230,000   | 980,309  | 1,210,309  | 60,452     |   |                 |
| Grafton                 | WI                       | 149,778                 | 332,664  | None         | None   | 149,778   | 332,664  | 482,442    | 332,664    |   |                 |
| Green Bay               | WI                       | 308,131                 | 572,756  | None         | None   | 308,131   | 572,756  | 880,887    | 251,058    |   |                 |
| Kenosha                 | WI                       | 140,000                 | 1,261,738  | None         | None   | 140,000   | 1,261,738  | 1,401,738  | 14,720     |   |                 |
| Oshkosh                 | WI                       | 385,870                 | 716,616  | None         | None   | 385,870   | 716,616  | 1,102,486  | 134,963    |   |                 |
| Pewaukee                | WI                       | 590,000                 | 1,125,653  | None         | None   | 590,000   | 1,125,653  | 1,715,653  | 13,133     |   |                 |
| Waukesha                | WI                       | 380,000                 | 1,430,547  | None         | None   | 380,000   | 1,430,547  | 1,810,547  | 16,690     |   |                 |
| Cody                    | WY                       | 740,000                 | 729,300  | None         | None   | 740,000   | 729,300  | 1,469,300  | 15,802     |   |                 |
| Sheridan                | WY                       | 680,000                 | 835,246  | None         | None   | 680,000   | 835,246  | 1,515,246  | 18,097     |   |                 |
| <u>Shoe stores</u>      |                          |                         |  |              |  |           |  |            |            |   |                 |
| Lebec                   | CA                       | 8,957,881               | 2,357,234  | 30,943,343   | None   | None      | 2,357,234  | 30,943,343 | 33,300,577 | 3,499,545                               |                 |
| Staten Island           | NY                       |                         | 3,190,883  | 3,413,933    | 128,082  | 207,431   | 3,190,883  | 3,749,446  | 6,940,329  | 2,312,875                               |                 |
| Brookville              | OH                       | 18,801,278              | 2,577,129  | 48,823,456   | None   | None      | 2,577,129  | 48,823,456 | 51,400,585 | 5,521,700                               |                 |
| McMinnville             | TN                       |                         | 703,355  | 1,432,903    | 29,784   | 7,275     | 703,355  | 1,469,962  | 2,173,317  | 551,548                                 |                 |
| <u>Sporting goods</u>   |                          |                         |  |              |  |           |  |            |            |   |                 |
| Anchorage               | AK                       | 1,486,000               | 5,045,244  | None         | 89   | 1,486,000 | 5,045,333  | 6,531,333  | 3,069,192  |   |                 |
| Tuscaloosa              | AL                       | 1,993,572               | 5,073,414  | None         | None   | 1,993,572 | 5,073,414  | 7,066,986  | 25,367     |   |                 |
| Mesa                    | AZ                       | 984,890                 | 1,536,269  | None         | None   | 984,890   | 1,536,269  | 2,521,159  | 606,808    |   |                 |
| Fresno                  | CA                       | 1,650,000               | 3,321,244  | 1,650,000    | 48,242   | 1,650,000 | 5,019,486  | 6,669,486  | 2,033,481  |   |                 |
| Gainesville             | FL                       | 1,296,000               | 2,234,554  | None         | 89   | 1,296,000 | 2,234,643  | 3,530,643  | 1,359,360  |   |                 |
| Jupiter                 | FL                       | 1,698,316               | 4,352,255  | 1,775        | 89   | 1,698,316 | 4,354,119  | 6,052,435  | 2,414,425  |   |                 |
| Melbourne               | FL                       | 994,000                 | 4,076,554  | None         | 253  | 994,000   | 4,076,807  | 5,070,807  | 2,479,917  |   |                 |
| Augusta                 | GA                       | 1,460,000               | 5,953,083  | None         | None   | 1,460,000 | 5,953,083  | 7,413,083  | 516,446    |   | 9/17/2          |
| Gainesville             | GA                       | 1,830,000               | 6,889,155  | None         | None   | 1,830,000 | 6,889,155  | 8,719,155  | 11,482     |   |                 |
| Pooler                  | GA                       | 1,339,957               | 1,831,350  | None         | None   | 1,339,957 | 1,831,350  | 3,171,307  | 784,093    |   |                 |
| Algonquin               | IL                       | 1,360,000               | 7,255,745  | None         | None   | 1,360,000 | 7,255,745  | 8,615,745  | 603,187    |   | 10/6/2          |
| Geneva                  | IL                       | 2,082,000               | 1,838,888  | 5,405        | 701  | 2,082,000 | 1,844,994  | 3,926,994  | 1,118,706  |   |                 |
| Marion                  | IL                       | -                       | 6,630,238  | None         | None   | -         | 6,630,238  | 6,630,238  | 276,305    |   | 5/7/20          |
| Avon                    | IN                       | 2,200,000               | 5,299,303  | 5,039        | None   | 2,200,000 | 5,304,342  | 7,504,342  | 547,658    |   | 4/8/20          |
| Greenwood               | IN                       | 1,490,000               | 5,241,516  | None         | None   | 1,490,000 | 5,241,516  | 6,731,516  | 585,303    |   |                 |
| Houma                   | LA                       | 1,598,298               | 4,493,174  | None         | None   | 1,598,298 | 4,493,174  | 6,091,472  | 142,284    |   |                 |
| Thibodaux               | LA                       | 1,560,000               | 8,840,000  | None         | None   | 1,560,000 | 8,840,000  | 10,400,000 | 14,733     |   |                 |
| Bowie                   | MD                       | 2,084,000               | 3,046,888  | None         | 89   | 2,084,000 | 3,046,977  | 5,130,977  | 1,853,528  |   |                 |
| Winston Salem           | NC                       | 2,390,000               | 3,416,323  | None         | None   | 2,390,000 | 3,416,323  | 5,806,323  | 506,755    |   |                 |
| Kearney                 | NE                       | 173,950                 | 344,393  | None         | None   | 173,950   | 344,393  | 518,343    | 344,393    |   |                 |



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|                |    |           |           |           |         |           |           |            |           |
|----------------|----|-----------|-----------|-----------|---------|-----------|-----------|------------|-----------|
| Glendale       | NY | 5,559,686 | 4,447,566 | None      | 89      | 5,559,686 | 4,447,655 | 10,007,341 | 2,142,255 |
| Huber Heights  | OH | 2,280,000 | 5,814,036 | None      | None    | 2,280,000 | 5,814,036 | 8,094,036  | 455,433   |
| Reynoldsburg   | OH | 850,000   | 2,770,492 | None      | None    | 850,000   | 2,770,492 | 3,620,492  | 281,667   |
| Owasso         | OK | 2,140,000 | 6,780,084 | None      | None    | 2,140,000 | 6,780,084 | 8,920,084  | 101,701   |
| Eugene         | OR | 720,000   | 7,434,760 | 49,978    | None    | 720,000   | 7,484,738 | 8,204,738  | 1,147,951 |
| Mechanicsburg  | PA | 2,101,415 | 3,902,912 | None      | None    | 2,101,415 | 3,902,912 | 6,004,327  | 2,361,261 |
| Columbia       | SC | 1,145,120 | 2,770,957 | None      | None    | 1,145,120 | 2,770,957 | 3,916,077  | 1,019,324 |
| Spartanburg    | SC | 1,234,815 | 3,111,921 | (428,405) | None    | 806,410   | 3,111,921 | 3,918,331  | 1,466,558 |
| Mt Juliet      | TN | 2,449,395 | 6,074,357 | None      | None    | 2,449,395 | 6,074,357 | 8,523,752  | 556,737   |
| El Paso        | TX | 700,000   | 2,501,244 | 1,955,473 | 103,256 | 700,000   | 4,559,973 | 5,259,973  | 1,530,549 |
| Houston        | TX | 1,140,982 | 4,253,818 | None      | None    | 1,140,982 | 4,253,818 | 5,394,800  | 276,498   |
| Huntsville     | TX | 580,000   | 5,720,000 | None      | None    | 580,000   | 5,720,000 | 6,300,000  | 524,333   |
| Port Arthur    | TX | 1,609,120 | 4,523,600 | None      | None    | 1,609,120 | 4,523,600 | 6,132,720  | 143,247   |
| San Antonio    | TX | 3,730,000 | 4,666,465 | None      | None    | 3,730,000 | 4,666,465 | 8,396,465  | 147,771   |
| Wichita Falls  | TX | 1,100,000 | 5,556,669 | None      | None    | 1,100,000 | 5,556,669 | 6,656,669  | 583,450   |
| Fredericksburg | VA | 1,941,000 | 2,979,888 | None      | 89      | 1,941,000 | 2,979,977 | 4,920,977  | 1,812,770 |

**Telecommunications**

|               |    |           |            |         |       |           |            |            |           |
|---------------|----|-----------|------------|---------|-------|-----------|------------|------------|-----------|
| Augusta       | GA | 2,720,359 | 11,128,077 | None    | 147   | 2,720,359 | 11,128,224 | 13,848,583 | 2,541,058 |
| Davenport     | IA | 270,000   | 930,689    | 54,520  | 1,008 | 270,000   | 986,217    | 1,256,217  | 694,603   |
| Harmans       | MD | 3,411,391 | 11,757,946 | 363,285 | None  | 3,411,391 | 12,121,231 | 15,532,622 | 1,412,879 |
| East Syracuse | NY | 8,987,700 | 15,816,613 | None    | None  | 880,000   | 15,816,613 | 16,696,613 | 1,223,905 |
| Portland      | OR | 1,246,233 | 7,900,429  | None    | None  | 1,246,233 | 7,900,429  | 9,146,662  | 58,200    |
| Salem         | OR | 1,721,686 | 9,387,216  | 2,750   | 58    | 1,721,686 | 9,390,024  | 11,111,710 | 2,082,282 |
| Brownsville   | TX | 1,740,479 | 11,570,294 | None    | 147   | 1,740,479 | 11,570,441 | 13,310,920 | 2,642,031 |

**Theaters**

|                   |    |           |            |           |      |           |            |            |           |
|-------------------|----|-----------|------------|-----------|------|-----------|------------|------------|-----------|
| Fairbanks         | AK | 2,586,879 | 9,575      | None      | None | 2,586,879 | 9,575      | 2,596,454  | 6,144     |
| Huntsville        | AL | 2,810,868 | 14,308     | None      | None | 2,810,868 | 14,308     | 2,825,176  | 9,181     |
| Chula Vista       | CA | 2,060,287 | 8,914,162  | None      | None | 2,060,287 | 8,914,162  | 10,974,449 | 1,916,545 |
| Norwalk           | CA | 2,466,208 | 18,293,125 | None      | None | 2,466,208 | 18,293,125 | 20,759,333 | 2,938,904 |
| Denver            | CO | 5,150,000 | 9,056,647  | 681,424   | None | 5,150,000 | 9,738,071  | 14,888,071 | 952,562   |
| Naples            | FL | 2,618,441 | 8,979,199  | None      | None | 2,618,441 | 8,979,199  | 11,597,640 | 5,851,425 |
| Austell           | GA | 2,497,504 | 10,148,237 | None      | None | 2,497,504 | 10,148,237 | 12,645,741 | 2,181,871 |
| Chamblee          | GA | 4,329,404 | 14,942     | None      | None | 4,329,404 | 14,942     | 4,344,346  | 9,399     |
| Morrow            | GA | 2,962,468 | 17,068,280 | 115,230   | None | 2,962,468 | 17,183,510 | 20,145,978 | 2,962,130 |
| Council Bluffs    | IA | 4,924,553 | 14,207,916 | None      | None | 4,924,553 | 14,207,916 | 19,132,469 | 4,376,259 |
| Dubuque           | IA | 3,185,053 | 5,915,983  | None      | None | 3,185,053 | 5,915,983  | 9,101,036  | 2,119,894 |
| Edwardsville      | IL | 4,270,500 | 9,070,885  | None      | None | 4,270,500 | 9,070,885  | 13,341,385 | 4,097,007 |
| Lake In The Hills | IL | 3,297,566 | 11,716,314 | None      | None | 3,297,566 | 11,716,314 | 15,013,880 | 4,445,129 |
| Marion            | IL | 832,500   | 3,499,885  | None      | None | 832,500   | 3,499,885  | 4,332,385  | 1,580,772 |
| Mattoon           | IL | 543,183   | 5,110,193  | None      | None | 543,183   | 5,110,193  | 5,653,376  | 2,308,094 |
| North Pekin       | IL | 1,575,231 | 9,183,100  | None      | None | 1,575,231 | 9,183,100  | 10,758,331 | 4,147,691 |
| Rockford          | IL | 4,270,500 | 16,675,954 | (1,779)   | None | 4,268,721 | 16,675,954 | 20,944,675 | 7,531,963 |
| Springfield       | IL | 3,151,838 | 10,404,452 | None      | None | 3,151,838 | 10,404,452 | 13,556,290 | 4,699,334 |
| Bloomington       | IN | 2,498,642 | 7,934,745  | None      | None | 2,498,642 | 7,934,745  | 10,433,387 | 3,583,850 |
| Columbus          | IN | 1,999,812 | 7,234,361  | None      | None | 1,999,812 | 7,234,361  | 9,234,173  | 3,267,510 |
| Indianapolis      | IN | 2,700,395 | 17,672,980 | 1,850,000 | None | 2,700,395 | 19,522,980 | 22,223,375 | 7,790,392 |
| Terre Haute       | IN | 1,249,321 | 9,835,885  | None      | None | 1,249,321 | 9,835,885  | 11,085,206 | 4,442,532 |
| Coon Rapids       | MN | 2,460,040 | 17,641,170 | None      | None | 2,460,040 | 17,641,170 | 20,101,210 | 7,004,323 |
| Inver Grove       | MN | 2,863,272 | 18,471,062 | None      | None | 2,863,272 | 18,471,062 | 21,334,334 | 7,149,272 |
| Poplar Bluff      | MO | 1,106,618 | 4,872,502  | None      | None | 1,106,618 | 4,872,502  | 5,979,120  | 2,200,737 |
| Rockaway          | NJ | 8,634,576 | 14,679,823 | None      | None | 8,634,576 | 14,679,823 | 23,314,399 | 5,900,420 |
| Binghamton        | NY | 2,700,000 | 5,570,505  | 47,777    | None | 2,700,000 | 5,618,282  | 8,318,282  | 2,548,841 |
| Henrietta         | NY | 2,152,546 | 8,953,645  | None      | None | 2,152,546 | 8,953,645  | 11,106,191 | 1,925,034 |
| Akron             | OH | 1,511,018 | 1,386      | None      | None | 1,511,018 | 1,386      | 1,512,404  | 889       |
| Beavercreek       | OH | 2,062,545 | 8,467,551  | 619,794   | None | 2,062,545 | 9,087,345  | 11,149,890 | 2,004,356 |
| Columbus          | OH | 2,103,351 | 5,161,550  | None      | None | 2,103,351 | 5,161,550  | 7,264,901  | 2,916,263 |
| Hillsboro         | OR | 4,915,032 | 16,377     | None      | 58   | 4,915,032 | 16,435     | 4,931,467  | 10,548    |
| Portland          | OR | 2,793,001 | 9,942      | None      | 58   | 2,793,001 | 10,000     | 2,803,001  | 6,419     |
| Spartanburg       | SC | 2,072,738 | 8,340,814  | 87,111    | None | 2,072,738 | 8,427,925  | 10,500,663 | 1,494,393 |
| Burleson          | TX | 2,280,000 | 7,418,374  | 417,731   | None | 2,280,000 | 7,836,105  | 10,116,105 | 1,188,326 |
| Laredo            | TX | 2,161,477 | 5,561,558  | None      | None | 2,161,477 | 5,561,558  | 7,723,035  | 2,253,987 |
| Live Oak          | TX | 2,910,035 | 12,674,850 | None      | None | 2,910,035 | 12,674,850 | 15,584,885 | 2,725,093 |
| Longview          | TX | 2,887,500 | 5,363,826  | None      | None | 2,887,500 | 5,363,826  | 8,251,326  | 2,369,023 |
| Lubbock           | TX | 1,642,533 | 6,984,372  | None      | None | 1,642,533 | 6,984,372  | 8,626,905  | 1,501,640 |
| Waco              | TX | 1,013,706 | 5,880,539  | None      | None | 1,013,706 | 5,880,539  | 6,894,245  | 2,401,220 |
| Glen Allen        | VA | 1,314,065 | 9,748,457  | None      | None | 1,314,065 | 9,748,457  | 11,062,522 | 6,352,708 |

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|            |    |           |           |      |      |           |           |            |           |
|------------|----|-----------|-----------|------|------|-----------|-----------|------------|-----------|
| Roanoke    | VA | 2,212,494 | 9,324,958 | None | None | 2,212,494 | 9,324,958 | 11,537,452 | 2,004,866 |
| Sterling   | VA | 4,546,305 | 33,325    | None | None | 4,546,305 | 33,325    | 4,579,630  | 20,823    |
| Marysville | WA | 1,988,142 | -         | None | None | 1,988,142 | -         | 1,988,142  | -         |

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REALTY INCOME CORPORATION AND SUBSIDIARIES

SCHEDULE III REAL ESTATE AND ACCUMULATED DEPRECIATION

AS OF DECEMBER 31, 2016

| Description                    | Encumbrances | Initial Cost to Company |   | Cost Capitalized          |          | Gross Amount at Which Carried            |   |            | Accumulated Depreciation |
|--------------------------------|--------------|-------------------------|---|---------------------------|----------|--|---|------------|--------------------------|
|                                |              | Land                    | Buildings, Improvements and Acquisition | Subsequent to Acquisition | Carrying | at Close of Period (Notes 3, 4, 6 and 7) | Buildings, Improvements and Acquisition | Total      |                          |
| (Note 1)                       | (Note 2)     | Land                    | Fees                                    | Improvements              | Costs    | Land                                     | Fees                                    | Total      | (Note 5)                 |
| Fitchburg                      | WI           | 5,540,553               | 13,924,709                              | None                      | None     | 5,540,553                                | 13,924,709                              | 19,465,262 | 3,802,5                  |
| <u>Transportation services</u> |              |                         |   |                           |          |  |   |            |                          |
| Phoenix West                   | AZ           | 4,106,903               | 23,819,301                              | None                      | None     | 4,106,903                                | 23,819,301                              | 27,926,204 | 2,693,8                  |
| Sacramento                     | CA           | 12,277,918              | 29,165,650                              | 17,616                    | None     | 12,277,918                               | 29,183,266                              | 41,461,184 | 3,301,6                  |
| Palmetto                       | FL           | 1,853,907               | 14,815,927                              | 12,345                    | None     | 1,853,907                                | 14,828,272                              | 16,682,179 | 2,420,1                  |
| Conley                         | GA           | 420,000                 | 780,000                                 | None                      | None     | 420,000                                  | 780,000                                 | 1,200,000  | 185,9                    |
| Chicago                        | IL           | 612,500                 | 1,137,500                               | None                      | None     | 612,500                                  | 1,137,500                               | 1,750,000  | 271,1                    |
| Grayslake                      | IL           | 5,044,195               | 26,218,048                              | 500                       | None     | 5,044,195                                | 26,218,548                              | 31,262,743 | 4,816,9                  |
| Evansville                     | IN           | 959,651                 | 4,053,122                               | None                      | None     | 959,651                                  | 4,053,122                               | 5,012,773  | 857,9                    |
| Zionsville                     | IN           | 2,450,000               | 29,831,530                              | 500                       | None     | 2,450,000                                | 29,832,030                              | 32,282,030 | 248,6                    |
| Dodge City                     | KS           | 244,811                 | 3,713,789                               | 8,765                     | None     | 244,811                                  | 3,722,554                               | 3,967,365  | 381,3                    |
| Hays                           | KS           | 171,304                 | 2,701,222                               | 10,568                    | None     | 171,304                                  | 2,711,790                               | 2,883,094  | 254,8                    |
| Wichita                        | KS           | 2,840,499               | 7,375,302                               | 1,000                     | None     | 2,840,499                                | 7,376,302                               | 10,216,801 | 1,709,1                  |
| Louisville                     | KY           | 472,500                 | 877,500                                 | None                      | None     | 472,500                                  | 877,500                                 | 1,350,000  | 209,1                    |
| Louisville                     | KY           | 5,732,055               | 30,841,995                              | None                      | None     | 5,732,055                                | 30,841,995                              | 36,574,050 | 3,488,0                  |
| Saint Rose                     | LA           | 3,147,428               | 8,283,048                               | 21,892                    | None     | 3,147,428                                | 8,304,940                               | 11,452,368 | 1,674,1                  |
| Baltimore                      | MD           | 1,740,080               | 4,580,068                               | None                      | None     | 1,740,080                                | 4,580,068                               | 6,320,148  | 2,458,6                  |
| Baltimore                      | MD           | 4,499,317               | 50,857,761                              | 36,500                    | None     | 4,499,317                                | 50,894,261                              | 55,393,578 | 5,553,3                  |
| Detroit                        | MI           | 280,000                 | 520,000                                 | None                      | None     | 280,000                                  | 520,000                                 | 800,000    | 123,9                    |
| Gibraltar                      | MI           | 245,000                 | 455,000                                 | None                      | None     | 245,000                                  | 455,000                                 | 700,000    | 108,4                    |
| Novi                           | MI           | 210,000                 | 677,324                                 | None                      | None     | 210,000                                  | 677,324                                 | 887,324    | 48,5                     |
| Saginaw                        | MI           | 219,564                 | 10,638,391                              | 10,464                    | None     | 219,564                                  | 10,648,855                              | 10,868,419 | 1,203,4                  |
| Saline                         | MI           | 1,275,995               | 17,421,877                              | 5,127                     | None     | 1,275,995                                | 17,427,004                              | 18,702,999 | 1,772,9                  |
| Rogers                         | MN           | 5,330,000               | 32,179,760                              | 500                       | None     | 5,330,000                                | 32,180,260                              | 37,510,260 | 498,0                    |
| Saint Cloud                    | MN           | 474,860                 | 4,309,642                               | 7,133                     | None     | 474,860                                  | 4,316,775                               | 4,791,635  | 487,6                    |
| Shakopee                       | MN           | 2,451,948               | 12,666,361                              | None                      | 98,424   | 2,451,948                                | 12,764,785                              | 15,216,733 | 2,300,3                  |
| Springfield                    | MO           | 2,669,300               | 19,440,332                              | 25,839                    | None     | 2,669,300                                | 19,466,171                              | 22,135,471 | 2,201,5                  |
| Petal                          | MS           | 315,000                 | 3,657,281                               | None                      | None     | 315,000                                  | 3,657,281                               | 3,972,281  | 366,5                    |
| Charlotte                      | NC           | 735,000                 | 1,365,000                               | None                      | None     | 735,000                                  | 1,365,000                               | 2,100,000  | 325,3                    |
| Grand Forks                    | ND           | 366,876                 | 4,515,374                               | 19,030                    | None     | 366,876                                  | 4,534,404                               | 4,901,280  | 379,9                    |
| Lincoln                        | NE           | 792,802                 | 9,619,413                               | 12,500                    | None     | 792,802                                  | 9,631,913                               | 10,424,715 | 964,5                    |
| West Lebanon                   | NH           | 996,755                 | 8,226,928                               | None                      | None     | 996,755                                  | 8,226,928                               | 9,223,683  | 913,4                    |
| Bronx                          | NY           | 11,959,584              | -                                       | 19,765,973                | 75,475   | -  | 19,841,448                              | 19,841,448 | 2,299,1                  |
| Rensselaer                     | NY           | 5,393,842               | 67,290,895                              | None                      | 142,250  | 5,393,842                                | 67,433,145                              | 72,826,987 | 7,029,9                  |
| Columbus                       | OH           | 245,000                 | 455,000                                 | None                      | None     | 245,000                                  | 455,000                                 | 700,000    | 108,4                    |
| North Canton                   | OH           | -                       | 10,641,063                              | None                      | None     | -  | 10,641,063                              | 10,641,063 | 1,203,4                  |
| Uniontown                      | OH           | 2,237,958               | 53,040,112                              | None                      | None     | 2,237,958                                | 53,040,112                              | 55,278,070 | 5,998,5                  |
| Vandalia                       | OH           | 719,985                 | 10,102,113                              | 8,352                     | None     | 719,985                                  | 10,110,465                              | 10,830,450 | 1,902,6                  |
| Walbridge                      | OH           | 210,000                 | 390,000                                 | None                      | None     | 210,000                                  | 390,000                                 | 600,000    | 92,9                     |
| Whitehall                      | OH           | 1,400,000               | 24,053,357                              | None                      | None     | 1,400,000                                | 24,053,357                              | 25,453,357 | 944,9                    |
| Coraopolis                     | PA           | 350,000                 | 650,000                                 | None                      | None     | 350,000                                  | 650,000                                 | 1,000,000  | 154,9                    |

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|               |    |            |           |            |         |      |           |            |            |         |
|---------------|----|------------|-----------|------------|---------|------|-----------|------------|------------|---------|
| Franklin      | PA |            | 405,243   | 4,797,771  | 22,294  | None | 405,243   | 4,820,065  | 5,225,308  | 545,7   |
| Parker        | PA |            | 210,000   | 390,000    | None    | None | 210,000   | 390,000    | 600,000    | 92,9    |
| Snow Shoe     | PA |            | 591,101   | 12,994,366 | None    | None | 591,101   | 12,994,366 | 13,585,467 | 1,469,6 |
| Sioux Falls   | SD | 1,580,577  | 416,023   | 3,775,664  | None    | None | 416,023   | 3,775,664  | 4,191,687  | 424,4   |
| Chattanooga   | TN |            | 2,024,239 | 8,974,591  | 11,169  | None | 2,024,239 | 8,985,760  | 11,009,999 | 2,079,7 |
| Memphis       | TN |            | 3,570,000 | 16,398,303 | 202,533 | None | 3,570,000 | 16,600,836 | 20,170,836 | 1,861,3 |
| Mt Juliet     | TN | 16,740,328 | 3,290,000 | 24,709,876 | None    | None | 3,290,000 | 24,709,876 | 27,999,876 | 558,9   |
| Freepoint     | TX |            | 245,000   | 455,000    | None    | None | 245,000   | 455,000    | 700,000    | 108,4   |
| Houston       | TX |            | 5,802,459 | 45,111,656 | None    | None | 5,802,459 | 45,111,656 | 50,914,115 | 5,101,9 |
| Houston       | TX | 9,187,363  | 3,140,000 | 11,319,877 | None    | None | 3,140,000 | 11,319,877 | 14,459,877 | 957,4   |
| Houston       | TX | 12,427,637 | 3,910,000 | 16,504,232 | None    | None | 3,910,000 | 16,504,232 | 20,414,232 | 1,395,8 |
| La Porte      | TX |            | 875,000   | 1,625,000  | None    | None | 875,000   | 1,625,000  | 2,500,000  | 387,2   |
| Missouri City | TX |            | 5,360,000 | 27,203,138 | None    | None | 5,360,000 | 27,203,138 | 32,563,138 | 421,0   |
| Sherman       | TX |            | 439,127   | 9,850,580  | None    | None | 439,127   | 9,850,580  | 10,289,707 | 1,114,0 |
| Vineyard      | UT |            | 1,732,107 | 7,525,979  | None    | None | 1,732,107 | 7,525,979  | 9,258,086  | 1,358,2 |
| Spokane       |    |            |           |            |         |      |           |            |            |         |
| Valley        | WA |            | 805,923   | 13,715,732 | None    | 12   | 805,923   | 13,715,744 | 14,521,667 | 1,132,2 |
| Beaver        | WV |            | 497,198   | 6,060,449  | 13,245  | None | 497,198   | 6,073,694  | 6,570,892  | 610,5   |
| Charleston    | WV |            | 2,251,894 | 6,527,770  | None    | None | 2,251,894 | 6,527,770  | 8,779,664  | 603,7   |

Wholesale clubs

|                  |    |            |            |            |       |      |            |            |            |         |
|------------------|----|------------|------------|------------|-------|------|------------|------------|------------|---------|
| Colorado Springs | CO |            | 3,540,000  | 6,206,964  | 1,500 | 294  | 3,540,000  | 6,208,758  | 9,748,758  | 879,8   |
| Derby            | CT |            | 5,699,931  | 10,584,586 | 1,000 | None | 5,699,931  | 10,585,586 | 16,285,517 | 1,817,4 |
| Waterford        | CT |            | 11,841,797 | 21,990,910 | 1,000 | None | 11,841,797 | 21,991,910 | 33,833,707 | 3,775,5 |
| Sanford          | FL |            | 5,788,032  | 10,748,203 | 1,000 | None | 5,788,032  | 10,749,203 | 16,537,235 | 1,845,5 |
| Augusta          | GA |            | 4,673,148  | 9,903,758  | 2,072 | None | 4,673,148  | 9,905,830  | 14,578,978 | 1,568,9 |
| Louisville       | KY |            | 2,760,000  | 4,164,146  | 1,500 | None | 2,760,000  | 4,165,646  | 6,925,646  | 590,4   |
| Kenner           | LA |            | 2,570,000  | 6,294,719  | 1,500 | None | 2,570,000  | 6,296,219  | 8,866,219  | 892,2   |
| Abingdon         | MD |            | 8,965,840  | 16,649,846 | 1,000 | None | 8,965,840  | 16,650,846 | 25,616,686 | 2,858,6 |
| Capitol Heights  | MD | 17,820,000 | 2,900,000  | 19,570,396 | 1,000 | None | 2,900,000  | 19,571,396 | 22,471,396 | 2,120,4 |
| Columbia         | MD |            | 10,208,201 | 18,958,088 | None  | None | 10,208,201 | 18,958,088 | 29,166,289 | 4,012,7 |
| Nashua           | NH |            | 7,204,581  | 13,379,935 | None  | None | 7,204,581  | 13,379,935 | 20,584,516 | 2,832,0 |
| Clay             | NY |            | 6,902,476  | 12,817,384 | 1,500 | None | 6,902,476  | 12,818,884 | 19,721,360 | 2,200,9 |
| Freeport         | NY |            | 13,122,718 | 24,369,763 | 1,000 | None | 13,122,718 | 24,370,763 | 37,493,481 | 5,158,7 |
| Yorktown Heights | NY |            | 11,225,391 | 20,847,154 | None  | None | 11,225,391 | 20,847,154 | 32,072,545 | 4,412,6 |
| Oklahoma City    | OK |            | 3,130,000  | 6,607,526  | 1,500 | None | 3,130,000  | 6,609,026  | 9,739,026  | 936,5   |
| Tulsa            | OK |            | 3,100,000  | 6,280,893  | 1,500 | None | 3,100,000  | 6,282,393  | 9,382,393  | 890,3   |
| Conshohocken     | PA |            | 7,231,557  | 13,430,034 | None  | None | 7,231,557  | 13,430,034 | 20,661,591 | 2,842,6 |
| Stroudsburg      | PA |            | 5,192,837  | 9,642,340  | 1,500 | None | 5,192,837  | 9,643,840  | 14,836,677 | 1,655,9 |
| York             | PA |            | 5,433,864  | 10,090,462 | 1,000 | None | 5,433,864  | 10,091,462 | 15,525,326 | 1,732,6 |
| Memphis          | TN |            | 4,810,000  | 4,880,207  | None  | None | 4,810,000  | 4,880,207  | 9,690,207  | 691,3   |
| Nashville        | TN |            | 3,750,000  | 6,190,754  | 1,500 | None | 3,750,000  | 6,192,254  | 9,942,254  | 877,5   |
| Amarillo         | TX |            | 1,190,000  | 5,820,158  | 1,000 | None | 1,190,000  | 5,821,158  | 7,011,158  | 824,8   |
| El Paso          | TX |            | 2,720,000  | 6,293,142  | 1,000 | None | 2,720,000  | 6,294,142  | 9,014,142  | 891,8   |
| Houston          | TX |            | 3,410,000  | 5,759,623  | 1,500 | None | 3,410,000  | 5,761,123  | 9,171,123  | 816,4   |
| Jersey Village   | TX |            | 3,370,000  | 5,865,635  | 1,500 | None | 3,370,000  | 5,867,135  | 9,237,135  | 831,4   |
| Plano            | TX |            | 6,750,000  | 7,580,624  | 1,000 | None | 6,750,000  | 7,581,624  | 14,331,624 | 1,074,2 |
| San Antonio      | TX |            | 3,660,000  | 5,213,163  | 1,500 | None | 3,660,000  | 5,214,663  | 8,874,663  | 739,0   |
| San Antonio      | TX |            | 3,830,000  | 5,019,869  | 1,500 | None | 3,830,000  | 5,021,369  | 8,851,369  | 711,6   |
| Tyler            | TX |            | 1,940,000  | 4,638,872  | 1,500 | None | 1,940,000  | 4,640,372  | 6,580,372  | 657,6   |
| Waco             | TX |            | 2,000,000  | 4,262,780  | 1,500 | None | 2,000,000  | 4,264,280  | 6,264,280  | 604,4   |
| Mechanicsville   | VA |            | 5,650,222  | 10,493,270 | None  | None | 5,650,222  | 10,493,270 | 16,143,492 | 1,801,3 |
| Woodbridge       | VA |            | 5,659,285  | 10,509,101 | 1,000 | None | 5,659,285  | 10,510,101 | 16,169,386 | 2,224,9 |

|                 |    |  |            |            |             |        |            |            |            |         |
|-----------------|----|--|------------|------------|-------------|--------|------------|------------|------------|---------|
| San Diego       | CA |  | 5,699,757  | 22,539,067 | 513,362     | 24     | 5,699,757  | 23,052,453 | 28,752,210 | 1,869,6 |
| San Diego       | CA |  | 5,810,243  | 15,603,737 | 1,221,722   | 42,000 | 5,810,243  | 16,867,459 | 22,677,702 | 1,530,5 |
| Venice          | FL |  | 259,686    | 362,562    | 59,435      | 154    | 259,686    | 422,151    | 681,837    | 310,8   |
| Wichita         | KS |  | 289,714    | 797,856    | 10,910      | 16,580 | 289,714    | 825,346    | 1,115,060  | 601,2   |
| Jackson         | MS |  | 405,360    | 656,296    | (124,313)   | None   | 405,360    | 531,983    | 937,343    | 541,2   |
| Meridian        | MS |  | 181,156    | 515,598    | 131,997     | 602    | 181,156    | 648,197    | 829,353    | 509,7   |
| Clementon       | NJ |  | 279,851    | 554,060    | 78,768      | 11,821 | 279,851    | 644,649    | 924,500    | 573,2   |
| Watertown       | NY |  | 139,199    | -          | None        | None   | 139,199    | -          | 139,199    | -       |
| Virginia Beach  | VA |  | 551,588    | 797,260    | 60,210      | 22     | 551,588    | 857,492    | 1,409,080  | 622,5   |
| Tacoma          | WA |  | 198,857    | -          | None        | None   | 198,857    | -          | 198,857    | -       |
| Crest Net Lease |    |  | 10,925,364 | 25,144,827 | (2,062,608) | 17,352 | 10,925,365 | 23,099,570 | 34,024,935 | 331,7   |

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460,008,250 3,772,301,244 10,089,891,405 35,535,952 6,790,835 3,769,123,272 10,135,396,164 13,904,519,436 2,000,728,5

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### REALTY INCOME CORPORATION AND SUBSIDIARIES

#### SCHEDULE III REAL ESTATE AND ACCUMULATED DEPRECIATION

Note Realty Income Corporation owns 4,888 single-tenant properties and one corporate headquarters property. Crest Net Lease, Inc. owns 32 properties.

1.

Realty Income Corporation also owns 24 multi-tenant properties located in each of the following cities: El Cajon, CA; Elk Grove, CA; Hanford, CA; San Diego, CA; Danbury, CT; Brandon, FL; Casselberry, FL; Cutler Bay, FL; Deerfield Beach, FL; Columbus, GA; Valdosta, GA; Davenport, IA; Waterloo, IA; Columbia, MD; Fair Grove, MO; Columbus, OH; Edmond, OK; Jackson, TN; Memphis, TN; Cedar Park, TX; Dallas, TX; Fort Worth, TX; The Colony, TX and Virginia Beach, VA.

Note Includes mortgages payable secured by 127 properties, but

2. excludes unamortized net debt premiums of \$6.4 million.

Note The aggregate cost for federal income tax purposes for Realty

3. Income Corporation is \$13,583,863,859 and for Crest Net Lease, Inc. is \$38,063,019.

Note The following is a reconciliation of total real estate carrying value

4. for the years ended December 31:

|   | 2016                  | 2015                  | 2014                  |
|---|-----------------------|-----------------------|-----------------------|
| Balance at Beginning of Period  | 12,310,846,785        | 11,172,348,415        | 9,918,069,735         |
| <b>Additions During Period:</b>   |                       |                       |                       |
| Acquisitions  | 1,857,783,837         | 1,279,388,017         | 1,463,440,724         |
| Less amounts allocated to acquired lease intangible assets and liabilities on our Consolidated Balance Sheets | (139,341,205)         | (63,808,207)          | (126,550,939)         |
| Equipment   | 0                     | 0                     | 0                     |
| Improvements, Etc.  | 16,405,486            | 10,803,029            | 5,210,401             |
| Other (Leasing Costs and Building Adjustments as a result of net debt premiums)                               | 1,495,439             | 748,126               | 523,907               |
| <b>Total Additions</b>  | <b>1,736,343,557</b>  | <b>1,227,130,965</b>  | <b>1,342,624,093</b>  |
| <b>Deductions During Period:</b>  |                       |                       |                       |
| Cost of Real Estate sold or disposed of   | 118,792,948           | 76,659,381            | 83,059,172            |
| Cost of Equipment sold  | 0                     | 0                     | 0                     |
| Releasing costs   | 418,772               | 592,815               | 732,130               |
| Other (including Provisions for Impairment)   | 23,459,186            | 11,380,399            | 4,554,113             |
| <b>Total Deductions</b>   | <b>142,670,906</b>    | <b>88,632,595</b>     | <b>88,345,414</b>     |
| <b>Balance at Close of Period</b>   | <b>13,904,519,436</b> | <b>12,310,846,785</b> | <b>11,172,348,415</b> |

Note The following is a reconciliation of accumulated depreciation for

5. the years ended:

|   |                      |                      |                      |
|---|----------------------|----------------------|----------------------|
| Balance at Beginning of Period  | 1,691,963,148        | 1,390,808,700        | 1,121,460,394        |
| Additions During Period - Provision for Depreciation                      | 355,030,226          | 320,512,807          | 290,551,867          |
| <b>Deductions During Period:</b>  |                      |                      |                      |
| Accumulated depreciation of real estate and equipment sold or disposed of | 46,264,857           | 19,358,359           | 21,203,561           |
| <b>Balance at Close of Period</b>   | <b>2,000,728,517</b> | <b>1,691,963,148</b> | <b>1,390,808,700</b> |

Note In 2016, provisions for impairment were recorded on forty Realty

6. Income properties.

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In 2015, provisions for impairment were recorded on fifteen Realty Income properties.

In 2014, provisions for impairment were recorded on twelve Realty Income properties.

Note In accordance with Accounting Standards Codification 410, *Asset Retirement and Environmental Obligations*, we recorded in aggregate \$6,525 in 2016, 7. negative \$820,166 in 2015, and \$83,532 in 2014 to two buildings for the fair value of legal obligations to perform asset-retirement activities that are conditional on future events. These two properties are reported in the drug store industry and are located in Girard, PA and Slippery Rock, PA.

**See report of independent registered public accounting firm.**

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