

Spirit Realty Capital, Inc.  
Form 10-K  
February 27, 2015

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

FORM 10-K

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

For the fiscal year ended December 31, 2014

OR

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_  
Commission file number 001-36004

SPIRIT REALTY CAPITAL, INC.  
(Exact name of registrant as specified in its charter)

Maryland  
(State or other jurisdiction of  
incorporation or organization)  
16767 North Perimeter Drive, Suite 210, Scottsdale,  
Arizona 85260  
(Address of principal executive offices; zip code)

20-1676382  
(I.R.S. Employer  
Identification Number)  
(480) 606-0820  
(Registrant's telephone number, including area code)

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

|                                |                                       |
|--------------------------------|---------------------------------------|
| Title of each class:           | Name of exchange on which registered: |
| Common Stock, \$0.01 par value | New York Stock Exchange               |

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

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

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

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if  
any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§  
232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to  
submit and post such files). Yes  No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this  
chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or  
information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

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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.

Large accelerated filer  Accelerated filer   
Non-accelerated filer  (Do not check if smaller reporting company) Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes  No

As of June 30, 2014 (the last business day of the registrant's most recently completed second fiscal quarter), the aggregate market value of the Registrant's shares of common stock, \$0.01 par value, held by non-affiliates of the Registrant, was \$4.5 billion based on the last reported sale price of \$11.36 per share on the New York Stock Exchange on June 30, 2014.

The number of outstanding shares of the registrant's common stock, \$0.01 par value, as of February 20, 2015, was 411,290,766 shares.

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Documents Incorporated by Reference

Certain specific portions of the definitive Proxy Statement for Spirit Realty Capital, Inc.'s 2015 Annual Meeting of Stockholders to be filed pursuant to Regulation 14A are incorporated by reference into Part III, Items 10, 11, 12, 13 and 14 of this Annual Report on Form 10-K. Only those portions of the Proxy Statement which are specifically incorporated by reference herein shall constitute a part of this Annual Report on Form 10-K.

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## SPIRIT REALTY CAPITAL, INC.

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PART I

Unless context requires otherwise, references in this Annual Report on Form 10-K to the terms "registrant," the "Company," "Spirit," "Spirit Realty Capital," "we" or "us" refer to Spirit Realty Capital, Inc. and its consolidated subsidiaries.

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

Available Information

Spirit Realty Capital, Inc.'s principal executive offices are located at 16767 North Perimeter Dr., Suite 210, Scottsdale, Arizona 85260. Our telephone number at that location is 480-606-0820. We maintain an Internet Web site at [www.spiritrealty.com](http://www.spiritrealty.com). On the Investor Relations page on our Web site, we post the following filings as soon as reasonably practicable after they are electronically filed with or furnished to the U.S. Securities and Exchange Commission (the "SEC"): our Annual Report on Form 10-K, our Quarterly Reports on Form 10-Q, our Current Reports on Form 8-K, and the Section 16 filings of our directors and officers as well as any amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). All such filings on our Investor Relations page of our Web site are available to be viewed free of charge. Also available on our Web site, free of charge, are our corporate governance guidelines, the charters of the nominating and corporate governance, audit and compensation committees of our board of directors and our code of business conduct and ethics (which applies to all directors and employees, including our principal executive officer, principal financial officer and principal accounting officer).

Information contained on or hyperlinked from our Web site is not incorporated by reference into and should not be considered part of this Annual Report on Form 10-K or our other filings with the SEC. A copy of this Annual Report on Form 10-K is available without charge upon written request to: Investor Relations, Spirit Realty Capital, Inc., 16767 North Perimeter Dr., Suite 210, Scottsdale, Arizona 85260. All reports we file with the SEC are available free of charge on the SEC's Web site at [www.sec.gov](http://www.sec.gov). In addition, the public may read and copy materials we file with the SEC at the SEC's public reference room located at 100 F Street, N.E., Washington, D.C. 20549. Shares of our common stock are traded on the New York Stock Exchange ("NYSE") under the symbol "SRC."

Item 1. Business

The Company

Spirit Realty Capital, Inc., a Maryland Corporation, is a self-administered and self-managed real estate investment trust (“REIT”) that primarily invests in single-tenant, operationally essential real estate throughout the United States that is leased on a long-term, triple-net basis to tenants operating within retail, office and industrial property types.

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As of December 31, 2014, our undepreciated gross investment in real estate and loans totaled approximately \$8.04 billion, representing investments in 2,509 properties, including properties securing our mortgage loans. Of this amount, 98.6% consisted of our gross investment in real estate, representing ownership of 2,364 properties, and the remaining 1.4% consisted primarily of commercial mortgage loans receivable secured by 145 real properties.

As of December 31, 2014, our owned properties were approximately 98.4% occupied (based on number of properties), and our leases had a weighted average non-cancelable remaining lease term (based on rental revenue) of approximately 10.8 years. Our leases are generally long-term, typically with non-cancelable initial terms of 15 to 20 years and tenant renewal options for additional terms. As of December 31, 2014, approximately 89% of our single-tenant leases (based on rental revenue) provided for increases in future annual base rent. See Item 2. "Properties - Our Real Estate Investment Portfolio" for further information on our properties and tenants.

Our operations are carried out through an operating partnership, Spirit Realty, L.P. (the "Operating Partnership"). Spirit General OP Holdings, LLC, one of our wholly-owned subsidiaries, is the sole general partner and owns 1.0% of the Operating Partnership. Spirit Realty Capital and a wholly-owned subsidiary are the only limited partners and together own the remaining 99.0% of the Operating Partnership.

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

As of December 31, 2014, we had 73 employees, as compared to 59 employees as of December 31, 2013. None of these employees are represented by a labor union.

## History

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

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

## Business and Growth Strategies

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

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

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



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structuring and ongoing portfolio management. Small and middle market companies are often willing to enter into leases with structures and terms that we consider attractive (such as master leases and leases that require ongoing tenant financial reporting) and that we believe increase the security of rental payments. In addition to small and middle market companies, we selectively acquire properties leased to large companies where we believe that we can achieve superior risk-adjusted returns.

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

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

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

Use of the Master Lease Structure. Where appropriate, we seek to enter into master leases, pursuant to which we lease multiple properties to a single tenant on an “all or none” basis. In a master lease structure, a tenant is responsible for a single lease payment relating to the entire portfolio of leased properties, as opposed to multiple lease payments relating to individually leased properties. The master lease structure prevents a tenant from “cherry picking” locations, where it unilaterally gives up underperforming properties while maintaining its leasehold interest in well-performing properties. As of December 31, 2014, we had 105 active master leases with portfolios of leased properties ranging from 2 to 191 and a weighted average non-cancelable remaining lease term (based on rental revenues) of 13.6 years. Master lease revenues contributed approximately 45% of our rental revenues. One master lease, consisting of 112 properties, contributed 12.3% of our rental revenues, and our smallest master lease, consisting of 2 properties, contributed less than 1% of our rental revenues. As of December 31, 2014, the majority of our master leases include between two and eight properties.

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**Active Management and Monitoring of Risks Related to Our Investments.** When monitoring existing investments or evaluating new investments, we typically consider two broad categories of risk: (1) tenant financial distress risk; and (2) lease renewal risk. We seek to measure these risks through various processes, including the use of a credit modeling product that we license from Moody's Analytics that estimates the performance of the leased properties relative to rental payments due under the leases, and a review of current market data and our historical recovery rates on re-leased properties and property dispositions. Our underwriting and risk management processes are designed to structure new investments and manage existing investments to address and mitigate each of the above risks and preserve the long-term return on our invested capital. Since our inception, our occupancy has never been below 96.1% (based on number of properties), despite the economic downturn of 2008 through 2010.

**Portfolio Diversification.** We monitor and manage the diversification of our real estate investment portfolio in order to reduce the risks associated with adverse developments affecting a particular tenant, property, industry or region. Our strategy emphasizes a portfolio that (1) derives no more than 10% of its annual rent from any single tenant or more than 2.5% of its annual rent from any single property, (2) is leased to tenants operating in various industries and (3) is located across the United States without significant geographic concentration. While we consider the foregoing when making investments, we have made, and may make investments in the future that do not meet one or more of these criteria, and we may make additional investments that do not meet one or more of these criteria if we believe the opportunity is sufficiently attractive.

**Enhance Our Portfolio through Contractual Growth.** Approximately 89% of our single-tenant properties (based on rental revenue) contain contractual provisions that increase the rental revenue over the term of the lease. Generally, our rent escalators increase rent at specified dates by: (1) a fixed amount; or (2) the lesser of (a) 1 to 1.25 times any increase in the consumer price index ("CPI") over a specified period, or (b) a fixed percentage, typically 1% to 2% per year.

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

**Deleverage Our Portfolio.** A significant amount of our debt is partially amortizing, and its principal amount will be reduced prior to the balloon payments due at maturity. Contractual amortization payments are scheduled to reduce our outstanding principal amount of indebtedness by \$180.9 million prior to January 1, 2020. We may also selectively reduce our indebtedness using cash from operations in excess of our distributions or proceeds from equity offerings. We may also strategically replace or refinance certain indebtedness with proceeds from new borrowings that represent a lower cost of capital. We believe contractual rent growth, selective growth through acquisitions and the ongoing deleveraging of our portfolio will contribute to our cash available for distributions.

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

## Financing Strategy

Our long-term financing strategy is to maintain a leverage profile that creates operational flexibility and generates superior risk-adjusted returns for our stockholders. We intend to employ prudent amounts of equity and debt financing as a means of providing additional funds for the acquisition of assets, to refinance existing debt or for general corporate purposes.

We finance our assets using a variety of methods and determine the amount of equity and debt financing to be used when acquiring an asset by evaluating terms available in the credit markets (such as interest rate, repayment provisions

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and maturity), our cost of equity capital and our assessment of the particular asset's risk. Historically, a significant portion of our debt has consisted of long-term borrowings secured by specific real estate assets or, more typically, pools of real estate assets.

We also utilize our asset-backed securitization platform to raise capital through the issuance of non-recourse net-lease mortgage notes collateralized by commercial real estate, net-leases and mortgage loans (the "Spirit Master Funding Program").

We anticipate that we will continue to use a number of different sources to finance our acquisitions and operations going forward, including cash from operations and dispositions of assets, issuance of debt securities (including from our Spirit Master Funding Program), funds available under the Credit Facility, private financings (such as bank credit facilities, which may or may not be secured by our assets), property-level mortgage debt, issuances of common or preferred equity or partnership interests in our Operating Partnership or any combination of these sources, to the extent available to us, or other sources that may become available from time to time. To the extent practicable, we expect to maintain a debt profile with manageable near-term maturities.

### Recent Developments

#### Financing Activities

##### Spirit Master Funding Program

In May 2014, we completed an offer to exchange the outstanding principal balance of three series of existing net-lease mortgage notes for three series of newly issued notes (the "Exchange Offer") in one of the two securitization trusts within our Spirit Master Funding Program. The revisions to this trust (Master Trust 2014), in connection with the issuance of the new notes, generally provide the Company more administrative flexibility as property manager and special servicer.

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

##### Convertible Notes and Equity Offerings

In May 2014, the Company completed registered offerings of \$402.5 million aggregate principal amount of 2.875% Convertible Senior Notes due 2019 and \$345.0 million aggregate principal amount 3.75% Convertible Senior Notes due 2021 (collectively the "Convertible Notes"). The Convertible Notes sold in the offering include \$52.5 million of the 2019 Notes and \$45.0 million of the 2021 Notes sold pursuant to the underwriters' option to purchase additional Convertible Notes (the "Convertible Notes Offering").

Concurrent with the Convertible Notes Offering in May 2014, we completed a registered offering of 26.45 million shares of our common stock, par value \$0.01 per share, including shares issued pursuant to the underwriters' option to purchase additional shares (the "Common Stock Offering").

Net proceeds of \$726.2 million from the Convertible Notes Offering and \$271.2 million from the concurrent Common Stock Offering were used to extinguish \$509.8 million of senior mortgage notes, \$488.7 million of which related to the Shopko defeasance discussed below, and redeem \$18.0 million of net-lease mortgage notes that were not tendered in connection with the Exchange Offer, repay all amounts drawn against the Credit Facility as of May 20, 2014, fund

future acquisitions and for general corporate purposes.

#### ATM Program

In April 2014, we commenced a continuous equity offering under which we may sell up to an aggregate \$350.0 million of shares of our common stock from time to time through broker-dealers in “at the market” offerings (the “ATM Program”). We may sell the shares in amounts and at times that we determine, but we have no obligation to sell any of the shares in the ATM Program. Through December 31, 2014, we have sold an aggregate total of 14.4 million shares, raising net proceeds of approximately \$163.8 million.

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

### Real Estate Portfolio Activities

#### Tenant Concentration

Specialty Retail Shops Holding Corp. ("Shopko") is our most significant tenant, representing 14.0% of our total revenue as of December 31, 2014. Shopko leases 181 properties under three separate master leases and two properties under individual leases with four indirect wholly-owned subsidiaries of ours. We took a number of steps during 2014 designed to permit us to reduce the tenant concentration of Shopko assets which, combined with growth in our overall portfolio, should help us execute our portfolio diversification strategy over time.

In June 2014, we released 112 Shopko properties (relating to a single master lease) from the security liens under a master loan agreement through the defeasance of an aggregate loan principal balance of approximately \$488.7 million.

In December 2014, we amended the aforementioned master lease concerning 112 properties to permit us to sell properties or sub-portfolios leased thereunder, as well as extend the weighted average lease term by approximately five years to 15.9 years.

As of December 31, 2014, no other tenant exceeded 4% of our total revenues, and no one single property contributed more than 1.6% of our total rental revenue. See Item 2. "Properties - Our Real Estate Investment Portfolio" for further information on our ten largest tenants and the composition of our tenant base.

#### Acquisition and Dispositions

During the year ended December 31, 2014, we purchased 361 properties, representing an aggregate gross investment of \$971.7 million, which includes \$3.1 million in revenue producing follow-on investments in existing properties. The properties acquired had a weighted average lease term of 15.7 years. During the same period, we sold 38 properties for \$121.2 million in gross sales proceeds. See Note 4 to our Consolidated Financial Statements included in this Annual Report on Form 10-K for additional discussion of the Company's investments.

#### Competition

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

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

Regulation

General

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

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### Americans With Disabilities Act

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

### Environmental Matters

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

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

Environmental laws also govern the presence, maintenance and removal of asbestos-containing materials (“ACM”). Federal regulations require building owners and those exercising control over a building’s management to identify and warn, through signs and labels, of potential hazards posed by workplace exposure to installed ACM in their building. The regulations also have employee training, record keeping and due diligence requirements pertaining to ACM. Significant fines can be assessed for violation of these regulations. As a result of these regulations, building owners and those exercising control over a building’s management may be subject to an increased risk of personal injury lawsuits by workers and others exposed to ACM. The regulations may affect the value of a building containing ACM in which we have invested. Federal, state and local laws and regulations also govern the removal, encapsulation, disturbance, handling and/or disposal of ACM when those materials are in poor condition or in the event of construction, remodeling, renovation or demolition of a building. These laws may impose liability for improper handling or a release into the environment of ACM and may provide for fines to, and for third parties to seek recovery from, owners or operators of real properties for personal injury or improper work exposure associated with ACM. When excessive moisture accumulates in buildings or on building materials, mold growth may occur, particularly if the moisture problem remains undiscovered or is not addressed over a period of time. Some molds may produce



airborne toxins or irritants. Indoor air quality issues can also stem from inadequate ventilation, chemical contamination from indoor or outdoor sources, and other biological contaminants such as pollen, viruses and bacteria. Indoor exposure to airborne toxins or irritants above certain levels can be alleged to cause a variety of adverse health effects and symptoms, including allergic or other reactions. As a result, the presence of significant mold or other airborne contaminants at any of our properties could require us to undertake a costly remediation program to contain or remove

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

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

**Insurance**

Our tenants are generally required to maintain liability and property insurance coverage for the properties they lease from us pursuant to triple-net leases. Pursuant to such leases, our tenants are required to name us (and any of our lenders that have a mortgage on the property leased by the tenant) as additional insureds on their liability policies and additional named insured and/or loss payee (or mortgagee, in the case of our lenders) on their property policies.

Tenants are required to maintain casualty coverage and most carry limits at 100% of replacement cost. Depending on the location of the property, losses of a catastrophic nature, such as those caused by earthquakes and floods, may be covered by insurance policies that are held by our tenant with limitations such as large deductibles or co-payments that a tenant may not be able to meet. In addition, losses of a catastrophic nature, such as those caused by wind/hail, hurricanes, terrorism or acts of war, may be uninsurable or not economically insurable. In the event there is damage to our properties that is not covered by insurance and such properties are subject to recourse indebtedness, we will continue to be liable for the indebtedness, even if these properties are irreparably damaged. See Item 1A. "Risk Factors-Risks Related to Our Business and Properties-Insurance on our properties may not adequately cover all losses and uninsured losses could materially and adversely affect us."

In addition to being a named insured on our tenants' liability policies, we separately maintain commercial general liability coverage with an aggregate limit of \$52,000,000. We also maintain full property coverage on all unleased properties and other property coverage as may be required by our lenders and which is not required to be carried by our tenants under our leases.

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### Item 1A. Risk Factors

#### Special Note Regarding Forward-Looking Statements

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

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

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

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

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

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

results.

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### Risks Related to Our Business and Properties

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

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

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

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

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

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

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

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

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

At any given time, our tenants may experience a downturn in their business that may weaken the operating results and financial condition of individual properties or of their business as whole. As a result, a tenant may delay lease commencement, decline to extend a lease upon its expiration, fail to make rental payments when due, become insolvent or declare bankruptcy. We depend on our tenants to operate the properties we own in a manner which

generates revenues sufficient to allow them to meet their obligations to us, including their obligations to pay rent, maintain certain insurance coverage and pay real estate taxes and maintain the properties in a manner so as not to jeopardize their operating licenses or regulatory status. The ability of our tenants to fulfill their obligations under our leases may depend, in part, upon the overall profitability of their operations. Cash flow generated by certain tenant businesses may not be sufficient for a tenant to meet its obligations to us. Although our occupied properties are

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generally operationally essential to our tenants, meaning the property is essential to the tenant's generation of sales and profits, this does not guarantee that a tenant's operations at a particular property will be successful or that the tenant will be able to meet all of its obligations to us. Our tenants' failure to successfully operate their businesses could materially and adversely affect us.

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

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

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

Currently, we lease 181 properties to Shopko, primarily pursuant to three master leases. The Shopko leases are guaranteed by Specialty Retail Shops Holding Corp., the parent company of Shopko. Revenues generated from Shopko represented 14.0% of our total revenues for the three months ended December 31, 2014. Because a significant portion of our revenues are derived from rental revenues received from Shopko, any default, breach or delay in the payment of rent by Shopko may materially and adversely affect us.

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

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

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

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

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

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

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



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

A substantial portion our properties are leased to unrated tenants whom we determine, through our internal underwriting and credit analysis, to be creditworthy. Many of our tenants are required to provide financial information, which includes balance sheet, income statement and cash flow statement data, on a quarterly and or annual basis, and approximately 50% of our lease investment portfolio require the tenant to provide property-level performance information, which includes income statement data on a quarterly and or annual basis. To assist in our determination of a tenant's credit quality, we license a product from Moody's Analytics that provides an estimated default frequency ("EDF") and a "shadow rating," and we evaluate a lease's property-level rent coverage ratio. An EDF is only an estimate of default probability based, in part, on assumptions incorporated into the product. A shadow rating does not constitute a published credit rating and lacks the extensive company participation that is typically involved when a rating agency publishes a rating; accordingly, a shadow rating may not be as indicative of creditworthiness as a rating published by Moody's Investment Services, Inc. ("Moody's"), Standard & Poor's ("S&P"), or another nationally recognized statistical rating organization. Our calculations of EDFs, shadow ratings and rent coverage ratios are based on financial information provided to us by our tenants and prospective tenants without independent verification on our part, and we must assume the appropriateness of estimates and judgments that were made by the party preparing the financial information. If our measurement of credit quality proves to be inaccurate, we may be subject to defaults, and investors may view our cash flows as less stable.

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

As of December 31, 2014, leases representing approximately 68.4% and 17.3% of our rental revenues were with tenants in the retail and restaurant industries, respectively. In the future, we may acquire additional retail and restaurant properties. Accordingly, decreases in the demand for retail and/or restaurant spaces adversely impact us. The market for retail and restaurant space has previously been, and could continue to be, adversely affected by weakness in the national, regional and local economies, the adverse financial condition of some large retail and restaurant companies, the ongoing consolidation in the retail and restaurant industries, the excess amount of retail and restaurant space in a number of markets and, in the case of the retail industry, increasing consumer purchases through catalogs or over the Internet. To the extent that these conditions continue, they are likely to negatively affect market rents for retail and restaurant space, which could materially and adversely affect us.

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

As of December 31, 2014, 12.0% of our portfolio (as a percentage of rent) was located in Texas, representing the highest concentration of our assets. Geographic concentration exposes us to greater economic or regulatory risks than if we owned a more geographically diverse portfolio. We are susceptible to adverse developments in the economic or regulatory environments of the geographic areas in which we concentrate (or in which we may develop a substantial concentration of assets in the future), such as business layoffs or downsizing, industry slowdowns, relocations of businesses, increases in real estate and other taxes or costs of complying with governmental regulations.

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

Our results of operations depend on our ability to continue to strategically lease space in our properties, including renewing expiring leases, leasing vacant space and re-leasing space in properties where leases expire, optimizing our tenant mix or leasing properties on more economically favorable terms. As of December 31, 2014, leases representing approximately 2.4% of our rental revenue will expire during 2015. As of December 31, 2014, 37 of our properties, representing approximately 1.6% of our total number of owned properties, were vacant. Current tenants may decline, or may not have the financial resources available, to renew current leases and we cannot assure you that leases that are

renewed will have terms that are as economically favorable to us as the expiring lease terms. If tenants do not renew the leases as they expire, we will have to find new tenants to lease our properties and there is no guarantee that we will be able to find new tenants or that our properties will be re-leased at rental rates equal to or above the current average rental rates or that substantial rent abatements, tenant improvement allowances, early termination rights, below-market renewal options or other lease incentive payments will not be offered to attract new

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tenants. We may experience significant costs in connection with renewing, leasing or re-leasing a significant number of our properties, which could materially and adversely affect us.

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

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

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

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

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

Property vacancies could result in significant capital expenditures and illiquidity.

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

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

We may continue to expand our operations through additional acquisitions and other strategic transactions, and modernize our information technology and management systems through new systems implementations, some of which may involve complex challenges. Our future success will depend, in part, upon our ability to manage our

expansion opportunities, integrate new operations into our existing business in an efficient and timely manner, successfully monitor our operations, costs and regulatory compliance, and develop and maintain other necessary systems, processes and internal controls. We cannot assure you that our expansion or acquisition opportunities will be successful, or that we will realize their expected operating efficiencies, cost savings, revenue enhancements, synergies or other benefits.

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

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

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

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

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

We rely on information systems across our operations and corporate functions, including finance and accounting, and depend on such systems to ensure payment of obligations, collection of cash, data warehousing to support analytics, and other various processes and procedures. Our ability to efficiently manage our business depends significantly on the reliability and capacity of these systems. The failure of these systems to operate effectively, maintenance problems, upgrading or transitioning to new platforms, or a breach in security of these systems could result in reduced efficiency in our operations and in the accuracy in our internal and external financial reporting. The remediation of such problems could result in significant unplanned expenditures.

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

The real estate investments made, and expected to be made, by us are relatively difficult to sell quickly. As a result, our ability to promptly sell one or more properties in our portfolio in response to changing economic, financial or

investment conditions is limited. Return of capital and realization of gains, if any, from an investment generally will occur upon disposition or refinancing of the underlying property. We may be unable to realize our investment objective by sale, other disposition or refinancing at attractive prices within any given period of time or may otherwise be unable

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to complete any exit strategy. In particular, these risks could arise from weakness in or even the lack of an established market for a property, changes in the financial condition or prospects of prospective purchasers, changes in national or international economic conditions and changes in laws, regulations or fiscal policies of the jurisdiction in which a property is located.

In addition, the Internal Revenue Code of 1986, as amended (the "Code") imposes restrictions on a REIT's ability to dispose of properties that are not applicable to other types of real estate companies. In particular, the tax laws applicable to REITs effectively require that we hold our properties for investment, rather than primarily for sale in the ordinary course of business, which may cause us to forgo or defer sales of properties that otherwise would be in our best interest. Therefore, we may not be able to vary our portfolio in response to economic or other conditions promptly or on favorable terms, which may materially and adversely affect us.

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

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

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

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

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

Foreclosure and other similar proceedings used to enforce payment of real estate loans are generally subject to principles of equity, which are designed to relieve the indebted party from the legal effect of that party's default. Foreclosure and other similar laws may limit our right to obtain a deficiency judgment against the defaulting party after a foreclosure or sale. The application of any of these principles may lead to a loss or delay in the payment on loans we hold, which in turn could reduce the amounts we have available to make distributions. Further, in the event we have to foreclose on a property, the amount we receive from the foreclosure sale of the property may be inadequate to fully pay the amounts owed to us by the borrower and our costs incurred to foreclose, repossess and sell the property which could materially and adversely affect us.

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

If we invest in mortgage loans, we will be at risk of defaults by the borrowers and, in addition, will be subject to interest rate risks. To the extent we incur delays in liquidating defaulted mortgage loans, we may not be able to obtain all amounts due to us under such loans. Further, we will not know whether the values of the properties securing the mortgage loans will remain at the levels existing on the dates of origination of those mortgage loans or the dates of



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our investment in the loans. If the values of the underlying properties decline, the value of the collateral securing our mortgage loans will also decline and if we were to foreclose on any of the properties securing the mortgage loans, we may not be able to sell or lease them for an amount equal to the unpaid amounts due to us under the mortgage loans. As a result, defaults on mortgage loans in which we invest may materially and adversely affect us.

Inflation may materially and adversely affect us and our tenants.

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

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

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

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

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

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

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

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

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

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

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

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

Historically, we have raised a significant amount of debt capital through our Spirit Master Funding Program and the commercial mortgage backed securities ("CMBS") market. We have generally used the proceeds from these financings to repay debt and fund real estate acquisitions. As of December 31, 2014, we had issued notes under our Spirit Master Funding Program in 8 different classes over five separate issuances with an aggregate outstanding principal balance of \$1.71 billion. Collectively these notes are referred to as the "Master Trust Notes" and had a weighted average maturity of 8.2 years, as of December 31, 2014. In addition, we had CMBS loans with an aggregate outstanding principal balance of \$1.9 billion and an average maturity of 3.1 years, as of December 31, 2014. Our obligations under these loans are generally secured by liens on certain of our properties. In the case of our Spirit Master Funding Program, subject to certain conditions, we may substitute real estate collateral within our two securitization trusts from time to time. No assurance can be given that the CMBS market will be available to us in the future, whether to refinance existing debt or to raise additional debt capital. Moreover, we view our ability to substitute collateral under our Spirit Master Funding Program favorably, and no assurance can be given that financing facilities offering similar flexibility will be available to us in the future.

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

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

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

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

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

Our continued success and our ability to manage anticipated future growth depend, in large part, upon the efforts of key personnel, particularly our Chief Executive Officer and Chairman of our board of directors, Thomas H. Nolan, Jr. and our Executive Vice President and Chief Investment Officer, Gregg A. Seibert, who have extensive market

knowledge and relationships and exercise substantial influence over our operational, financing, acquisition and disposition activity. Among the reasons that they are important to our success is that each has a national or regional industry reputation that attracts business and investment opportunities and assists us in negotiations with lenders, existing and potential tenants and industry personnel.

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Many of our other key executive personnel, particularly our senior managers, also have extensive experience and strong reputations in the real estate industry and have been instrumental in setting our strategic direction, operating our business, identifying, recruiting and training key personnel and arranging necessary financing. In particular, the extent and nature of the relationships that these individuals have developed with financial institutions and existing and prospective tenants is critically important to the success of our business. The loss of services of one or more members of our senior management team, or our inability to attract and retain highly qualified personnel, could adversely affect our business, diminish our investment opportunities and weaken our relationships with lenders, business partners, existing and prospective tenants and industry personnel, which could materially and adversely affect us.

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

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

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

Effective internal control over financial reporting and disclosure controls are necessary for us to provide reliable financial reports and effectively prevent fraud and to operate successfully as a public company. If we cannot provide reliable financial reports or prevent fraud, our reputation and operating results would be harmed. Beginning with our 2014 Annual Report on Form 10-K to be filed in 2015, we are required to perform system and process evaluation and testing of our internal control over financial reporting to allow management to report on, and our independent registered public accounting firm to attest to, the effectiveness of our internal control over financial reporting, as required by Section 404 of the Sarbanes-Oxley Act of 2002. Prior to this annual report, the audit of our consolidated financial statements by our independent registered public accounting firm has included a consideration of internal control over financial reporting as a basis of designing their audit procedures but not for the purpose of expressing an opinion (as will be required pursuant to Section 404 of the Sarbanes-Oxley Act of 2002) on the effectiveness of our internal control over financial reporting. As a result of material weaknesses or significant deficiencies that may be identified in our internal control over financial reporting, we may also identify certain deficiencies in some of our disclosure controls and procedures that we believe require remediation. If we or our independent registered public accounting firm discover weaknesses, we will make efforts to improve our internal control over financial reporting and disclosure controls. However, there is no assurance that we will be successful. Any failure to maintain effective controls or timely effect any necessary improvement of our internal control over financial reporting and disclosure controls could harm operating results or cause us to fail to meet our reporting obligations, which could affect the listing of our common stock on the NYSE. Ineffective internal control over financial reporting and disclosure controls could also cause investors to lose confidence in our reported financial information, which would likely have a negative effect on the per share trading price of our common stock.

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

In the ordinary course of business, we may become subject to litigation, including claims relating to our operations, security offerings and otherwise. Some of these claims may result in significant defense costs and potentially significant judgments against us, some of which are not, or cannot be, insured against. We generally intend to vigorously defend ourselves. However, we cannot be certain of the ultimate outcomes of any claims that may arise in the future. Resolution of these types of matters against us may result in our having to pay significant fines, judgments, or settlements, which, if uninsured, or if the fines, judgments, and settlements exceed insured levels, could adversely

impact our earnings and cash flows, thereby materially and adversely affecting us. Certain litigation or the resolution of certain litigation may affect the availability or cost of some of our insurance coverage, which could materially and adversely impact us, expose us to increased risks that would be uninsured, and materially and adversely impact our ability to attract directors and officers.

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

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

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

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

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

In addition, although our leases generally require our tenants to operate in compliance with all applicable laws and to indemnify us against any environmental liabilities arising from a tenant's activities on the property, we could be subject to strict liability by virtue of our ownership interest. We cannot be sure that our tenants will, or will be able to, satisfy their indemnification obligations, if any, under our leases. Furthermore, the discovery of environmental liabilities on any of our properties could lead to significant remediation costs or to other liabilities or obligations attributable to the tenant of that property, which may affect such tenant's ability to make payments to us, including rental payments and, where applicable, indemnification payments.

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

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



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Our properties may contain or develop harmful mold, which could lead to liability for adverse health effects and costs of remediation.

When excessive moisture accumulates in buildings or on building materials, mold growth may occur, particularly if the moisture problem remains undiscovered or is not addressed over a period of time. Some molds may produce airborne toxins or irritants. Concern about indoor exposure to mold has been increasing, as exposure to mold may cause a variety of adverse health effects and symptoms, including allergic or other reactions. As a result, should our tenants or their employees or customers be exposed to mold at any of our properties we could be required to undertake a costly remediation program to contain or remove the mold from the affected property. In addition, exposure to mold by our tenants or others could subject us to liability if property damage or health concerns arise. If we were to become subject to significant mold-related liabilities, we could be materially and adversely affected.

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

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

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

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

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

In addition, we are required to operate our properties in compliance with fire and safety regulations, building codes and other land use regulations, as they may be adopted by governmental agencies and bodies and become applicable to our properties. We may be required to make substantial capital expenditures to comply with those requirements and may be required to obtain approvals from various authorities with respect to our properties, including prior to acquiring a property or when undertaking renovations of any of our existing properties. There can be no assurance that existing laws and regulatory policies will not adversely affect us or the timing or cost of any future acquisitions or renovations, or that additional regulations will not be adopted that increase such delays or result in additional costs.

Additionally, failure to comply with any of these requirements could result in the imposition of fines by governmental authorities or awards of damages to private litigants. While we intend to only acquire properties that we believe are currently in substantial compliance with all regulatory requirements, these requirements may change and new

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requirements may be imposed which would require significant unanticipated expenditures by us and could materially and adversely affect us.

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

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

Changes in accounting standards may materially and adversely affect us.

From time to time the Financial Accounting Standards Board ("FASB"), and the SEC, who create and interpret appropriate accounting standards, may change the financial accounting and reporting standards or their interpretation and application of these standards that will govern the preparation of our financial statements. These changes could materially and adversely affect our reported financial condition and results of operations. In some cases, we could be required to apply a new or revised standard retroactively, resulting in restating prior period financial statements. Similarly, these changes could materially and adversely affect our tenants' reported financial condition or results of operations and affect their preferences regarding leasing real estate.

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

Additionally, the FASB is considering various changes to GAAP, some of which may be significant, as part of a joint effort with the IASB to converge accounting standards. In particular, FASB has proposed accounting rules that would require companies to capitalize all leases on their balance sheets by recognizing a lessee's rights and obligations. If the proposal is adopted in its current form, many companies that account for certain leases on an "off balance sheet" basis would be required to account for such leases "on balance sheet." This change would remove many of the differences in the way companies account for owned property and leased property, and could have a material effect on various

aspects of our tenants' businesses, including their credit quality and the factors they consider in deciding whether to own or lease properties. If the proposal is adopted in its current form, it could cause companies that lease properties to prefer shorter lease terms in an effort to reduce the leasing liability required to be recorded on the balance

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sheet. The proposal could also make lease renewal options less attractive, because, under certain circumstances, the rule would require a tenant to assume that a renewal right will be exercised and accrue a liability relating to the longer lease term.

In the future, we may choose to acquire properties or portfolios of properties through tax deferred contribution transactions, which could result in stockholder dilution and limit our ability to sell such assets.

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

**Risks Related to Our Indebtedness**

We have approximately \$4.42 billion principal balance of indebtedness outstanding, which may expose us to the risk of default under our debt obligations, limit our ability to obtain additional financing or affect the market price of our common stock or debt securities.

As of December 31, 2014, our total outstanding consolidated indebtedness was approximately \$4.42 billion principal balance, of which \$110.7 million (or approximately 2.5%) is variable-rate debt (we have entered into eleven amortizing interest rate swaps that effectively fixed the interest rates on substantially all of this variable-rate debt at approximately 4.55%), and we may incur significant additional debt to finance future investment activities. In addition, we have a secured revolving Credit Facility with a borrowing capacity of up to \$400.0 million, under which no amount was drawn as of December 31, 2014. Payments of principal and interest on borrowings may leave us with insufficient cash resources to meet our cash needs or make the distributions to our common stockholders necessary to maintain our REIT qualification. Our level of debt and the limitations imposed on us by our debt agreements could have significant adverse consequences, including the following:

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



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

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

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

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

Reductions in our available borrowing capacity or inability to obtain credit when required or when business conditions warrant could materially and adversely affect us.

Furthermore, if prevailing interest rates or other factors at the time of refinancing result in higher interest rates upon refinancing, then the interest expense relating to that refinanced indebtedness would increase. Higher interest rates on newly incurred debt may negatively impact us as well. If interest rates increase, our interest costs and overall costs of capital will increase, which could materially and adversely affect us. Total debt service for 2015 and 2016 are \$564.4 million and \$513.3 million, respectively.

Some of our financing arrangements involve balloon payment obligations.

Some of our financings require us to make a lump-sum or “balloon” payment at maturity. Our ability to make any balloon payment is uncertain and may depend on our ability to obtain additional financing or our ability to sell our properties. At the time the balloon payment is due, we may or may not be able to refinance the balloon payment on terms as favorable as the original loan or sell our properties at a price sufficient to make the balloon payment, if at all. If the balloon payment is refinanced at a higher rate, it will reduce or eliminate any income from our properties. Our inability to meet a balloon payment obligation, through refinancing or sale proceeds, or refinancing on less attractive terms could materially and adversely affect us. We have certain balloon maturities of \$840.0 million in 2017. If we are unable to refinance these maturities or otherwise retire the indebtedness by that time, we could be materially adversely affected, and could be forced to relinquish the related collateral.

The agreements governing our indebtedness contain restrictions and covenants which may limit our ability to enter into or obtain funding for certain transactions, operate our business or make distributions to our common stockholders. The agreements governing our indebtedness contain restrictions and covenants that limit or will limit our ability to operate our business. These covenants, as well as any additional covenants to which we may be subject in the future because of additional indebtedness, could cause us to forgo investment opportunities, reduce or eliminate distributions to our common stockholders or obtain financing that is more expensive than financing we could obtain if we were not subject to the covenants. In addition, the agreements may have cross default provisions, which provide that a default under one of our financing agreements would lead to a default on some or all of our debt financing agreements.

If an event of default occurs under certain of our CMBS loans, if the master tenants at the properties that secure the CMBS loans, fail to maintain certain EBITDAR ratios (earnings before interest, taxes, depreciation, amortization and rent) or if an uncured monetary default exists under the master leases, then a portion of or all of the cash which would otherwise be distributed to us may be restricted by the lenders and unavailable to us until the terms are cured or the debt refinanced. If the financial performance of the collateral for our indebtedness under our Spirit Master Funding Program fails to achieve certain financial performance criteria, cash from such collateral may be unavailable to us until the terms are cured or the debt refinanced. Such cash sweep triggering events have occurred previously and may be ongoing from time to time. The occurrence of these events limit the amount of cash available to us for use in our business and could limit or eliminate our ability to make distributions to our common stockholders.

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

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

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

### Risks Related to Our Organizational Structure

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

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

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

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

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

- “business combination” provisions that, subject to certain limitations, prohibit certain business combinations between us and an “interested stockholder” (defined generally as any person who beneficially owns 10% or more of the voting



power of our shares or of an affiliate of ours or an affiliate or associate of ours who was the beneficial owner, directly or indirectly, of 10% or more of the voting power of our then outstanding voting stock at any time within a two-year period immediately prior to the date in question) or any affiliate

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of an interested stockholder for five years after the most recent date on which the stockholder becomes an interested stockholder, and thereafter impose fair price and/or supermajority and stockholder voting requirements on these combinations; and

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

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

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

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

The employment agreements with certain members of our senior management team provide that if their employment with us terminates under certain circumstances (including in connection with a change in control of our company), we may be required to pay them significant amounts of severance compensation, including gross-ups for tax liabilities, thereby making it costly to terminate their employment. Furthermore, these provisions could delay or prevent a transaction or a change in control of our company that might involve a premium paid for shares of our common stock or otherwise be in the best interests of our stockholders.

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

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

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

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

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



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

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

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

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

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

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

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

The partnership agreement also provides that the general partner will not be liable to the Operating Partnership, its partners or any other person bound by the partnership agreement for monetary damages for losses sustained, liabilities incurred or benefits not derived by the Operating Partnership or any future limited partner, except for liability for the general partner's intentional harm or gross negligence. Moreover, the partnership agreement provides that the Operating Partnership is required to indemnify the general partner and its members, managers, managing members, officers, employees, agents and designees from and against any and all claims that relate to the operations of the Operating Partnership, except (1) if the act or omission of the person was material to the matter giving rise to the action and either was committed in bad faith or was the result of active or deliberate dishonesty, (2) for any

transaction for which the indemnified party received an improper personal benefit, in money, property or services or otherwise in violation or breach of any provision of the partnership agreement or (3) in the case of a criminal proceeding, if the indemnified person had reasonable cause to believe that the act or omission was unlawful.

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### Risks Related to Taxes and Our Status as a REIT

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

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

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

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

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

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

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

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



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Our ownership of taxable REIT subsidiaries is subject to certain restrictions, and we will be required to pay a 100% penalty tax on certain income or deductions if our transactions with our taxable REIT subsidiaries are not conducted on arm's length terms.

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

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

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

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

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

The IRS may take the position that specific sale-leaseback transactions that we treat as leases are not true leases for federal income tax purposes but are, instead, financing arrangements or loans. If a sale-leaseback transaction were so re-characterized, we might fail to satisfy the REIT asset tests, the income tests or distribution requirements and consequently lose our REIT status effective with the year of re-characterization unless we elect to make an additional distribution to maintain our REIT status. The primary risk relates to our loss of previously incurred depreciation expenses, which could affect the calculation of our REIT taxable income and could cause us to fail the REIT



distribution test that requires a REIT to distribute at least 90% of its REIT taxable income, determined without regard to the dividends paid deduction and excluding any net capital gain. In this circumstance, we may elect to distribute an additional dividend of the increased taxable income so as not to fail the REIT distribution test. This distribution would be paid to all

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stockholders at the time of declaration rather than the stockholders existing in the taxable year affected by the re-characterization.

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

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

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

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

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

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

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

### Item 1B. Unresolved Staff Comments

None.

### Item 2. Properties

#### Our Real Estate Investment Portfolio

As of December 31, 2014, our gross investment in real estate and loans totaled approximately \$8.04 billion, representing investments in 2,509 properties. Of this amount, 98.6% consisted of our gross investment in real estate,

representing ownership of 2,364 properties, and the remaining 1.4% consisted primarily of commercial mortgage loans receivable secured by 145 real properties. Over 85.5% of our leases (based on rental revenues) as of December 31, 2014 are

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triple-net, under which the tenant is typically responsible for all improvements and is contractually obligated to pay all property operating expenses, such as real estate taxes, insurance premiums and repair and maintenance costs. Due to the triple-net structure of our leases, we do not expect to incur significant capital expenditures relating to our triple-net leased properties, and the potential impact of inflation on our operating expenses is reduced.

**Property Portfolio Information**

Our diverse real estate portfolio at December 31, 2014 consisted of 2,364 owned properties:

- leased to 454 tenants;

- located in 49 states as well as in the U.S. Virgin Islands, with only 3 states each contributing more than 5% of our rental revenue;

- operating in 27 different industries;

- with an occupancy rate of 98.4%; and

- with a weighted average remaining lease term of 10.8 years.

The following tables present the diversity of our portfolio and are calculated based on percentage of contractual rental revenue or total revenue as noted.

**Diversification By Tenant**

The following table lists the top 10 tenants of our owned real estate properties as of December 31, 2014:

| Tenant <sup>(2)</sup>                         | Number of Properties | Total Square Footage (in thousands) | Percent of Total Revenue <sup>(1)</sup> |   |
|---|----------------------|-------------------------------------|---|---|
| Specialty Retail Shops Holding Corp. (Shopko) | 181                  | 13,502                              | 14.0                                    | % |
| Walgreen Company                              | 67                   | 969                                 | 3.7                                     |   |
| 84 Properties, LLC                            | 109                  | 4,118                               | 3.1                                     |   |
| Cajun Global, LLC (Church's Chicken)          | 201                  | 257                                 | 2.3                                     |   |
| Academy Sports + Outdoors                     | 8                    | 1,852                               | 2.0                                     |   |
| Alimentation Couche-Tard, Inc. (Circle K)     | 83                   | 251                                 | 2.0                                     |   |
| CVS Caremark                                  | 37                   | 413                                 | 1.6                                     |   |
| CarMax, Inc.                                  | 9                    | 368                                 | 1.4                                     |   |
| Carmike Cinemas, Inc.                         | 13                   | 625                                 | 1.3                                     |   |
| Rite Aid Corp                                 | 30                   | 357                                 | 1.3                                     |   |
| Other   | 1,626                | 34,249                              | 67.3                                    |   |
| Total   | 2,364                | 56,961                              | 100.0                                   | % |

<sup>(1)</sup> Total revenue for the quarter ended December 31, 2014.

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

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## Diversification By Industry

The following table sets forth information regarding the diversification of our owned real estate properties among different industries as of December 31, 2014:

| Industry                        | Number of Properties | Total Square Footage (in thousands) | Percent of Total Rent <sup>(1)</sup> |   |
|---------------------------------|----------------------|-------------------------------------|--------------------------------------|---|
| General Merchandise             | 228                  | 14,841                              | 15.9                                 | % |
| Restaurants - Casual Dining     | 389                  | 2,505                               | 9.8                                  |   |
| Restaurants - Quick Service     | 546                  | 1,473                               | 7.5                                  |   |
| Drug Stores / Pharmacies        | 134                  | 1,739                               | 6.8                                  |   |
| Convenience Stores / Car Washes | 210                  | 743                                 | 6.5                                  |   |
| Building Materials              | 177                  | 5,750                               | 5.6                                  |   |
| Movie Theatres                  | 44                   | 2,178                               | 5.1                                  |   |
| Medical / Other Office          | 98                   | 1,071                               | 3.9                                  |   |
| Distribution                    | 17                   | 4,077                               | 3.8                                  |   |
| Automotive Parts & Service      | 151                  | 1,280                               | 3.2                                  |   |
| Grocery                         | 49                   | 1,846                               | 3.1                                  |   |
| Apparel                         | 11                   | 2,261                               | 2.9                                  |   |
| Home Furnishings                | 31                   | 1,922                               | 2.6                                  |   |
| Health & Fitness                | 24                   | 933                                 | 2.5                                  |   |
| Education                       | 41                   | 1,054                               | 2.4                                  |   |
| Home Improvement                | 10                   | 1,492                               | 2.3                                  |   |
| Sporting Goods                  | 23                   | 1,223                               | 2.3                                  |   |
| Automotive Dealers              | 22                   | 657                                 | 2.3                                  |   |
| Entertainment                   | 10                   | 661                                 | 1.9                                  |   |
| Manufacturing                   | 27                   | 4,094                               | 1.7                                  |   |
| Specialty Retail                | 23                   | 870                                 | 1.7                                  |   |
| Consumer Electronics            | 16                   | 1,270                               | 1.5                                  |   |
| Pet Supplies & Service          | 5                    | 1,126                               | 1.0                                  |   |
| Office Supplies                 | 20                   | 546                                 | 1.0                                  |   |
| Financial Services              | 4                    | 422                                 | *                                    |   |
| Wholesale Clubs                 | 3                    | 355                                 | *                                    |   |
| Dollar Stores                   | 41                   | 449                                 | *                                    |   |
| Other                           | 10                   | 123                                 | *                                    |   |
| Total                           | 2,364                | 56,961                              | 100.0                                | % |

\* Less than 1%

<sup>(1)</sup> Total rental revenue for the month ended December 31, 2014 for properties owned at December 31, 2014.

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## Diversification By Asset Type

The following table sets forth information regarding the diversification of our owned real estate properties among different asset types as of December 31, 2014:

| Asset Type | Number of Properties | Total Square Footage (in thousands) | Percent of Total Rent <sup>(1)</sup> |   |
|------------|----------------------|-------------------------------------|--------------------------------------|---|
| Retail     | 2,170                | 43,426                              | 85.7                                 | % |
| Industrial | 80                   | 11,376                              | 8.2                                  |   |
| Office     | 114                  | 2,159                               | 6.1                                  |   |
| Total      | 2,364                | 56,961                              | 100.0                                | % |

<sup>(1)</sup> Total rental revenue for the month ended December 31, 2014 for properties owned at December 31, 2014.

## Diversification By Geography

The following table sets forth information regarding the geographic diversification of our owned real estate properties as of December 31, 2014:

| Location       | Number of Properties | Total Square Footage (in thousands) | Percent of Total Rent <sup>(1)</sup> |   |
|----------------|----------------------|-------------------------------------|--------------------------------------|---|
| Texas          | 270                  | 6,101                               | 12.0                                 | % |
| Illinois       | 126                  | 3,694                               | 6.7                                  |   |
| Wisconsin      | 63                   | 5,047                               | 5.5                                  |   |
| Georgia        | 167                  | 1,944                               | 4.9                                  |   |
| Florida        | 136                  | 2,195                               | 4.9                                  |   |
| Ohio           | 127                  | 2,144                               | 4.3                                  |   |
| California     | 49                   | 1,065                               | 3.5                                  |   |
| Missouri       | 74                   | 1,272                               | 3.0                                  |   |
| Minnesota      | 52                   | 1,704                               | 2.9                                  |   |
| Tennessee      | 118                  | 1,772                               | 2.9                                  |   |
| Indiana        | 80                   | 1,493                               | 2.8                                  |   |
| North Carolina | 66                   | 1,517                               | 2.7                                  |   |
| South Carolina | 47                   | 1,024                               | 2.7                                  |   |
| Michigan       | 82                   | 1,759                               | 2.6                                  |   |
| Alabama        | 103                  | 818                                 | 2.5                                  |   |
| Nebraska       | 21                   | 1,972                               | 2.4                                  |   |
| Pennsylvania   | 71                   | 1,657                               | 2.3                                  |   |
| Arizona        | 51                   | 799                                 | 2.2                                  |   |
| Kansas         | 40                   | 973                                 | 2.1                                  |   |
| Virginia       | 47                   | 1,546                               | 2.0                                  |   |
| Colorado       | 29                   | 774                                 | 1.6                                  |   |
| Utah           | 16                   | 1,494                               | 1.5                                  |   |
| Oklahoma       | 53                   | 536                                 | 1.5                                  |   |
| Idaho          | 17                   | 1,235                               | 1.5                                  |   |
| New York       | 45                   | 945                                 | 1.4                                  |   |
| Washington     | 22                   | 950                                 | 1.4                                  |   |
| Massachusetts  | 8                    | 1,390                               | 1.3                                  |   |
| Nevada         | 5                    | 1,039                               | 1.3                                  |   |



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| Location               | Number of Properties | Total Square Footage (in thousands) | Percent of Total Rent <sup>(1)</sup> |   |
|------------------------|----------------------|-------------------------------------|--------------------------------------|---|
| New Mexico             | 33                   | 330                                 | 1.2                                  |   |
| Iowa                   | 39                   | 732                                 | 1.2                                  |   |
| Kentucky               | 45                   | 952                                 | 1.2                                  |   |
| Oregon                 | 13                   | 364                                 | 1.0                                  |   |
| Mississippi            | 34                   | 410                                 | *                                    |   |
| Arkansas               | 35                   | 643                                 | *                                    |   |
| Louisiana              | 30                   | 315                                 | *                                    |   |
| New Hampshire          | 16                   | 852                                 | *                                    |   |
| South Dakota           | 11                   | 522                                 | *                                    |   |
| West Virginia          | 28                   | 568                                 | *                                    |   |
| Maryland               | 22                   | 409                                 | *                                    |   |
| New Jersey             | 13                   | 463                                 | *                                    |   |
| Montana                | 7                    | 512                                 | *                                    |   |
| North Dakota           | 5                    | 250                                 | *                                    |   |
| Maine                  | 26                   | 79                                  | *                                    |   |
| Rhode Island           | 4                    | 128                                 | *                                    |   |
| Connecticut            | 2                    | 171                                 | *                                    |   |
| Wyoming                | 9                    | 186                                 | *                                    |   |
| Delaware               | 3                    | 86                                  | *                                    |   |
| Vermont                | 2                    | 42                                  | *                                    |   |
| Virgin Islands         | 1                    | 38                                  | *                                    |   |
| Alaska                 | 1                    | 50                                  | *                                    |   |
| Total properties owned | 2,364                | 56,961                              | 100.0                                | % |

\* Less than 1%

<sup>(1)</sup> Total rental revenue for the month ended December 31, 2014 for properties owned at December 31, 2014.



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## Lease Expirations

The following table sets forth a summary schedule of expiration dates for leases in place as of December 31, 2014. As of December 31, 2014, the weighted average remaining non-cancelable initial term of our leases (based on total rent) was 10.8 years. The information set forth in the table assumes that tenants exercise no renewal options and or any early termination rights:

| Leases Expiring In:    | Number of Properties | Expiring Annual Rent (in thousands) <sup>(1)</sup> | Total Square Footage (in thousands) | Percent of Total Expiring Annual Rent |   |
|------------------------|----------------------|--|-------------------------------------|---------------------------------------|---|
| 2015                   | 47                   | \$14,194   | 2,439                               | 2.4                                   | % |
| 2016                   | 47                   | 22,746   | 2,390                               | 3.8                                   |   |
| 2017                   | 63                   | 19,515   | 2,021                               | 3.3                                   |   |
| 2018                   | 77                   | 24,271   | 2,141                               | 4.0                                   |   |
| 2019                   | 117                  | 22,900   | 2,376                               | 3.8                                   |   |
| 2020                   | 74                   | 25,957   | 1,685                               | 4.3                                   |   |
| 2021                   | 193                  | 43,345   | 4,839                               | 7.2                                   |   |
| 2022                   | 103                  | 25,163   | 1,997                               | 4.2                                   |   |
| 2023                   | 89                   | 34,832   | 3,274                               | 5.8                                   |   |
| 2024                   | 64                   | 18,795   | 874                                 | 3.1                                   |   |
| 2025 and thereafter    | 1,453                | 347,633  | 30,978                              | 58.1                                  |   |
| Vacant                 | 37                   | —  | 1,947                               | —                                     |   |
| Total owned properties | 2,364                | \$599,351  | 56,961                              | 100.0                                 | % |

<sup>(1)</sup> Total rental revenue for the month ended December 31, 2014 for properties owned at December 31, 2014 multiplied by twelve.

## Item 3. Legal Proceedings

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

In connection with the Merger, a putative class action and derivative lawsuit was filed in the Circuit Court for Baltimore City, Maryland on March 5, 2013 against and purportedly on behalf of the Company captioned Kendrick, et al. v. Spirit Realty Capital, Inc., et al. The complaint named as defendants Spirit, the members of the board of directors of Spirit, the Operating Partnership, Cole II and Cole Operating Partnership II, LP ("Cole Operating Partnership"), and alleged that the directors of Spirit breached their fiduciary duties by engaging in an unfair process leading to the merger agreement, failing to disclose sufficient material information for pre-merger Spirit stockholders to make an informed decision regarding whether or not to approve the Merger, agreeing to a merger agreement at an opportunistic and unfair price, allowing draconian and preclusive deal protection devices in the merger agreement, and engaging in self-interested and otherwise conflicted actions. The complaint alleged that the Operating Partnership, Cole II and the Cole Operating Partnership aided and abetted those breaches of fiduciary duty. The complaint sought a declaration that defendants had breached their fiduciary duties or aided and abetted such breaches and that the merger agreement was unenforceable, an order enjoining a vote on the transactions contemplated by the merger agreement, rescission of the transactions in the event they were consummated, imposition of a constructive trust, an award of fees and costs, including attorneys' and experts' fees and costs, and other relief.

On June 4, 2013, solely to avoid the costs, risks and uncertainties inherent in litigation, the named defendants signed a memorandum of understanding providing for the release and dismissal of all asserted claims (the "Stipulation of Settlement"). Under the Stipulation of Settlement filed with the court on January 22, 2014 and approved by the court on September 5, 2014, all asserted claims were dismissed with prejudice. The final terms of the settlement, as

approved by the court, did not have a material adverse effect on the Company's financial position or results of operations.

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## Item 4. Mine Safety Disclosure

None.

## PART II

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

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

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

|                | Price Per Share<br>of Common Stock <sup>(1)</sup> |        | Distributions<br>Declared <sup>(1)</sup> |
|----------------|---|--------|--|
|                | High  | Low    |  |
| 2014           |   |        |  |
| First quarter  | \$11.43   | \$9.83 | \$0.16625                                |
| Second quarter | 11.49   | 10.62  | 0.16625                                  |
| Third quarter  | 12.02   | 10.92  | 0.16625                                  |
| Fourth quarter | 12.02   | 11.06  | 0.17000                                  |
| Total          |   |        | \$0.66875                                |
| 2013           |   |        |  |
| First quarter  | \$10.78   | \$9.06 | \$0.16406                                |
| Second quarter | 12.11   | 8.94   | 0.16406                                  |
| Third quarter  | 10.05   | 8.53   | 0.16406                                  |
| Fourth quarter | 10.50   | 9.12   | 0.16625                                  |
| Total          |   |        | \$0.65843                                |

<sup>(1)</sup> Share price and distributions declared prior to July 17, 2013 have been adjusted for the Merger.

The closing sale price per share of our common stock on February 20, 2015, as reported by the NYSE, was \$12.47. As of February 20, 2015, there were approximately 3,800 stockholders of record of our common stock. Because many of our shares of common stock are held by brokers and other institutions on behalf of stockholders, we are unable to estimate the total number of stockholders represented by these record holders.

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

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

None.

## Issuer Purchases of Equity Securities

The Company did not repurchase equity securities during the fourth quarter of 2014.

## Equity Compensation Plan Information

Our equity compensation plan information required by this item will be included in the Proxy Statement to be filed relating to our 2015 Annual Meeting of Stockholders and is incorporated herein by reference.



## Performance Graph

The information below shall not be deemed to be “soliciting material” or to be “filed” with the SEC or subject to Regulation 14A or 14C, other than as provided in Item 201 of Regulation S-K, or to the liabilities of Section 18 of the Exchange Act, except to the extent we specifically request that such information be treated as soliciting material or specifically incorporate it by reference into a filing under the Securities Act of 1933, as amended or the Exchange Act.

The following graph shows our cumulative total stockholder return for the period beginning with the initial listing of our common stock on the NYSE on September 20, 2012 and ending on December 31, 2014, with stock prices retroactively adjusted for the 1.9048 merger exchange ratio ("Merger Exchange Ratio"). The graph assumes a \$100 investment in each of the indices on September 20, 2012 and the reinvestment of all dividends. Our stock price performance shown in the following graph is not indicative of future stock price performance.

The graph also shows the cumulative total returns of the S&P 500 Index and two industry peer groups. In order to provide a better comparison, we have replaced the Dow Jones REIT Index with the FTSE NAREIT US Equity REIT index for stockholder return purposes. The FTSE NAREIT US Equity REIT Index was chosen because we believe it provides a better comparison and benchmark against which to measure our stock performance. Applicable regulations require that both the new and old index be shown if the graph shows a different index from that used in the preceding year. We will not include the Dow Jones REIT Index in next year's performance graph.

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| Index:                      | Period Ended |            |           |            |           |            |
|-----------------------------|--------------|------------|-----------|------------|-----------|------------|
|                             | 9/20/2012    | 12/31/2012 | 6/30/2013 | 12/31/2013 | 6/30/2014 | 12/31/2014 |
| Spirit Realty Capital, Inc. | \$100        | \$121      | \$125     | \$136      | \$162     | \$175      |
| S&P 500                     | \$100        | \$98       | \$112     | \$130      | \$139     | \$148      |
| NAREIT US Equity REIT Index | \$100        | \$105      | \$112     | \$105      | \$121     | \$135      |
| Dow Jones REIT Index        | \$100        | \$102      | \$107     | \$104      | \$122     | \$134      |

Item 6. Selected Financial Data

The following tables set forth, on a historical basis, selected financial and operating data for the Company. The following data should be read in conjunction with our financial statements and notes thereto and Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in this Annual Report on Form 10-K.

Our historical consolidated balance sheet data as of December 31, 2014 and 2013 and consolidated operating data for the years ended December 31, 2014, 2013, and 2012 have been derived from our audited historical consolidated financial statements included elsewhere in this Annual Report on Form 10-K, and audited by Ernst & Young LLP. Our historical consolidated balance sheet data as of December 31, 2012, 2011 and 2010 and our consolidated operating data for the years ended December 31, 2011 and 2010 have been derived from our historical consolidated financial statements not included in this Annual Report on Form 10-K.

(Dollars in thousands, except share and per share data)

|  | Years Ended December 31, |                     |                |                |                |
|--|--------------------------|---------------------|----------------|----------------|----------------|
|  | 2014 <sup>(1)</sup>      | 2013 <sup>(1)</sup> | 2012           | 2011           | 2010           |
| <b>Operating Data:</b>   |                          |                     |                |                |                |
| <b>Revenues:</b>   |                          |                     |                |                |                |
| Rentals  | \$574,456                | \$404,402           | \$266,567      | \$255,672      | \$255,148      |
| Interest income on loans receivable  | 7,239                    | 5,928               | 5,696          | 6,772          | 9,572          |
| Earned income from direct financing leases   | 3,343                    | 1,572               | —              | —              | —              |
| Tenant reimbursement income  | 13,085                   | 5,637               | —              | —              | —              |
| Interest income and other  | 4,748                    | 1,928               | 852            | 786            | 14,473         |
| <b>Total revenues</b>  | <b>602,871</b>           | <b>419,467</b>      | <b>273,115</b> | <b>263,230</b> | <b>279,193</b> |
| <b>Expenses:</b>   |                          |                     |                |                |                |
| General and administrative   | 44,252                   | 35,146              | 36,252         | 27,854         | 19,575         |
| Litigation   | —                        | —                   | —              | —              | 22,282         |
| Finance restructuring charges  | 13,022                   | 717                 | —              | —              | —              |
| Merger costs   | —                        | 56,644              | —              | —              | —              |
| Property costs   | 23,383                   | 11,760              | 5,176          | 4,693          | 2,631          |
| Real estate acquisition costs  | 3,631                    | 1,718               | 1,054          | 553            | —              |
| Interest   | 220,070                  | 179,267             | 156,220        | 169,343        | 172,500        |
| Depreciation and amortization  | 247,966                  | 164,054             | 104,984        | 103,179        | 103,409        |
| Impairments (recoveries)   | 36,019                   | (185)               | 8,918          | 5,646          | 20,291         |
| <b>Total expenses</b>  | <b>588,343</b>           | <b>449,121</b>      | <b>312,604</b> | <b>311,268</b> | <b>340,688</b> |
| Income (loss) from continuing operations before other expense and income tax expense | 14,528                   | (29,654)            | (39,489)       | (48,038)       | (61,495)       |
| <b>Other (expense) income:</b>   |                          |                     |                |                |                |
| Loss on debt extinguishment  | (64,750)                 | (2,405)             | (32,522)       | —              | —              |
| Gain on debt repurchases   | —                        | —                   | —              | —              | 9,455          |
| Loss on sale of loans receivable   | —                        | —                   | —              | —              | (12,565)       |



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|   |             |             |            |             |             |   |
|---|-------------|-------------|------------|-------------|-------------|---|
| Total other expense   | (64,750     | ) (2,405    | ) (32,522  | ) —         | (3,110      | ) |
| Loss from continuing operations before income tax expense                         | (50,222     | ) (32,059   | ) (72,011  | ) (48,038   | ) (64,605   | ) |
| Income tax expense (benefit)  | 673         | 1,113       | 504        | (60         | ) 239       | ) |
| Loss from continuing operations   | (50,895     | ) (33,172   | ) (72,515  | ) (47,978   | ) (64,844   | ) |
| Discontinued operations: <sup>(2)</sup>   |             |             |            |             |             |   |
| Income (loss) from discontinued operations  | 3,368       | (2,077      | ) (369     | ) (13,149   | ) (21,302   | ) |
| Gain (loss) on dispositions of assets   | 488         | 36,926      | (3,349     | ) (2,736    | ) (391      | ) |
| Income (loss) from discontinued operations  | 3,856       | 34,849      | (3,718     | ) (15,885   | ) (21,693   | ) |
| (Loss) income before dispositions of assets                                       | (47,039     | ) 1,677     | (76,233    | ) (63,863   | ) (86,537   | ) |
| Gain on dispositions of assets  | 13,240      | —           | —          | —           | —           |   |
| Net (loss) income   | (33,799     | ) 1,677     | (76,233    | ) (63,863   | ) (86,537   | ) |
| Less: preferred dividends   | —           | —           | (63        | ) (16       | ) (15       | ) |
| Net (loss) income attributable to common stockholders                             | \$(33,799   | ) \$1,677   | \$(76,296  | ) \$(63,879 | ) \$(86,552 | ) |
| Net (loss) income per share of common stock—basic and diluted:                    |             |             |            |             |             |   |
| Continuing operations   | \$(0.10     | ) \$(0.14   | ) \$(0.92  | ) \$(0.97   | ) \$(1.32   | ) |
| Discontinued operations   | 0.01        | 0.14        | (0.05      | ) (0.33     | ) (0.44     | ) |
| Net (loss) income per share attributable to common stockholders—basic and diluted | \$(0.09     | ) \$0.00    | \$(0.97    | ) \$(1.30   | ) \$(1.76   | ) |
| Weighted average common shares outstanding:                                       |             |             |            |             |             |   |
| Basic and diluted common shares <sup>(3)</sup>                                    | 386,809,746 | 255,020,565 | 78,625,102 | 49,265,701  | 49,265,701  |   |

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

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

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

|   | (Dollars in thousands)   |                     |             |             |             |
|---|--------------------------|---------------------|-------------|-------------|-------------|
|   | Years Ended December 31, |                     |             |             |             |
|   | 2014 <sup>(1)</sup>      | 2013 <sup>(1)</sup> | 2012        | 2011        | 2010        |
| Balance Sheet Data (end of period):                   |                          |                     |             |             |             |
| Gross investments including related lease intangibles | \$8,044,363              | \$7,235,732         | \$3,654,925 | \$3,582,870 | \$3,610,834 |
| Net investments                                       | 7,317,560                | 6,743,439           | 3,119,608   | 2,867,302   | 2,979,496   |
| Cash and cash equivalents                             | 176,181                  | 66,588              | 73,568      | 49,536      | 88,341      |



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|  |           |           |           |           |           |   |
|--|-----------|-----------|-----------|-----------|-----------|---|
| Total assets   | 8,017,001 | 7,231,045 | 3,247,677 | 3,231,561 | 3,396,842 |   |
| Debt obligations, net  | 4,369,634 | 3,778,218 | 1,894,878 | 2,627,146 | 2,730,994 |   |
| Total liabilities  | 4,698,900 | 4,113,011 | 1,994,234 | 2,705,201 | 2,806,741 |   |
| Total stockholders' equity <sup>(2)</sup>                                | 3,318,101 | 3,118,034 | 1,253,443 | 526,360   | 590,101   |   |
| Other Data:  |           |           |           |           |           |   |
| FFO <sup>(3)</sup>   | \$236,490 | \$139,487 | \$52,830  | \$69,766  | \$70,548  |   |
| AFFO <sup>(3)</sup>  | \$320,785 | \$208,853 | \$119,248 | \$99,574  | \$113,206 |   |
| Number of properties in investment portfolio                             | 2,509     | 2,186     | 1,207     | 1,153     | 1,161     |   |
| Owned properties occupancy at period end (based on number of properties) | 98        | % 99      | % 99      | % 98      | % 96      | % |

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

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

(3) We calculate funds from operations ("FFO") in accordance with the standards established by the National Association of Real Estate Trusts. FFO represents net income (loss) attributable to common stockholders (computed in accordance with GAAP), excluding real estate-related depreciation and amortization, impairment charges and losses (gains) from property dispositions. FFO is a supplemental non-GAAP financial measure. We use FFO as a supplemental performance measure because we believe that FFO is beneficial to investors as a starting point in measuring our operational performance. Specifically, in excluding real estate-related depreciation and amortization, gains and losses from property dispositions and impairment charges, which do not relate to or are not indicative of operating performance, FFO provides a performance measure that, when compared year over year, captures trends in occupancy rates, rental rates and operating costs. We also believe that, as a widely recognized measure of the performance of equity REITs, FFO will be used by investors as a basis to compare our operating performance with that of other equity REITs. However, because FFO excludes depreciation and amortization and does not capture the changes in the value of our properties that result from use or market conditions, all of which have real economic effects and could materially impact our results from operations, the utility of FFO as a measure of our performance is limited. In addition, other equity REITs may not calculate FFO as we do, and, accordingly, our FFO may not be comparable to such other equity REITs' FFO. Accordingly, FFO should be considered only as a supplement to net income (loss) as a measure of our performance. FFO should not be used as a measure of our liquidity, nor is it indicative of funds available to fund our cash needs, including our ability to make distributions or service indebtedness. FFO also should not be used as a supplement to or substitute for cash flow from operating activities computed in accordance with GAAP. Adjusted FFO ("AFFO") is a non-GAAP financial measure of operating performance used by many companies in the REIT industry. It adjusts FFO to eliminate the impact of non-recurring items that are not reflective of ongoing operations and certain non-cash items that reduce or increase net income (loss) in accordance with GAAP. Our computation of AFFO may differ from the methodology for calculating AFFO used by other equity REITs, and, therefore, may not be comparable to such other REITs. The following table sets forth a reconciliation of our FFO and AFFO to net income (loss), the nearest GAAP equivalent for the periods presented.

|  | (Dollars in thousands)   |           |             |             |             |
|--|--------------------------|-----------|-------------|-------------|-------------|
|  | Years Ended December 31, |           |             |             |             |
|  | 2014                     | 2013      | 2012        | 2011        | 2010        |
| Net (loss) income attributable to common stockholders <sup>(1)</sup> | \$(33,799 )              | \$1,677   | \$(76,296 ) | \$(63,879 ) | \$(86,552 ) |
| Add/(less):  |                          |           |             |             |             |
| Portfolio depreciation and amortization                              |                          |           |             |             |             |
| Continuing operations  | 247,587                  | 163,874   | 104,929     | 103,086     | 103,237     |
| Discontinued operations  | —                        | 3,545     | 7,116       | 8,691       | 10,239      |
| Portfolio impairment   |                          |           |             |             |             |
| Continuing operations  | 36,013                   | 183       | 9,098       | 2,546       | 18,771      |
| Discontinued operations  | 417                      | 7,134     | 4,634       | 16,586      | 24,462      |
| Realized (gain) loss on sales of real estate <sup>(2)</sup>          | (13,728 )                | (36,926 ) | 3,349       | 2,736       | 391         |
| Total adjustments  | 270,289                  | 137,810   | 129,126     | 133,645     | 157,100     |

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|  |           |           |          |          |          |
|--|-----------|-----------|----------|----------|----------|
| Funds from operations (FFO) attributable to common stockholders    | \$236,490 | \$139,487 | \$52,830 | \$69,766 | \$70,548 |
| Add/(less):  |           |           |          |          |          |
| Loss (gain) on debt extinguishment                                 |           |           |          |          |          |
| Continuing operations  | 64,750    | 2,405     | 32,522   | —        | —        |
| Discontinued operations  | —         | (1,028)   | ) —      | —        | —        |
| Loss on derivative instruments related to term note extinguishment | —         | —         | 8,688    | 1,025    | —        |
| Expenses incurred to secure lenders' consents to the IPO           | —         | —         | 4,743    | 374      | —        |
| Expenses incurred to amend term note                               | —         | —         | —        | 7,226    | —        |
| Litigation   | —         | —         | —        | 151      | 22,282   |

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|   |             |             |             |            |            |
|---|-------------|-------------|-------------|------------|------------|
| Cole II merger related costs <sup>(5)</sup>                               | —           | 66,700      | —           | —          | —          |
| Finance restructuring charges   | 13,022      | 717         | —           | —          | —          |
| Real estate acquisition costs   | 3,631       | 1,718       | 1,054       | 553        | —          |
| Non-cash interest expense   | 5,175       | 8,840       | 16,495      | 22,704     | 19,554     |
| Non-cash revenues   | (16,732)    | (18,755)    | (3,015)     | (2,225)    | (2,288)    |
| Accrued interest on defaulted loans                                       | 3,103       | —           | —           | —          | —          |
| Non-cash compensation expense   | 11,346      | 8,769       | 5,931       | —          | —          |
| Other expense (income)  | —           | —           | —           | —          | 3,110      |
| Total adjustments to FFO  | 84,295      | 69,366      | 66,418      | 29,808     | 42,658     |
| Adjusted funds from operations (AFFO) attributable to common stockholders | \$320,785   | \$208,853   | \$119,248   | \$99,574   | \$113,206  |
| FFO per share of common stock   |             |             |             |            |            |
| Diluted <sup>(3)</sup>  | \$0.61      | \$0.54      | \$0.57      | \$1.42     | \$1.43     |
| AFFO per share of common stock  |             |             |             |            |            |
| Diluted <sup>(4)</sup>  | \$0.82      | \$0.81      | \$1.14      | \$2.02     | \$2.30     |
| Weighted average shares of common stock outstanding:                      |             |             |             |            |            |
| Basic   | 386,809,746 | 255,020,565 | 78,625,102  | 49,265,701 | 49,265,701 |
| Diluted   | 387,585,580 | 255,210,757 | 112,509,283 | 49,265,701 | 49,265,701 |

<sup>(1)</sup> Amount is net of distributions paid to preferred stockholders.

<sup>(2)</sup> Includes amounts related to discontinued operations.

<sup>(3)</sup> FFO per share for the years ended December 31, 2014 and 2013 deducts dividends paid to participating stockholders of \$1,099 and \$1,291, respectively, in its computation. Earnings per share for 2012 adds back cash and non-cash interest savings under the "if converted method" of \$11,578 for assumed conversion of the term note in the computation of diluted earnings per share.

<sup>(4)</sup> AFFO per share for the years ended December 31, 2014 and 2013 deducts dividends paid to participating stockholders of \$1,099 and \$1,291, respectively, in its computation. Earnings per share for 2012 adds back cash interest savings under the "if converted method" of \$9,020 for assumed conversion of the term note in the computation of diluted earnings per share.

<sup>(5)</sup> Includes \$10.1 million of interest expense charges related to the Merger.



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## Annualized Adjusted EBITDA and Leverage

|   | December 31,       |             |
|---|--------------------|-------------|
|   | 2014               | 2013        |
| Revolving credit facilities   | \$15,181           | \$35,120    |
| Mortgages and notes payable, net  | 3,658,496          | 3,743,098   |
| Convertible Notes   | 695,957            | —           |
|   | 4,369,634          | 3,778,218   |
| Add/(less):   |                    |             |
| Preferred stock   | —                  | —           |
| Unamortized debt discount/(premium)   | 51,586             | (1,669 )    |
| Cash and cash equivalents   | (176,181 )         | (66,588 )   |
| Cash collateral deposits for the benefit of lenders classified as other assets              | (29,483 )          | (16,927 )   |
| Total adjustments   | (154,078 )         | (85,184 )   |
| Adjusted Debt <sup>(1)</sup>  | \$4,215,556        | \$3,693,034 |
|   |                    |             |
|   | Three Months       |             |
|   | Ended December 31, |             |
|   | 2014               | 2013        |
| Net income (loss) attributable to common stockholders                                       | \$34,113           | \$43,586    |
| Add/(less):   |                    |             |
| Interest  | 56,144             | 52,890      |
| Depreciation and amortization <sup>(2)</sup>  | 63,380             | 59,263      |
| Income tax expense  | 87                 | 168         |
| Total adjustments   | 119,611            | 112,321     |
| Earnings before interest, income tax, and depreciation and amortization expenses ("EBITDA") | \$153,724          | \$155,907   |
| Add/(less): <sup>(2)</sup>  |                    |             |
| Merger related costs  | —                  | 16          |
| Finance restructuring costs   | —                  | 717         |
| Real estate acquisition costs   | 1,259              | 1,030       |
| Impairments   | (5,631 )           | 1,282       |
| Losses / (gains) on sales of assets   | (11,557 )          | (35,700 )   |
| Losses on debt extinguishment   | 254                | 2,405       |
| Total adjustments to EBITDA   | (15,675 )          | (30,250 )   |
| Adjusted EBITDA <sup>(3)</sup>  | \$138,049          | \$125,657   |
| Annualized Adjusted EBITDA <sup>(4)</sup>   | \$552,196          | \$502,628   |
|   |                    |             |
| Leverage <sup>(5)</sup> (Adjusted Debt / Annualized Adjusted EBITDA)                        | 7.6                | 7.3         |

<sup>(1)</sup> Adjusted Debt represents interest bearing debt (reported in accordance with GAAP) adjusted to include preferred stock and exclude unamortized debt discount, as further reduced for cash and cash equivalents and cash collateral deposits retained by lenders. We believe that including preferred stock in Adjusted Debt is appropriate because it is an equity security that has properties of a debt instrument not possessed by common stock. Additionally, by excluding unamortized debt discount, cash and cash equivalents, and cash collateral deposits retained by lenders, the result provides an estimate of the contractual amount of borrowed capital to be repaid which we believe is a beneficial disclosure to investors.

<sup>(2)</sup> Adjustments include all amounts charged to continuing and discontinued operations.



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(3) Adjusted EBITDA represents EBITDA, modified to include other adjustments to GAAP net income (loss) attributable to common stockholders for Merger costs, real estate acquisition costs, impairment losses, gains/losses from the sale of real estate and debt transactions and other items that are not considered to be indicative of our on-going operating performance. We exclude these items as they are not key drivers in our investment decision making process. We focus our business plans to enable us to sustain increasing shareholder value. Accordingly, we believe that excluding these items, which may cause short-term fluctuations in net income, but are not indicative of overall long-term operating performance, provides a useful supplemental measure to investors and analysts in assessing the net earnings contribution of our real estate portfolio. Because these measures do not represent net income that is computed in accordance with GAAP, they should not be considered alternatives to net income (loss) or as an indicator of financial performance.

(4) Annualized Adjusted EBITDA is calculated by multiplying Adjusted EBITDA for the quarter by four.

(5) Leverage is a supplemental non-GAAP financial measure we use to evaluate the level of borrowed capital being used to increase the potential return of our real estate investments. We calculate Leverage by dividing Adjusted Debt by Annualized Adjusted EBITDA. The utility of Leverage should be considered as a supplemental measure of the level of risk that stockholder value may be exposed to.

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

### Overview

Spirit Realty Capital, Inc. is a self-administered and self-managed REIT that primarily invests in single-tenant, operationally essential real estate throughout the United States that is leased on a long-term, triple-net basis to tenants operating within retail, office and industrial property types. Single-tenant, operationally essential real estate consists of properties that are generally free-standing, commercial real estate facilities where our tenants conduct activities that are essential to the generation of their sales and profits. In support of our primary business of owning and leasing real estate, we have also strategically originated or acquired long-term, commercial mortgage and other loans to provide a range of financing solutions to our tenants.

We generate our revenue primarily by leasing our properties to our tenants. As of December 31, 2014, our undepreciated gross investment in real estate and loans totaled approximately \$8.04 billion, representing investment in 2,509 properties, including properties securing our mortgage loans. Of this amount, 98.6% consisted of our gross investment in real estate, representing ownership of 2,364 properties, and the remaining 1.4% consisted primarily of commercial mortgage loans receivable secured by 145 real properties.

Our operations are carried out through the Operating Partnership, a Delaware limited partnership. Spirit General OP Holdings, LLC, one of our wholly-owned subsidiaries, is the sole general partner and owns 1.0% of the Operating Partnership. Spirit Realty Capital, Inc. and one of its wholly-owned subsidiaries are the only limited partners, and together own the remaining 99.0% of the Operating Partnership. Although the Operating Partnership is wholly-owned by us, in the future, we may issue partnership interests in the Operating Partnership to third parties in exchange for property owned by such third parties. In general, any partnership interests in the Operating Partnership issued to third parties would be exchangeable for cash or, at our election, shares of our common stock at specified ratios set when such partnership interests in the Operating Partnership are issued.

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

### 2014 Highlights

For the year ended December 31, 2014:



Increased revenues to \$602.9 million, compared to \$419.5 million for the year ended December 31, 2013.

Produced FFO of \$0.61 per diluted share, AFFO of \$0.82 per diluted share and net loss of \$(0.09) per share.

Generated \$121.2 million in gross sales proceeds by selling 38 properties at a weighted average cap rate of 7.59% with a weighted average remaining lease term of 9.1 years.

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Acquired 361 properties for a gross investment of \$971.7 million, including follow-on investments, in 82 real estate transactions with a weighted average initial cash yield of 7.55% and a weighted average remaining lease term of 15.7 years.

Strengthened our balance sheet and acquisition capacity:

Issued \$402.5 million of 2.875% Convertible Senior Notes due 2019 and \$345.0 million of 3.75% Convertible Senior Notes due 2021, resulting in net proceeds of approximately \$726.2 million.

Completed an underwritten public offering of 26.45 million shares of our common stock, resulting in net proceeds of approximately \$271.2 million.

Completed an exchange offer for \$912.4 million outstanding principal balance of net-lease mortgage notes issued under our Spirit Master Funding Program, with a blended coupon rate of 5.602%, a weighted average life of 6.5 years and a rating of "A+" by S&P.

Issued \$510.0 million aggregate principal amount of net-lease mortgage notes under our Spirit Master Funding Program with a blended coupon rate of 4.42%, a weighted average life of 9.4 years and a rating of "A+" by S&P.

Established an ATM Program allowing for the periodic sale of our common stock, pursuant to which we sold 14.4 million shares of our common stock, resulting in net proceeds of approximately \$163.8 million.

Extinguished \$583.8 million of debt with a weighted average interest rate of 6.41%.

Factors that May Influence Our Operating Results

### Acquisitions

Our principal line of business is acquiring commercial real estate properties and leasing these properties to our tenants. Our ability to grow revenue and produce superior risk adjusted returns will principally depend on our ability to acquire additional properties that meet our investment criteria at a yield sufficiently in excess of our cost of capital. We primarily focus on opportunities to acquire attractive commercial real estate by providing capital to small and middle-market companies that we conclude have stable and proven operating histories and attractive credit characteristics, but lack the access to capital that large companies often have. Small and middle-market companies are often willing to enter into leases with structures and terms that we consider appealing (such as master leases and leases that require ongoing tenant financial reporting) and that we believe increase the security of rental payments. In the year ended December 31, 2014, we acquired 361 properties for a gross investment of \$971.7 million in 82 real estate transactions, including follow-on investments, with a weighted average initial cash yield of 7.55% and a weighted average remaining lease term of 15.7 years, as compared to 194 properties for a gross investment of \$408.6 million in 40 real estate transactions with a weighted average initial cash yield of 7.92% and a weighted average remaining lease term of 16.8 in the year ended December 31, 2013. The increase in our acquisition activity was primarily attributable to our being an active acquirer throughout the 2014 calendar year, after having spent a substantial portion of 2013 focusing our human and capital resources on the Merger transactions and integration of the acquired portfolio.

### Operationally Essential Real Estate with Relatively Long-Term Leases

We seek to own properties that are operationally essential to our tenants, thereby reducing the risk that our tenant would choose not to renew an expiring lease or reject a lease in bankruptcy. In addition, we seek to enter into leases with relatively long terms, typically with non-cancelable initial terms of 15 to 20 years and tenant renewal options for additional terms with attractive rent escalation provisions. Without giving effect to the exercise of tenant renewal options, the weighted average remaining term of our leases as of December 31, 2014 was 10.8 years (based on rental revenue). Approximately 17.3% of our leases (based on rental revenue) as of December 31, 2014 will expire prior to January 1, 2020.

### Portfolio Diversification

Our strategy emphasizes a portfolio that (1) derives no more than 10% of its annual rent from any single tenant or more than 2.5% of its annual rent from any single property, (2) is leased to tenants operating in various industries and

(3) is located across the United States without significant geographic concentration. While we consider the foregoing when making investments, we have opportunistically made investments in the past that do not meet one or more of

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these criteria and we may make additional investments that do not meet one or more of these criteria if we believe the opportunity is sufficiently attractive.

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

### Our Leases

#### Rent Escalators

Generally, our single-tenant leases contain contractual provisions increasing the rental revenue over the term of the lease at specified dates by: (1) a fixed amount or (2) the lesser of (a) 1 to 1.25 times any increase in CPI over a specified period or (b) a fixed percentage, typically 1% to 2% per year. The percentage of our single-tenant properties (based on total rental revenue) containing rent escalators increased to approximately 89% as of December 31, 2014 compared to approximately 86% as of December 31, 2013. This increase was primarily attributable to the vast majority of the properties acquired during the year ended December 31, 2014, were under triple-net leases.

#### Master Lease Structure

Where appropriate, we seek to enter into master leases, pursuant to which we lease multiple properties to a single tenant on an “all or none” basis. We seek to use the master lease structure to prevent a tenant from unilaterally giving up underperforming properties while retaining well-performing properties. We had 105 active master leases with properties ranging from two to 191 and a weighted average non-cancelable remaining lease term (based on rental revenue) of 13.6 years as of December 31, 2014 compared to 76 active master leases with properties ranging from two to 191 and a weighted average non-cancelable remaining lease term (based on rental revenue) of 12.4 years as of December 31, 2013. This increase was primarily attributable to the acquisition of 230 properties under 25 master leases during 2014 with a weighted average lease term of 17.7 years. Master lease revenue contributed approximately 45% of our rental revenues in the year ended December 31, 2014 compared to approximately 42.8% of our rental revenues in the year ended December 31, 2013. One master lease, consisting of 112 properties, contributed 12.3% of our rental revenues in the year ended December 31, 2014 and 12.9% to our rental revenues in the year ended December 31, 2013. Our smallest master lease, consisting of two properties, contributed less than 1% to our rental revenues in each of the years ended December 31, 2014 and 2013, respectively. As of December 31, 2014, the majority of our master leases include between two and eight properties.

#### Triple-Net Leases

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

## Impact of Inflation

Our leases typically contain provisions designed to mitigate the adverse impact of inflation on our results of operations. Since tenants are typically required to pay all property operating expenses, increases in property-level expenses at our leased properties generally do not adversely affect us. However, increased operating expenses at vacant properties and the limited number of properties that are not subject to full triple-net leases could cause us to incur additional operating expense, which could increase our exposure to inflation. Additionally, our leases generally provide for rent

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escalators designed to mitigate the effects of inflation over a lease's term. However, since some of our leases do not contain rent escalators and many that do limit the amount by which rent may increase, any increase in our rental revenue may not keep up with the rate of inflation.

### Asset Management

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

### Active Management and Monitoring of Risks Related to Our Investments

We seek to measure tenant financial distress risk and lease renewal risk through various processes. Many of our tenants are required to provide corporate-level financial information, which includes balance sheet, income statement and cash flow statement data on a quarterly and/or annual basis, and approximately 64.3% of our leases as of December 31, 2014 require the tenant to provide property-level performance information, which includes income statement data on a quarterly and/or annual basis. To assist in our determination of a tenant's credit quality, we license a product from Moody's Analytics that provides an estimated default frequency and a "shadow rating," and we evaluate a lease's property-level rent coverage ratio. We also review current market data and our historical recovery rates on re-leased properties and property dispositions. Our underwriting and risk management processes are designed to structure new investments and manage existing investments to address and mitigate the risks above, and preserve the long-term return on our invested capital. We continuously monitor our underperforming and non-performing properties for potential re-lease or disposition which may trigger impairment charges when the expected future cash flows from these properties are less than their net book value. Since our inception, our occupancy has never been below 96.1% (based on number of properties), despite the economic downturn of 2008 through 2010. The percentage of our properties (based on number of properties) that were occupied decreased slightly to approximately 98.4% as of December 31, 2014 from approximately 99.0% as of December 31, 2013.

We monitor and manage the diversification of our real estate investment portfolio in order to reduce the risks associated with adverse developments affecting a particular tenant, property, industry or region. In the year ended December 31, 2014, we reduced our tenant concentrations, with no tenant exceeding 4.0% of our total revenues in the year ended December 31, 2014 compared to 4.5% in the year ended December 31, 2013, and no one single property contributing more than 1.6% of our rental revenue in the year ended December 31, 2014 compared to 1.8% in the year ended December 31, 2013, in each case excluding Shopko. Shopko is our most significant tenant, representing 14.0% and 19.7% of our total revenue in the years ended December 31, 2014 and 2013, respectively. We lease 181 properties to Shopko, 179 of which are under three master leases that had a weighted average non-cancelable remaining lease term of approximately 14.7 years and 11.8 years as of December 31, 2014 and 2013, respectively. Because a significant portion of our revenue is derived from rental revenue received from Shopko, defaults, breaches or delays in rent payments by Shopko may materially and adversely affect us.

In June 2014, we released 112 Shopko properties (relating to a single master lease) from the security liens under a master loan agreement through the defeasance of an aggregate loan principal balance of approximately \$488.7 million. In December 2014, we amended one of the master leases concerning these 112 properties to permit us to sell properties or sub-portfolios leased thereunder as well extend the weighted average lease term by approximately five years to 15.9 years. The total annual rent of \$74.7 million under the master lease remained unchanged by the

amendment; however, future sales of Shopko properties would reduce the individual rents thereunder. In connection with the amendment to the master lease, we made a one-time payment of \$18.8 million to Shopko which will be amortized as a reduction to rental revenue over the remaining lease term. Any below market rent intangibles related to the properties for which the lease term was extended were written off as of December 31, 2014, resulting in a \$9.8 million reduction to total impairment charges in our consolidated results of operations. We also agreed to pay to Shopko \$50,000 for each property to which we assign our rights under the amended master lease, with such payment due at the time of the respective assignment.

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### Capital Recycling

We continuously evaluate opportunities for the potential disposition of properties in our portfolio when we believe such disposition is appropriate in view of our business objectives, considering criteria including, but not limited to, tenant concentration, tenant credit quality, unit financial performance, local market conditions and lease rates, associated indebtedness, asset location, tenant operation type (e.g., industry, sector, or concept/brand), and asset zoning, as well as potential capital appreciation, potential uses of proceeds and tax considerations. As part of this strategy, we attempt to enter into Section 1031 Exchanges, when possible, to defer some or all of the taxable built-in gains on the dispositions, if any, for federal and state income tax purposes.

The timing of any potential dispositions, including the disposition of any Shopko properties, will depend on market conditions and other factors, including but not limited to our capital needs and ability to defer some or all of the taxable gains on the sales. We can provide no assurance that we will dispose of any additional properties or that future acquisitions and/or dispositions, if any, will qualify as Section 1031 Exchanges. Furthermore, we can provide no assurance that we will deploy the proceeds from future dispositions in a manner that produces comparable or better yields.

### Capital Funding

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

### Capital Structure

As of December 31, 2014, we had an approximately \$4.42 billion principal balance outstanding consisting primarily of \$3.66 billion of non-recourse mortgage indebtedness, \$747.5 million of unsecured Convertible Notes and the borrowing capacity under our \$400.0 million Credit Facility and \$40.0 million Line of Credit (each defined in “Liquidity and Capital Resources - Description of Certain Debt” below). Our non-recourse mortgage indebtedness is comprised of \$1.84 billion and \$110.7 million of fixed and variable-rate CMBS, respectively, and \$1.71 billion in securitized net-lease mortgage notes under our Spirit Master Funding Program. Approximately \$2.30 billion of our outstanding principal indebtedness is fully or partially amortizing, providing for an ongoing reduction in principal prior to maturity. Prior to January 1, 2018, contractual amortization payments are scheduled to reduce our outstanding principal amount of indebtedness by \$91.4 million and we have \$1.45 billion of balloon payments due at maturity under a number of different loans. As of December 31, 2014, we had \$400.0 million and \$24.8 million available under the Credit Facility and Line of Credit, respectively. These revolving credit facilities provide for financial flexibility to help fund future acquisitions and for general corporate purposes.

### Interest Costs

As of December 31, 2014, the weighted average stated interest rate on our fixed and variable-rate debt under our CMBS and Master Trust Notes, excluding the amortization of deferred financing costs and debt discounts, was approximately 5.03%. The weighted average stated rate of our unsecured Convertible Notes as of December 31, 2014 was 3.28%. Our fixed-rate debt structure will provide us with a stable and predictable cash requirement related to our debt service. The variable rate debt consists of 11 mortgage notes. We entered into interest rate swaps that effectively fixed the interest rates at approximately 4.55% on a significant portion of this variable rate debt. We amortize on a



non-cash basis the deferred financing costs and debt discounts/premiums associated with our fixed-rate debt to interest expense using the effective interest rate method over the terms of the related notes. For the year ended December 31, 2014, non-cash interest expense recognized on our revolving credit facilities, mortgages and notes payable and Convertible Notes totaled approximately \$5.2 million. Any changes to our debt structure, including borrowings under the \$400.0 million Credit Facility or debt financing associated with property acquisitions, could materially influence our operating results depending on the terms of any such indebtedness. A significant amount of our debt provides for scheduled principal payments. As principal is repaid, our interest expense decreases. Changing interest rates will increase or decrease the interest expense we incur on unhedged variable interest rate debt and may impact our ability to refinance maturing debt.

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### Critical Accounting Policies and Estimates

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

#### Real Estate Investments

##### Revenue Recognition

We lease real estate to our tenants under long-term, triple-net leases that are primarily classified as operating leases. Under a triple-net lease, the tenant is typically responsible for all improvements and is contractually obligated to pay all property operating expenses, such as real estate taxes, insurance premiums and repair and maintenance costs.

Under certain leases, tenant reimbursement revenue, which is comprised of additional amounts recoverable from tenants for common area maintenance expenses and certain other recoverable expenses, is recognized as revenue in the period in which the related expenses are incurred. Tenant reimbursements are recorded on a gross basis, as we are generally the primary obligor with respect to purchasing goods and services from third-party suppliers. Tenant receivables are carried net of the allowances for uncollectible amounts.

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

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

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

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

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

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

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

classified as held for sale is recorded at the lower of its carrying value or its fair value less anticipated selling costs.

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### Lease Intangibles

Lease intangibles, if any, acquired in conjunction with the purchase of real estate represent the value of in-place leases and above- or below-market leases. For real estate acquired subject to existing lease agreements, in-place lease intangibles are valued based on our estimates of costs related to tenant acquisition and the carrying costs that would be incurred during the time it would take to locate a tenant if the property were vacant, considering current market conditions and costs to execute similar leases at the time of the acquisition, and are amortized on a straight-line basis over the remaining initial term of the related lease. Above- and below-market lease intangibles are recorded based on the present value of the difference between the contractual amounts to be paid pursuant to the leases at the time of acquisition of the real estate and our estimate of current market lease rates for the property, measured over a period equal to the remaining initial term of the lease. Capitalized above-market lease intangibles are amortized over the remaining initial terms of the respective leases as a decrease to rental revenue. Below-market lease intangibles are amortized as an increase in rental revenue over the remaining initial terms of the respective leases plus any fixed-rate renewal periods on those leases. Should a lease terminate early, the unamortized portion of any related lease intangible is immediately recognized in our consolidated statements of operations.

### Depreciation

Our real estate portfolio is depreciated using the straight-line method over the estimated remaining useful life of the properties, which generally range from 20 to 50 years for buildings and improvements and is 15 years for land improvements. Portfolio assets classified as held for sale are not depreciated.

### Impairment

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

### Discontinued Operations

In April 2014, the FASB issued Accounting Standards Update 2014-08, Presentation of Financial Statements (Topic 205) and Property, Plant, and Equipment (Topic 360), Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity ("ASU 2014-08") which amends the requirements for reporting discontinued operations. Under ASU 2014-08, a disposal of a component of an entity or a group of components of an entity is required to be reported in discontinued operations if the disposal represents a strategic shift that has (or will have) a major effect on an entity's operations and financial results. We have early adopted the provisions of ASU 2014-08 beginning with the period ended March 31, 2014, and have applied the provisions prospectively. Properties that were reported as held for sale as of December 31, 2013, will continue to be reported under the prior standards and any gains or losses from the disposition of these properties or operating results will continue to be presented in discontinued operations until they are disposed of.

### Provision for Doubtful Accounts

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

industry default rates for long-term receivables.

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### Loans Receivable

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

### Revenue Recognition

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

### Impairment and Provision for Loan Losses

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

### Accounting for Derivative Financial Instruments and Hedging Activities

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

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

### Income Taxes

#### Our REIT Status

We have elected to be taxed as a REIT for federal income tax purposes commencing with our taxable year ended December 31, 2005. We believe that we have been organized and have operated in a manner that has allowed us to qualify as a REIT for federal income tax purposes commencing with such taxable year, and we intend to continue operating in such a manner. To maintain our qualification as a REIT, we are required to annually distribute to our stockholders at least 90% of our REIT taxable income, determined without regard to the dividends paid deduction and excluding any net capital gain, and meet the various other requirements imposed by the Code relating to such matters as operating results, asset holdings, distribution levels and diversity of stock ownership. Provided that we qualify for taxation as a REIT, we are generally not subject to corporate level federal income tax on the earnings distributed to our stockholders that we derive from our REIT qualifying activities. We are still subject to state and local income and franchise taxes and to federal income and excise tax on our undistributed income. If we fail to qualify as a REIT in

any taxable year and are unable to avail ourselves of certain savings provisions set forth in the Code, all of our taxable

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income would be subject to federal income tax at regular corporate rates, including any applicable alternative minimum tax. Unless entitled to relief under specific statutory provisions, we would be ineligible to elect to be treated as a REIT for the four taxable years following the year for which we lose our qualification. It is not possible to state whether in all circumstances we would be entitled to this statutory relief.

**Our TRS**

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

**Share-Based Compensation**

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



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## Results of Operations

## Comparison of the Year Ended December 31, 2014 to 2013

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

|  | Years Ended December 31, |              | Change       | %        |    |
|--|--------------------------|--------------|--------------|----------|----|
|  | 2014                     | 2013         |              |          |    |
|  | (in thousands)           |              |              |          |    |
| Revenues:  |                          |              |              |          |    |
| Rentals  | \$574,456                | \$404,402    | \$170,054    | 42.1     | %  |
| Interest income on loans receivable  | 7,239                    | 5,928        | 1,311        | 22.1     | %  |
| Earned income from direct financing leases   | 3,343                    | 1,572        | 1,771        | 112.7    | %  |
| Tenant reimbursement income  | 13,085                   | 5,637        | 7,448        | 132.1    | %  |
| Interest income and other  | 4,748                    | 1,928        | 2,820        | 146.3    | %  |
| Total revenues   | 602,871                  | 419,467      | 183,404      | 43.7     | %  |
| Expenses:  |                          |              |              |          |    |
| General and administrative   | 44,252                   | 35,146       | 9,106        | 25.9     | %  |
| Finance restructuring charges  | 13,022                   | 717          | 12,305       | NM       |    |
| Merger costs   | —                        | 56,644       | (56,644)     | ) NM     |    |
| Property costs   | 23,383                   | 11,760       | 11,623       | 98.8     | %  |
| Real estate acquisition costs  | 3,631                    | 1,718        | 1,913        | 111.4    | %  |
| Interest   | 220,070                  | 179,267      | 40,803       | 22.8     | %  |
| Depreciation and amortization  | 247,966                  | 164,054      | 83,912       | 51.1     | %  |
| Impairment (recoveries)  | 36,019                   | (185)        | ) 36,204     | NM       |    |
| Total expenses   | 588,343                  | 449,121      | 139,222      | 31.0     | %  |
| Income (loss) from continuing operations before other expense and income tax expense | 14,528                   | (29,654)     | ) 44,182     | 149.0    | %  |
| Other expense:   |                          |              |              |          |    |
| Loss on debt extinguishment  | (64,750)                 | ) (2,405)    | ) (62,345)   | ) NM     |    |
| Total other expense  | (64,750)                 | ) (2,405)    | ) (62,345)   | ) NM     |    |
| Loss from continuing operations before income tax expense                            | (50,222)                 | ) (32,059)   | ) (18,163)   | ) (56.7) | )% |
| Income tax expense   | 673                      | 1,113        | (440)        | ) (39.5) | )% |
| Loss from continuing operations  | \$(50,895)               | ) \$(33,172) | ) \$(17,723) | ) (53.4) | )% |

## Revenues

For the year ended December 31, 2014, 95.8% of our total revenues were generated from long-term leases of our owned properties. Total revenue increased by \$183.4 million to \$602.9 million for the year ended December 31, 2014 as compared to \$419.5 million for same period in 2013. As more fully described below, the increase in revenue was due primarily to \$136.7 million of additional revenue provided by the properties acquired in the Merger. The remaining increase is attributable to an increase in base rental revenue resulting from \$971.7 million of non-Merger real estate investments subsequent to December 31, 2013 and contractual rent increases, net of \$117.8 million of gross investment related to properties sold in 2014.

## Rentals

Rental revenue increased by \$170.1 million to \$574.5 million for the year ended December 31, 2014 as compared to \$404.4 million for the same period in 2013. The increase was primarily attributable to \$123.1 million of rental income generated from properties acquired in the Merger. Additionally, the acquisition of 361 properties with a gross investment value of \$971.7 million and contractual rent increases on our existing leases, further contributed to the increase. During the third quarter of 2013, the Company recognized \$10.9 million of previously unrecognized straight-line rent due



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primarily to our determination that the risk of loss associated with a specific tenant had decreased due to the tenant's sustained improvement in financial performance. This change of estimate during the prior period partially offset the increase in rental revenues attributable to our 2014 property acquisition activity noted above.

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

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

Interest income on loans receivable and other income

Interest income on loans receivable increased by \$1.3 million to \$7.2 million for the year ended December 31, 2014 as compared to \$5.9 million for the same period in 2013. The increase was attributable to \$3.3 million of additional income from loans receivable acquired in the Merger, which was partially offset by the decrease in income as a result of the prepayment of six notes totaling \$11.4 million during 2013, as well as scheduled maturities and a reduction in interest amortization subsequent to December 31, 2013.

In connection with the Merger, the Company acquired a number of properties accounted for as direct financing leases which generated earned income of \$3.3 million for the year ended December 31, 2014. During the year ended December 31, 2013, these properties were in our portfolio for less than half a year and generated earned income of \$1.6 million.

Tenant reimbursement income recorded for the year ended December 31, 2014 of \$13.1 million is offset by expenses recorded under property costs related to certain non-triple net properties acquired in the Merger. During the year ended December 31, 2013, tenant reimbursement income of \$5.6 million was recognized on certain properties acquired in the Merger for less than half a year.

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

Expenses

General and administrative

General and administrative expenses increased \$9.1 million to \$44.3 million for the year ended December 31, 2014, as compared to \$35.1 million for the same period in 2013. During the year ended December 31, 2014, we incurred higher compensation and related benefits of \$5.8 million due primarily to higher non-cash stock compensation of \$2.7 million and higher wages and employee benefits of \$2.2 million due to hiring additional personnel subsequent to the Merger and servicing our expanded portfolio. Professional fees for accounting, tax, consulting and other outside services increased \$1.2 million during 2014, primarily due to higher costs incurred for compliance and consulting fees resulting from the integration of the net assets acquired in the Merger. In addition, during the year ended December 31, 2014, \$1.7 million of CAM receivables acquired in the Merger were deemed uncollectible and written off to bad debt expense. These increases in 2014 were partially offset by lower corporate legal costs and a reduction in the use of temporary employment services.

Finance restructuring charges

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

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## Merger related costs

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

## Property costs

Property costs increased \$11.6 million to \$23.4 million for the year ended December 31, 2014, as compared to \$11.8 million for the same period in 2013. Of this increase, \$10.8 million is attributable to the year-over-year reimbursable costs incurred on non-triple-net leases acquired in the Merger during the second half of 2013. The remaining increase is mostly attributable to higher insurance premiums, legal fees, and repair and maintenance costs associated with managing the expanded portfolio.

## Interest

Interest expense increased by \$40.8 million to \$220.1 million for the year ended December 31, 2014, as compared to \$179.3 million for the same period in 2013. The increase in interest expense was primarily due to the assumption of debt of \$1.8 billion in connection with our Merger on July 17, 2013. Additionally, interest expense increased as a result of our \$747.5 million second quarter 2014 Convertible Notes Offering and \$330.0 million December 2013 net-lease mortgage notes offering. These increases were offset by the extinguishment of \$583.8 million aggregate principal amount of senior mortgage indebtedness with a weighted average contractual interest rate of 6.41% during the year ended December 31, 2014.

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

|   | Years Ended December 31, |           |
|---|--------------------------|-----------|
|   | 2014                     | 2013      |
|   | (in thousands)           |           |
| Interest expense – revolving credit facilities <sup>(1)</sup> | \$3,597                  | \$3,037   |
| Interest expense – mortgages and notes payable                | 196,246                  | 157,903   |
| Interest expense – Convertible Notes                          | 15,046                   | —         |
| Interest expense – other                                      | 6                        | 475       |
| Amortization of deferred financing costs <sup>(2)</sup>       | 5,899                    | 13,188    |
| Amortization of net losses related to interest rate swaps     | 125                      | 11        |
| Amortization of debt (premium)/discount, net                  | (849                     | ) 4,653   |
| Total interest expense  | \$220,070                | \$179,267 |

<sup>(1)</sup> Includes interest expense associated with non-utilization fees of approximately \$1.2 million and \$0.7 million for the years ended December 31, 2014 and 2013, respectively.

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

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## Depreciation and amortization

Depreciation and amortization expense relates primarily to depreciation on the commercial buildings and improvements we own and to amortization of the related lease intangibles. Depreciation and amortization expense increased by \$83.9 million to \$248.0 million for the year ended December 31, 2014, as compared to \$164.1 million for the same period in 2013. Of the total increase, a significant portion relates to depreciation and amortization on assets acquired in the Merger, with the remainder related to \$971.7 million of investments throughout 2014. The following table summarizes our depreciation and amortization expense from continuing operations:

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

## Impairments

During the year ended December 31, 2014, we recorded impairment losses of \$36.0 million. These charges included \$18.6 million on the impairment of 19 properties that were held for sale, including two non-core multi-tenant properties, and \$22.7 million of impairment on twelve properties which were underperforming. Of the twelve underperforming properties, seven were in the manufacturing industry relating to one original tenant, three were in the quick service restaurant industry, one in the home furnishings industry and one in the pharmaceutical industry. In addition during the year ended December 31, 2014, lease intangible write-offs resulted in a net credit to impairment of \$4.8 million primarily due to the write-off of below market rent intangible liabilities following the amendment to the Shopko master lease. Beginning January 1, 2014, as a result of our adoption of ASU 2014-08, impairment losses incurred on properties classified as held for sale are prospectively reported in continuing operations. Impairment losses incurred on properties that were held for sale at or prior to December 31, 2013, are and will continue to be reflected in discontinued operations during those periods. We strategically seek to identify non-performing properties that we may re-lease or dispose of in an effort to improve our returns. The disposition or re-leasing of non-performing or underperforming properties may trigger impairment charges when the expected future cash flows from the properties for sale or re-lease are less than their net book value.

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

|   | Years Ended December 31, |        |
|---|--------------------------|--------|
|   | 2014                     | 2013   |
|   | (in thousands)           |        |
| Real estate and intangible asset impairment                   | \$40,311                 | \$182  |
| Write-off of lease intangibles due to lease terminations, net | (4,820                   | ) —    |
| Loan receivable impairment recovery                           | —                        | (367   |
| Other impairment  | 528                      | —      |
| Total impairment loss (recovery)                              | \$36,019                 | \$(185 |
| Other expense   |                          | )      |

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



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Income tax expense

Income tax expense decreased \$0.4 million to \$0.7 million for the year ended December 31, 2014, as compared to \$1.1 million for the same period in 2013. The decrease was primarily attributable to the deferred state tax expense recognized in 2013 from our Merger and the state built-in gain tax recognized in 2013 related to one property sale.

Discontinued operations

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

We recognized income from discontinued operations of \$3.9 million and \$34.8 million for the years ended December 31, 2014 and 2013, respectively. For 2014, \$2.9 million of the income was attributable to the receipt of a lease termination fee related to a property that was sold. The 2013 income included a \$35.5 million gain attributable to the sale of a large non-core property. Non-cash impairment charges included in income from discontinued operations for the years ended December 31, 2014 and 2013 were \$0.4 million and \$7.1 million, respectively.



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## Results of Operations

## Comparison of the Year Ended December 31, 2013 and 2012

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

|   | Years Ended December 31, |            | Change    | %       |    |
|---|--------------------------|------------|-----------|---------|----|
|   | 2013                     | 2012       |           |         |    |
|   | (in thousands)           |            |           |         |    |
| Revenues:   |                          |            |           |         |    |
| Rentals   | \$404,402                | \$266,567  | \$137,835 | 51.7    | %  |
| Interest income on loans receivable   | 5,928                    | 5,696      | 232       | 4.1     | %  |
| Earned income from direct financing leases                                  | 1,572                    | —          | 1,572     | NM      |    |
| Tenant reimbursement income   | 5,637                    | —          | 5,637     | NM      |    |
| Interest income and other   | 1,928                    | 852        | 1,076     | 126.3   | %  |
| Total revenues  | 419,467                  | 273,115    | 146,352   | 53.6    | %  |
| Expenses:   |                          |            |           |         |    |
| General and administrative  | 35,146                   | 36,252     | (1,106)   | (3.1)   | )% |
| Finance restructuring charges   | 717                      | —          | 717       | NM      |    |
| Merger costs  | 56,644                   | —          | 56,644    | NM      |    |
| Property costs  | 11,760                   | 5,176      | 6,584     | 127.2   | %  |
| Real estate acquisition costs   | 1,718                    | 1,054      | 664       | 63.0    | %  |
| Interest  | 179,267                  | 156,220    | 23,047    | 14.8    | %  |
| Depreciation and amortization   | 164,054                  | 104,984    | 59,070    | 56.3    | %  |
| Impairment (recoveries)   | (185)                    | ) 8,918    | (9,103)   | (102.1) | )% |
| Total expenses  | 449,121                  | 312,604    | 136,517   | 43.7    | %  |
| Loss from continuing operations before other expense and income tax expense | (29,654)                 | ) (39,489) | ) 9,835   | 24.9    | %  |
| Other expense:  |                          |            |           |         |    |
| Loss on debt extinguishment   | (2,405)                  | ) (32,522) | ) 30,117  | 92.6    | %  |
| Total other expense   | (2,405)                  | ) (32,522) | ) 30,117  | 92.6    | %  |
| Loss from continuing operations before income tax expense                   | (32,059)                 | ) (72,011) | ) 39,952  | 55.5    | %  |
| Income tax expense  | 1,113                    | 504        | 609       | 120.8   | %  |
| Loss from continuing operations   | (33,172)                 | ) (72,515) | ) 39,343  | 54.3    | %  |

## Revenues

For the year ended December 31, 2013, approximately 96.8% of our total revenues were generated from long-term leases of our owned properties. Total revenue increased by \$146.4 million to \$419.5 million for the year ended December 31, 2013 as compared to \$273.1 million for same period in 2012. As more fully described below, the increase in revenue was due primarily to \$116.4 million of additional revenue provided by the properties acquired in the Merger. The remaining increase is attributable to an increase in base rental revenue resulting from \$422.5 million of non-Merger real estate investments including capital expenditures subsequent to December 31, 2012 and contractual rent escalations on our owned real estate properties.

## Rentals

Rental revenue increased by \$137.8 million to \$404.4 million for the year ended December 31, 2013 as compared to \$266.6 million for the same period in 2012. The increase was primarily attributable to \$109.5 million of rental income generated from properties acquired in the Merger. Since the Merger was completed on July 17, 2013, the contribution of the properties acquired in the Merger does not reflect a full year of revenue. Other factors that increased our rental



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revenue during 2013 include the acquisition of 194 non-Merger related properties, including property improvements and loan originations, with a gross investment value of \$422.5 million and contractual rent escalations and a decreased vacancy rate in our existing portfolio, compared to the same period ended December 31, 2012. Rental revenue attributable to the amortization of non-cash rent for the year ended December 31, 2013 and 2012 was \$20.1 million and \$3.3 million, respectively, representing approximately 5.0% and 1.2% of total rental revenue from continuing operations for the years ended December 31, 2013 and 2012, respectively. During 2013, the Company recognized \$10.9 million of previously unrecognized straight-line rent due primarily to our determination that the risk of loss associated with a specific tenant had decreased due to the tenant's sustained improvement in financial performance. Based on the post-Merger fourth quarter rental results and applying the straight-line rent provision in place as of December 31, 2013, normalized non-cash rent, including amortization of above and below-market lease intangibles, would be approximately 3.0% of total rent.

As of December 31, 2013, 99.0% of our owned properties were occupied (based on number of properties). The majority of our non-performing leases were in the restaurant and specialty retail industries. At December 31, 2013 and 2012, 21 and 14 of our properties, representing approximately 1.0% and 1.2%, respectively, of our owned properties, were vacant and not generating rent.

### Interest income on loans receivable and other income

Interest income on loans receivable increased by \$0.2 million to \$5.9 million for the year ended December 31, 2013 as compared to \$5.7 million for the same period in 2012. The increase was attributable to \$2.9 million of additional income from loans receivable acquired in the Merger, which was partially offset by increased premium amortization of \$1.1 million on loans receivable acquired in the Merger along with a decrease of \$1.1 million related to the prepayment of six notes totaling \$11.4 million and scheduled maturities and amortization totaling \$4.9 million subsequent to December 31, 2012.

In connection with the Merger, the Company acquired 13 properties accounted for as direct financing leases, which generated earned income of \$1.6 million from the effective date of the Merger through December 31, 2013. Prior to the Merger, the Company did not own any properties that were accounted for as direct financing leases.

Tenant reimbursement income recorded for the year ended December 31, 2013 of \$5.6 million is offset by expenses recorded under property costs related to certain properties acquired in the Merger.

Interest income and other contributed \$1.9 million and \$0.9 million for the year ended December 31, 2013 and 2012, respectively. Of the \$1.0 million increase in 2013, \$0.5 million was attributable to income recognized on two equipment sales during 2013, and \$0.5 million related to increased lease termination fees earned during 2013 as compared to 2012.

### Expenses

#### General and administrative

General and administrative expenses remained relatively consistent at \$35.1 million and \$36.3 million for the years ended December 31, 2013 and 2012, respectively. During 2013, the Company incurred higher compensation and related benefits of \$4.6 million due primarily to \$2.4 million of higher non-cash stock based compensation. The balance of the increase in compensation expense was attributable to hiring additional personnel in response to nearly doubling our gross investment in real estate as a result of the Merger. Professional fees, insurance and outside consulting services increased \$2.6 million during 2013 primarily due to higher costs incurred as a publicly traded company and consulting fees incurred in connection with the integration of the net assets acquired in the Merger. The increases in fiscal year 2013 were offset by \$7.4 million in charges primarily associated with completing the IPO and extinguishing the term note indebtedness during the year ended December 31, 2012.

#### Merger related costs

In connection with the Merger, the Company incurred merger related costs of approximately \$56.6 million for the year ended December 31, 2013, which include legal, accounting and financial advisory services, debt financing related costs, and other third-party expenses. Merger related costs represent costs incurred specifically to consummate the Merger transaction. Costs incurred to integrate the net assets acquired in the Merger are reflected in general and administrative expenses. There were no Merger costs incurred during the same period in 2012.

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## Property costs

Property costs increased \$6.6 million to \$11.8 million for the year ended December 31, 2013, as compared to \$5.2 million for the same period in 2012. Total property costs in 2013 include approximately \$7.2 million of reimbursable costs associated with non-triple-net leases acquired in the Merger and \$1.9 million in non-reimbursable costs related to operating properties. These increases were offset by a decrease of \$2.6 million related to non-reimbursable costs related to non-operating properties.

## Interest

Interest expense increased by \$23.0 million to \$179.3 million for the year ended December 31, 2013, as compared to \$156.2 million for the same period in 2012. The increase in interest expense was primarily due to the the increase in total indebtedness of approximately \$1.9 billion at December 31, 2013 compared to the same period in 2012. The vast majority of our increased indebtedness was the assumption of debt in connection with the Merger. Non-recurring interest charges of \$10.1 million were incurred during 2013 in connection with the Merger. During the year ended December 31, 2013, the Company incurred \$38.7 million and \$2.9 million in higher interest charges on its fixed and variable rate mortgages and notes payable and lines of credit, respectively. These increases were offset primarily by \$19.9 million in higher interest charges associated with the term note, which was extinguished in 2012.

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

|   | Years Ended December 31, |           |
|---|--------------------------|-----------|
|   | 2013                     | 2012      |
|   | (in thousands)           |           |
| Interest expense – term note payable                          | \$—                      | \$19,925  |
| Interest expense – revolving credit facilities <sup>(1)</sup> | 3,037                    | 108       |
| Interest expense – mortgages and notes payable                | 157,903                  | 119,196   |
| Interest expense – other                                      | 475                      | 10        |
| Amortization of deferred financing costs <sup>(2)</sup>       | 13,188                   | 2,819     |
| Amortization of net losses related to interest rate swap      | 11                       | 3,415     |
| Amortization of debt (premium) or discount, net               | 4,653                    | 10,747    |
| Total interest expense  | \$179,267                | \$156,220 |

<sup>(1)</sup> Includes interest expense associated with non-utilization fees of approximately \$0.7 million and \$0.1 million for the years ended December 31, 2013 and 2012, respectively.

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

## Depreciation and amortization

Depreciation and amortization expense relates primarily to depreciation on the commercial buildings and improvements we own and to amortization of the related lease intangibles. Depreciation and amortization expense increased by \$59.1 million to \$164.1 million for the year ended December 31, 2013, as compared to \$105.0 million for the same period in 2012. Of the total increase, a significant portion relates to depreciation and amortization on assets acquired in the Merger, with the remainder related to non-merger acquisitions.

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

|                                    | Years Ended December 31, |          |
|------------------------------------|--------------------------|----------|
|                                    | 2013                     | 2012     |
|                                    | (in thousands)           |          |
| Depreciation of real estate assets | \$130,285                | \$86,905 |
| Other depreciation                 | 180                      | 54       |
| Amortization of lease intangibles  | 33,589                   | 18,025   |

\$164,054

\$104,984

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## Impairments

Impairment (recoveries) charges on properties and other assets that are classified as part of continuing operations were \$(0.2) million and \$8.9 million for the year ended December 31, 2013 and 2012, respectively. Due to an improved economy and real estate market in 2013, impairments were much less than for the same period in 2012. We strategically seek to identify non-performing properties that we may re-lease or dispose of in an effort to improve our returns. The disposition or re-leasing of non-performing or underperforming properties may trigger impairment charges when the expected future cash flows from the properties for sale or re-lease are less than their net book value.

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

|  | Years Ended December 31, |           |
|--|--------------------------|-----------|
|  | 2013                     | 2012      |
|  | (in thousands)           |           |
| Real estate and intangible asset impairment              | \$182                    | \$7,267   |
| Write-off of lease intangibles due to lease terminations | —                        | 1,831     |
| Loan receivable impairment (recovery) expense            | (367                     | ) (180    |
| Total impairment (recovery) loss                         | \$(185                   | ) \$8,918 |

## Other expense

During the year ended December 31, 2012, we incurred \$32.5 million in losses attributable to the extinguishment of our term note indebtedness. The majority of this non-cash charge was due to the conversion of our then outstanding \$330 million tranche of the term note into stockholders' equity at a premium. We incurred \$2.4 million of debt extinguishment losses during the same period in 2013.

## Income tax expense

Income tax expense increased \$0.6 million to \$1.1 million for the year ended December 31, 2013, as compared to \$0.5 million for the same period in 2012. The increase was primarily due to an increase in deferred state tax expense resulting from a change in the state tax apportionment factor caused by the acquisition of properties in certain state tax jurisdictions from our Merger and the sale of a property that was subject to state built-in gain tax of \$0.4 million.

## Discontinued Operations

Gains and losses from property dispositions during a period or expected losses from properties classified as held for sale at the end of the period, as well as all operations from those properties, are reclassified to and reported as part of "discontinued operations."

We recognized income from discontinued operations of \$34.8 million for the year ended December 31, 2013 (including a \$35.5 million gain attributable to the sale of a large non-core property) as compared to a loss of \$3.7 million for the same period in 2012. Included in these amounts were losses of \$4.1 million and \$1.3 million, respectively, attributable to properties held for sale. Non-cash impairment charges included in income from discontinued operations for the year ended December 31, 2013 and 2012 were \$7.1 million and \$4.6 million, respectively.

## Liquidity and Capital Resources

## Short-term Liquidity and Capital Resources

On a short-term basis, our principal demands for funds will be for operating expenses, distributions to stockholders and interest and principal on current and any future debt financings. We expect to fund our operating expenses and other short-term liquidity requirements, capital expenditures, payment of principal and interest on our outstanding indebtedness, property improvements, re-leasing costs and cash distributions to common stockholders, primarily through cash provided by operating activities and borrowings under our \$400.0 million Credit Facility. As of

December 31, 2014, we had no amounts outstanding under the Credit Facility.



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We have a shelf registration statement on file with the SEC under which we may issue secured or unsecured indebtedness and equity financing through the instruments and on the terms most attractive to us at such time. During 2014, we sold an aggregate total of 14.4 million shares under our ATM Program and completed a registered offering of 26.45 million shares of our common stock.

### Long-term Liquidity and Capital Resources

We plan to meet our long-term capital needs, including long-term financing of property acquisitions, by obtaining asset level financing, issuing registered debt or equity securities and occasionally by issuing fixed rate secured notes and bonds. Our ability to raise capital is evidenced by our recent concurrent registered offerings of common stock and Convertible Notes, our November 2014 issuance of net-lease mortgage notes and through the sale of shares of our common stock under the ATM Program. In closing these transactions, we were able to raise in excess of \$1.7 billion before offering costs during the year ended December 31, 2014. We may continue to issue common stock when we believe that our share price is at a level that allows for the proceeds of any offering to be accretively invested into additional properties. In addition, we may issue common stock to permanently finance properties that were financed by our Credit Facility or other indebtedness. In the future, some of our property acquisitions could be made by issuing partnership interests of our Operating Partnership in exchange for property owned by third parties. These partnership interests would be exchangeable for cash or, at our election, shares of our common stock.

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

### Description of Certain Debt

#### Spirit Master Funding Program

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

In addition, upon satisfaction of certain conditions, the issuers may, from time to time, sell or exchange real estate properties or mortgage loans from the Collateral Pools. Proceeds from the sale of assets within the Collateral Pools are held on deposit by the indenture trustee until a qualifying substitution is made. At December 31, 2014, \$53.1 million was held on deposit and classified as restricted cash within deferred costs and other assets, net in our Consolidated Balance Sheet included in this Annual Report on Form 10-K.

The Spirit Master Funding Program consists of two separate securitization trusts which have one or multiple bankruptcy-remote, special purpose entities as issuers of the notes (“Master Trust 2013” and “Master Trust 2014”, respectively). Each issuer is an indirect wholly-owned subsidiary of ours. Notes issued under Master Trust 2014 are

cross-collateralized by the assets of all issuers within that trust. The notes issued under Master Trust 2013 and Master Trust 2014 are collectively referred to as the “Master Trust Notes”. All outstanding series of Master Trust Notes were rated investment grade as of December 31, 2014.

#### Master Trust 2013

In December 2013, an indirect wholly-owned subsidiary of ours issued \$330.0 million aggregate principal amount of net-lease mortgage notes comprised of \$125.0 million of 3.89% interest only notes expected to be repaid in December 2018 and \$205.0 million of 5.27% amortizing notes expected to be repaid in December 2023 (collectively referred to as the “2013 Notes”). As of December 31, 2014, the 2013 Notes had an outstanding principal balance of \$326.0 million

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and were secured by 313 properties, including 77 properties securing mortgage loans. The 2013 Notes have a weighted average stated interest rate of 4.74% and a weighted average maturity of 7.1 years as of December 31, 2014.

### Master Trust 2014

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

In November 2014, the existing issuers under Master Trust 2014 and two additional indirect wholly-owned subsidiaries of ours, collectively as co-issuers, completed the issuance of \$510.0 million aggregate principal amount of net-lease mortgage notes comprised of \$150.0 million of 3.50% interest only notes expected to be repaid in January 2020 and \$360.0 million of 4.63% amortizing notes (interest only through November 2017) expected to be repaid in January 2030 (together with the new notes from the Exchange Offer, the "2014 Notes"). As of December 31, 2014, the 2014 Notes had an outstanding principal balance of \$1.38 billion and were secured by 952 properties, including 82 properties securing mortgage loans. The 2014 Notes have a weighted average stated interest rate of 5.11% and a weighted average maturity of 8.5 years as of December 31, 2014.

### Convertible Notes

In May 2014, we completed our Convertible Notes Offering in the aggregate principal amount of \$747.5 million. Interest on the Convertible Notes is payable semiannually in arrears on May 15 and November 15 of each year. The 2019 Notes, aggregate principal amount \$402.5 million, accrue interest at 2.875% and are scheduled to mature on May 15, 2019. The 2021 Notes, aggregate principal amount \$345.0 million, accrue interest at 3.75% and are scheduled to mature on May 15, 2021. In connection with the issuance of the Convertible Notes, we recorded discounts for the value of the embedded conversion option feature of \$28.1 million and \$28.6 million for the 2019 Notes and 2021 Notes, respectively. These debt discounts are being amortized to interest expense using the effective interest method over the respective term of the individual Convertible Notes.

Holder may convert notes of either series prior to November 15, 2018, in the case of the 2019 Notes, or November 15, 2020, in the case of the 2021 Notes, only under the following circumstances: (1) if the closing price of our common stock for each of at least 20 trading days (whether or not consecutive) during a 30 consecutive trading day period in any quarter is greater than or equal to 130% of the \$13.10 conversion price for the Convertible Notes; (2) during the five business day period after any 10 consecutive trading day period in which the trading price per \$1,000 principal amount of the Convertible Notes for each trading day of the measurement period was less than 98% of the product of the last closing price of our common stock and the conversion rate for the Convertible Notes; (3) if we call any or all of the Convertible Notes for redemption prior to the redemption date; or (4) upon the occurrence of specified corporate events as described in the Convertible Notes prospectus supplement. On or after November 15, 2018, in the case of the 2019 Notes, or November 15, 2020, in the case of the 2021 Notes, until the close of business on the second scheduled trading day immediately preceding the maturity date of the Convertible Notes, holders may convert the Convertible Notes of the applicable series at any time, regardless of the foregoing circumstances. Upon conversion, we will pay or deliver cash, shares of common stock or a combination of cash and shares of common

stock, at our election.

The initial conversion rate for the Convertible Notes is 76.3636 shares of common stock per \$1,000 principal amount of notes (equivalent to an initial conversion price of approximately \$13.10 per share of common stock). The conversion rate for each series of the Convertible Notes will be subject to adjustment in some events, but will not be adjusted for any accrued and unpaid interest. In addition, following certain corporate events that occur prior to the maturity date, we will increase the conversion rate for a holder who elects to convert its notes in connection with such a corporate event in certain circumstances. If we undergo a fundamental change (as defined), holders may require us to repurchase

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all or any portion of their notes at a repurchase price equal to 100% of the principal amount of the notes to be repurchased, plus accrued and unpaid interest.

Revolving Credit Facility

\$400 Million Credit Facility - In July 2013, the Operating Partnership and various affiliates, entered into the Credit Facility with various lenders. Pursuant to the Credit Facility, consistent with the terms, conditions and provisions of a three-year revolving credit facility, the Operating Partnership and its affiliates may obtain loans and/or extensions of credit (under a revolving credit facility) in an aggregate amount not to exceed \$400.0 million. The initial term expires on July 17, 2016 and may be extended for an additional 12 months, subject to the satisfaction of specified requirements. The Credit Facility bears interest, at the Operating Partnership's option, of either (i) the "Base Rate" (as defined in the Credit Agreement) plus 1.00% to 2.00%; or (ii) LIBOR plus 2.00% to 3.00%, depending on the Operating Partnership's leverage ratio. The Operating Partnership is also required to pay a fee on the unused portion of the Credit Facility at a rate of either 0.25% or 0.35% per annum, based on percentage thresholds for the average daily unused balance during a fiscal quarter. As of December 31, 2014, no amount was outstanding on the Credit Facility. As a result of entering into the Credit Facility, we incurred origination costs of \$4.5 million. These costs are being amortized to interest expense over the remaining initial term of the Credit Facility. At December 31, 2014, \$2.3 million of the \$4.5 million is included in deferred costs and other assets, net on our Consolidated Balance Sheets included in this Annual Report on Form 10-K. Based on the average outstanding principal balance during the three months ended December 31, 2014, the interest rate, excluding the impact of non-cash amortization of deferred financing costs and non-utilization fee, was 2.69%.

Our ability to borrow under the Credit Facility is subject to the Operating Partnerships' ongoing compliance with a number of customary financial covenants including:

- Maximum Leverage Ratio-requiring that the ratio of total indebtedness to gross asset value not exceed 65%.
- Minimum Fixed Charge Coverage Ratio-requiring that the ratio of consolidated EBITDA to consolidated fixed charges shall not be less than certain fluctuating ratios set forth in the credit agreement.
- Minimum Net Worth requiring that as of any date, consolidated tangible net worth not be less than 80% of consolidated tangible net worth on the closing date plus an amount equal to 80% of the proceeds of any new issuances of common stock.
- Maximum Dividend Payout Ratio-requiring that any dividends declared not exceed a certain amount per share. Pursuant to the terms of the Credit Facility, distributions are allowable so long as they would not trigger an Event of Default (as defined in the agreement) and dividends cannot exceed \$1.50 per share for the first four fiscal quarters following July 17, 2013, and, starting in the fourth quarter of fiscal year 2014, dividends, in the aggregate, may not exceed funds from operations in any fiscal year.
- Minimum Unencumbered Assets-the ability to request advances or letters of credit will be subject to the maintenance of a ratio of (a) outstanding obligations to (b) total value of the qualified unencumbered properties of not more than 62.5%.
- Minimum Unencumbered Interest Coverage Ratio-requiring that each quarter and as a condition to each requested borrowing, the ratio of unencumbered net operating income to facility cash interest expense shall not be less than 1.50x.

We guarantee the Operating Partnership's obligations under the Credit Facility and, to the extent not prohibited by law, all of our assets and the Operating Partnership's assets, other than interests in subsidiaries that are contractually prohibited from being pledged, are pledged as collateral for obligations under the Credit Facility.

Line of Credit

As of December 31, 2014, a special purpose entity indirectly owned by us had access to a \$40.0 million Line of Credit. The initial term of the Line of Credit expires in March 2016, and each advance under the Line of Credit has a 24-month term. The interest rate is determined on the date of each advance and is the greater of (i) the stated prime rate or (ii) the floor rate, which was amended and reduced during the third quarter 2014, equal to 3.50%. The interest

rate with respect to each advance resets on the annual anniversary date of each advance, and is subject to the same terms as above. As of December 31, 2014, \$15.2 million was outstanding on the Line of Credit under three separate advances, secured by three properties, at a weighted average stated rate of 3.58% and an effective interest rate for the three

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months ended December 31, 2014 of 5.83%. Each advance under the Line of Credit is secured by the assets specified as collateral for such advance and is otherwise non-recourse.

Our ability to borrow under the Line of Credit is subject to the Operating Partnerships' ongoing compliance with a number of customary financial covenants including:

• Maintain a minimum tangible net worth of \$25.0 million.

• Maintain minimum liquidity of \$5.0 million.

• Each note advance shall maintain a debt service coverage ratio of not less than 1.35 to 1.00 on a semi-annual basis.

• Each note advance shall maintain an operator debt coverage ratio of not less than 2.00 to 1.00 on an annual basis.

As of December 31, 2014, the Company and, if applicable, the special purpose entity were in compliance with these financial covenants.

### CMBS

We may use long-term, fixed-rate debt to finance our properties on a “match-funded” basis. In such events, we seek to use asset level financing that bears interest at an annual rate less than the annual rent on the related lease(s) and that matures prior to the expiration of such lease(s). As of December 31, 2014, we had approximately \$1.95 billion of outstanding principal balances under our fixed and variable-rate CMBS loans, with a weighted average contractual interest rate of 5.70% and a weighted average maturity of 3.1 years. Most of this debt is partially amortizing and requires a balloon payment at maturity.

In general, the obligor of our asset level debt is a special purpose entity that holds the real estate and other collateral securing the indebtedness. Each special purpose entity is a separate legal entity, and is the sole owner of its assets and responsible for its liabilities.

One such CMBS loan is secured by a first priority lien on properties leased to one of our tenants pursuant to a master lease that expires in April 2027. During 2012, we amended the loan agreement to provide for certain property substitutions and deposited \$8.0 million of cash collateral with the lender to be applied, at the lender's discretion, towards the reduction of the outstanding principal balance of the loan. The loan agreement also requires rents and other monies paid to the borrower, a wholly-owned subsidiary of ours, to be deposited into a lender-controlled account in order to first satisfy the debt service requirements, with any excess funds disbursed to the borrower (the “Excess Cash”). In connection with obtaining the lender's consent to our IPO, we agreed to amend the original loan agreement to provide for more restrictive cash sweep covenants. During the quarter ended September 30, 2014, the servicer of this CMBS loan notified us that conditions exist under these covenants that permit the servicer to retain the Excess Cash as additional deposited collateral, concluding that such conditions existed as of September 30, 2013. The right of the servicer to claim such Excess Cash continues until (a) the collateral tenant meets certain financial performance requirements for four consecutive fiscal quarters, (b) no event of default under the loan agreement is continuing, and (c) our long term debt is rated at or above “BB” by S&P and “Ba2” by Moody's. In December 2014, the borrower deposited with the lender \$8.6 million, representing Excess Cash from September 30, 2013 through December 31, 2014. For so long as the cash sweep triggering event period continues, on a quarterly basis, the borrower will be required to post additional Excess Cash of approximately \$1.7 million per quarter and the Company must guarantee the anticipated Excess Cash for the remainder of the loan term, which is \$15.0 million as of December 31, 2014. Pursuant to the notice from the loan servicer, we are permitted to issue a letter of credit in lieu of the Excess Cash eligible to be swept. Excess Cash deposited with the lender as additional collateral is classified as deferred costs and other assets, net in our Consolidated Balance Sheet included in this Annual Report on Form 10-K.

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No event of default exists under the loan agreement and the collateral tenant continues to significantly exceed the financial performance requirements described above for the termination of the cash sweep period as well as for the disbursement of Excess Cash; however, unless and until our long term debt is rated at or above “BB” by S&P and “Ba2” by Moody’s we cannot assure distribution of Excess Cash eligible to be retained by the servicer. The following table provides key elements of the properties owned and outstanding indebtedness of this special purpose entity as of December 31, 2014 (dollars in thousands):

| Industry           | Properties | Net Book Value | Monthly Base Rent | Principal Outstanding | Monthly Debt Service | Stated Interest Rate | Maturity Date |
|--------------------|------------|----------------|-------------------|-----------------------|----------------------|----------------------|---------------|
| Building Materials | 109        | \$199,022      | \$1,493           | \$139,389             | \$916                | 6.17 %               | May 5, 2017   |

We are in default on four separate CMBS loans due to the underperformance of the properties securing these loans. The wholly-owned special purpose entities subject to these mortgage loans are each separate legal entities and the sole owner of their assets and responsible for their liabilities. As of December 31, 2014, the aggregate outstanding principal balance of these loans totaled \$75.6 million. One mortgage loan, secured by nine properties, comprises \$53.2 million of this amount. These nine properties were acquired in 2006 and were operated by a single tenant under a master lease until filing bankruptcy in 2010. Since 2010, we have managed these properties through the tenant's bankruptcy and re-tenanted all nine properties with four new tenants. In December 2013, one of the four tenants, under a six property master lease, filed for bankruptcy. In May 2014, the master lease under which these properties operated was rejected by the current tenant in connection with its bankruptcy proceedings, and in September 2014, we repossessed these six properties. Absent the rental income under this master lease, the special purpose entity could not service its monthly debt obligation of \$0.3 million, resulting in a default under the terms of the loan agreement. Of the remaining three mortgage loans in default, two are secured by vacant properties and the current rental income of the property securing the remaining loan is insufficient to service the debt. In each case, we believe that we have made appropriate efforts to maximize the return on our initial investment through either lease restructuring or re-tenanting those properties that have become vacant. As of December 31, 2014, we believe the value of these properties is less than the related debt. As a result, we have notified the lenders of each special purpose entity that we anticipate surrendering these properties to the lenders in exchange for relieving the indebtedness, including any accrued interest, encumbering them.

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

| Industry                 | Properties | Net Book Value | Monthly Base Rent | Outstanding Principal | Restricted Cash <sup>(3)</sup> | Stated Rate           | Default Rate           | Accrued Interest     |
|--------------------------|------------|----------------|-------------------|-----------------------|--------------------------------|-----------------------|------------------------|----------------------|
| Drug Stores / Pharmacies | 1          | \$1,032        | \$—               | \$1,247               | \$78                           | 5.67 %                | 9.67 %                 | \$61 <sup>(1)</sup>  |
| Home Furnishings         | 1          | 3,315          | 36                | 17,026                | 3,537                          | 6.88 %                | 10.88 %                | 1,168 <sup>(1)</sup> |
| Sporting Goods           | 1          | 3,375          | —                 | 4,133                 | 609                            | 5.52 %                | 9.52 %                 | 260 <sup>(1)</sup>   |
| Manufacturing            | 9          | 39,034         | 83                | 53,184                | 9,497                          | 5.85 %                | 9.85 %                 | 1,614 <sup>(1)</sup> |
|                          | 12         | \$46,756       | \$119             | \$75,590              | \$13,721                       | 6.06 % <sup>(2)</sup> | 10.06 % <sup>(2)</sup> | \$3,103              |

<sup>(1)</sup> Interest accrued or capitalized to principal that remains unpaid.

<sup>(2)</sup> Weighted average interest rate.

<sup>(3)</sup> Represents restricted cash controlled by the lender that may be applied to reduce the outstanding principal balance.





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## Debt Maturities

Scheduled debt payments, including our revolving credit facilities, as of December 31, 2014 are as follows (in thousands):

|            | Scheduled<br>Principal | Balloon<br>Payment | Total       |
|------------|------------------------|--------------------|-------------|
| 2015       | \$31,552               | \$321,372          | \$352,924   |
| 2016       | 30,167                 | 289,045            | 319,212     |
| 2017       | 29,667                 | 839,977            | 869,644     |
| 2018       | 43,750                 | 248,851            | 292,601     |
| 2019       | 45,771                 | 452,000            | 497,771     |
| Thereafter | 289,752                | 1,799,316          | 2,089,068   |
|            | \$470,659              | \$3,950,561        | \$4,421,220 |

## Contractual Obligations

The following table provides information with respect to our commitments as well as potential acquisitions under contract as of December 31, 2014, the table does not reflect available debt extensions (in thousands):

|  | Total       | Payment due by period      |                          |                          |                                      |
|--|-------------|----------------------------|--------------------------|--------------------------|--------------------------------------|
|  |             | Less than 1<br>Year (2015) | 1-3 years<br>(2016-2017) | 3-5 years<br>(2018-2019) | More than<br>5 years<br>(after 2019) |
| Contractual Obligations                    |             |                            |                          |                          |                                      |
| Debt - Principal                           | \$4,421,220 | \$352,924                  | \$1,188,856              | \$790,372                | \$2,089,068                          |
| Debt - Interest <sup>(1)</sup>             | 1,077,028   | 211,465                    | 351,678                  | 242,257                  | 271,628                              |
| Acquisitions Under Contract <sup>(2)</sup> | 288,738     | 288,738                    | —                        | —                        | —                                    |
| Capital Improvements                       | 4,235       | 4,235                      | —                        | —                        | —                                    |
| Operating Lease Obligations                | 23,979      | 1,743                      | 3,584                    | 3,814                    | 14,838                               |
| Total                                      | \$5,815,200 | \$859,105                  | \$1,544,118              | \$1,036,443              | \$2,375,534                          |

<sup>(1)</sup> Excludes interest on defaulted mortgage loans.

<sup>(2)</sup> Contracts contain standard cancellation clauses contingent on results of due diligence.

## Distribution Policy

Distributions from our current or accumulated earnings and profits are generally classified as ordinary income, whereas distributions in excess of our current and accumulated earnings and profits, to the extent of a stockholder's federal income tax basis in our common stock, are generally classified as a return of capital. Distributions in excess of a stockholder's federal income tax basis in our common stock are generally characterized as capital gain.

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

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

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



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## Cash Flows

## Comparison of Year Ended December 31, 2014 to 2013

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

Our cash flows from operating activities are primarily dependent upon the occupancy level of our portfolio, the rental rates specified in our leases, the collectability of rent and the level of our operating expenses and other general and administrative costs. Net cash provided by operating activities increased \$80.5 million to \$218.6 million for the year ended December 31, 2014 as compared to \$138.1 million for the same period in 2013. This increase was primarily attributable to an increase in cash revenue of \$181.1 million and \$56.6 million of Merger costs paid in 2013 partially offset by increases in cash paid for interest of \$54.1 million and cash paid for the extinguishment of certain debt of \$59.2 million, \$12.3 million of finance restructuring charges related to our Exchange Offer and \$10.9 million in higher property costs. The balance of the cash flow change is attributable to changes in operating assets and liabilities. The increase to both revenue and cash paid for interest during the year ended December 31, 2014 is partly attributable to our Merger in the third quarter of 2013. As a result of the Merger, we added 747 properties and 69 secured mortgage loans to our portfolio and assumed \$1.5 billion of mortgages and notes payable. Exclusive of the Merger, during the year ended December 31, 2014, we invested \$971.7 million in real estate, which further contributed to our increased operating revenue and issued \$747.5 million of Convertible Notes during the second quarter of 2014 and \$330.0 million of 2013 Notes in the fourth quarter of 2013, which increased the amount of cash paid for interest during the current period.

Cash used in investing activities is generally used to fund property acquisitions, for investments in loans receivable and, to a limited extent, for capital expenditures. Cash provided by investing activities generally relates to the disposition of real estate and other assets. Net cash used in investing activities was \$878.0 million for the year ended December 31, 2014 as compared to net cash used in investing activities of \$159.6 million for the same period in 2013. The increase in net cash used in investing activities during 2014 included \$936.4 million to fund the acquisition of 361 properties and transfers of sales proceeds to restricted cash accounts of \$52.0 million, partially offset by cash proceeds of \$104.3 million from the disposition of 38 properties and collections of principal on loans receivable and real estate assets under direct financing leases totaling \$6.1 million. During the same period in 2013, net cash used in investing activities included \$401.4 million to fund the acquisition of 194 properties, partially offset by cash proceeds of \$205.8 million from the disposition of 21 properties, which includes \$115.3 million from the sale of two non-core properties acquired in the Merger, collections of principal on loans receivable totaling \$15.3 million and transfers of sales proceeds from restricted cash accounts of \$13.4 million. We also acquired \$7.3 million of cash in connection with the Merger.

Generally, our net cash provided by financing activities is impacted by our borrowings and common stock offerings. Net cash provided by financing activities increased by \$754.6 million to \$769.1 million for the year ended December 31, 2014 as compared to \$14.5 million for the same period in 2013.

The net change was attributable to our concurrent Convertible Notes and Common Stock Offerings, sales of our common stock under our ATM Program and the most recent net-lease mortgage notes issuance under our Spirit Master Funding Program in November 2014. Collectively these transactions raised approximately \$1.7 billion in gross proceeds. The capital raised was used mostly to extinguish \$583.8 million of our indebtedness, repay the amounts drawn against the Credit Facility and to fund certain acquisitions. Our net borrowings and proceeds from the issuance of common stock during the period were offset mostly by \$255.8 million for the dividends paid to stockholders, which was paid primarily through sources from our operating cash flows. During the same period in 2013, financing activities can be attributed primarily to our Merger, which included net new borrowing proceeds of \$203.7 million reduced by debt issuance costs, lender consent fees and escrow deposit requirements totaling \$50.7 million and \$136.1 million of dividends paid to our stockholders. The net new borrowing proceeds were used primarily to fund new acquisitions, pay Merger-related costs, and other general corporate expenses.



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Comparison of Year Ended December 31, 2013 to 2012

As of December 31, 2013, we had \$66.6 million of cash and cash equivalents as compared to \$73.6 million as of December 31, 2012.

Net cash provided by operating activities increased \$26.3 million to \$138.1 million for the year ended December 31, 2013 as compared to \$111.8 million for the same period in 2012. This increase was primarily attributable to an increase in cash revenue of \$125.4 million offset by increases in cash paid for interest of \$11.0 million, non-recurring Merger-related costs of \$56.6 million, property and acquisition costs of \$7.8 million, general and administration expenses of \$4.7 million and the balance due to an increase in the use of cash from operating assets and liabilities. The increase in revenues reflects the impact of the Merger with Cole II in the third quarter plus \$422.5 million of investments in real estate for the year ended December 31, 2013. We anticipate our general and administrative expenses and property costs to increase as a result of the Merger.

Net cash used in investing activities was \$159.6 million for the year ended December 31, 2013 as compared to net cash used in investing activities of \$109.3 million for the same period in 2012. The increase in cash used for investing activities during 2013 included \$401.4 million to fund the acquisition of 194 properties and capital improvements, partially offset by cash proceeds of \$205.8 million from the disposition of 21 properties, which includes \$115.3 million from the sale of two non-core properties acquired in the Merger, collections of principal on loans receivable totaling \$15.3 million and transfers of sales proceeds from restricted cash accounts of \$13.4 million. The Company also acquired \$7.3 million of cash in connection with the Merger. During the same period in 2012, cash used in investing activities included \$167.5 million to fund the acquisition of 91 properties and invest in four unsecured notes in addition to transfers of sales proceeds to restricted cash accounts of \$5.1 million. These uses were partially offset by \$46.0 million of proceeds from the disposition of 41 properties and collections of principal on loans receivable of \$17.3 million.

During the comparative periods, we completed two significant transactions affecting our financing activities. On July 17, 2013, we completed the Merger for consideration of \$2.0 billion in common stock, and on September 25, 2012, we completed our IPO. Net cash provided by financing activities decreased by \$7.1 million to \$14.5 million for the year ended December 31, 2013 as compared to \$21.6 million for the same period in 2012. During 2013, the change in financing activities can be attributed primarily to our net new borrowing proceeds of \$203.7 million reduced by debt issuance costs, lender consent fees and escrow deposit requirements totaling \$50.7 million and \$136.1 million of dividends paid to our stockholders from cash available from operating activities. The net new borrowing proceeds were used primarily to fund new acquisitions, pay Merger-related costs, and other general corporate expenses. In connection with the Merger, the Company repaid the \$324.1 million Cole II line of credit assumed in the Merger from borrowings under our \$400.0 million Credit Facility and \$203.0 million in CMBS notes. We borrowed an additional \$265.6 million under our revolving credit facilities and \$87.3 million in mortgage notes to fund certain acquisitions and to pay transaction costs related to the Merger. In December 2013, we issued \$330.0 million of 2013 Notes. Net proceeds from the 2013 Notes allowed us to repay amounts under our lines of credit and other indebtedness and pay for general corporate expenses.

During 2012, we completed our IPO. Net proceeds provided from the issuance of our common stock including the underwriters' over-allotment totaled \$457.1 million. We used \$399.0 million to pay-off a tranche of our then outstanding term note. During the year ended December 31, 2012, we used \$10.7 million to obtain lender consents in connection with the IPO and placed an additional \$19.6 million into restricted cash accounts as reserves for certain lenders. In addition, we borrowed \$44.2 million to finance portions of certain acquisitions and repaid \$46.9 million of our mortgages and notes payable.

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Item 7A. Quantitative and Qualitative Disclosures About Market Risk

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

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

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

The objective of our interest rate risk management policy is to match fixed-rate assets with fixed-rate liabilities and variable-rate assets with variable-rate liabilities. As of December 31, 2014, our assets were primarily long-term, fixed-rate leases (though most have scheduled rental increases during the terms of the leases). As of December 31, 2014, approximately \$3.55 billion of our total indebtedness consisted of long-term, fixed-rate obligations. As of December 31, 2014, the weighted average stated interest rate of our fixed CMBS and Master Trust Notes, excluding amortization of deferred financing costs and debt discounts/premiums, was approximately 5.46%.

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

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

with major financial institutions that we deem credit worthy.

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

The following table discloses the fair value information for these financial instruments as of December 31, 2014 (in thousands):

|                                       | Carrying<br>Value | Estimated<br>Fair Value |
|---------------------------------------|-------------------|-------------------------|
| Revolving credit facilities           | \$15,181          | \$15,254                |
| Mortgages and notes payable, net      | 3,658,496         | 3,899,950               |
| Convertible Notes, net <sup>(1)</sup> | 695,957           | 729,231                 |

<sup>(1)</sup> The carrying value of the Convertible Notes is net of an embedded conversion premium totaling \$51.5 million.

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Item 8. Financial Statements and Supplementary Data

Report of Independent Registered Public Accounting Firm

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

We have audited Spirit Realty Capital, Inc.'s internal control over financial reporting as of December 31, 2014, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). Spirit Realty Capital, Inc.'s management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the company's internal control over financial reporting based on our audit.

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

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

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

In our opinion, Spirit Realty Capital, Inc. maintained, in all material respects, effective internal control over financial reporting as of December 31, 2014, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Spirit Realty Capital, Inc. as of December 31, 2014 and 2013, and the related consolidated statements of operations, comprehensive (loss) income, stockholders' equity, and cash flows for each of the three years in the period ended December 31, 2014 of Spirit Realty Capital, Inc. and our report dated February 26, 2015 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

Phoenix, Arizona  
February 26, 2015

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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

We have audited the accompanying consolidated balance sheets of Spirit Realty Capital, Inc. as of December 31, 2014 and 2013, and the related consolidated statements of operations, comprehensive (loss) income, stockholders' equity and cash flows for each of the three years in the period ended December 31, 2014. Our audits also included the financial statement schedules listed in the Index at Item 15(a). These financial statements and schedules are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and schedules based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Spirit Realty Capital, Inc. at December 31, 2014 and 2013, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2014, in conformity with U.S. generally accepted accounting principles. Also, in our opinion, the related financial statement schedules, when considered in relation to the basic consolidated financial statements taken as a whole, present fairly in all material respects the information set forth therein.

As discussed in Note 2 to the consolidated financial statements, the Company changed its reporting of discontinued operations as a result of the adoption of the amendments to the FASB Accounting Standards Codification resulting from Accounting Standards Update No. 2014-08, "Presentation of Financial Statements (Topic 205) and Property, Plant, and Equipment (Topic 360), Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity."

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Spirit Realty Capital, Inc.'s internal control over financial reporting as of December 31, 2014, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated February 26, 2015 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

Phoenix, Arizona  
February 26, 2015

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## SPIRIT REALTY CAPITAL, INC.

## Consolidated Balance Sheets

(In Thousands, Except Share and Per Share Data)

|   | December 31,<br>2014 | December 31,<br>2013 |
|---|----------------------|----------------------|
| Assets  |                      |                      |
| Investments:  |                      |                      |
| Real estate investments:  |                      |                      |
| Land and improvements   | \$2,614,630          | \$2,330,510          |
| Buildings and improvements  | 4,579,166            | 4,188,783            |
| Total real estate investments   | 7,193,796            | 6,519,293            |
| Less: accumulated depreciation  | (752,210 )           | (590,067 )           |
|   | 6,441,586            | 5,929,226            |
| Loans receivable, net   | 109,425              | 117,721              |
| Intangible lease assets, net  | 590,073              | 618,121              |
| Real estate assets under direct financing leases, net   | 56,564               | 58,760               |
| Real estate assets held for sale, net   | 119,912              | 19,611               |
| Net investments   | 7,317,560            | 6,743,439            |
| Cash and cash equivalents   | 176,181              | 66,588               |
| Deferred costs and other assets, net  | 231,839              | 129,597              |
| Goodwill  | 291,421              | 291,421              |
| Total assets  | \$8,017,001          | \$7,231,045          |
| Liabilities and stockholders' equity  |                      |                      |
| Liabilities:  |                      |                      |
| Revolving credit facilities   | \$15,181             | \$35,120             |
| Mortgages and notes payable, net  | 3,658,496            | 3,743,098            |
| Convertible Notes, net  | 695,957              | —                    |
| Intangible lease liabilities, net   | 205,968              | 220,114              |
| Accounts payable, accrued expenses and other liabilities  | 123,298              | 114,679              |
| Total liabilities   | 4,698,900            | 4,113,011            |
| Commitments and contingencies (see Note 10)   |                      |                      |
| Stockholders' equity:   |                      |                      |
| Common stock, \$0.01 par value; 411,824,039 issued shares and 411,350,440<br>outstanding shares at December 31, 2014 and 370,570,565 issued shares and<br>370,363,803 outstanding shares at December 31, 2013 | 4,118                | 3,706                |
| Capital in excess of par value  | 4,361,320            | 3,859,823            |
| Accumulated deficit   | (1,041,392 )         | (742,915 )           |
| Accumulated other comprehensive loss  | (1,083 )             | (638 )               |
| Treasury stock, at cost   | (4,862 )             | (1,942 )             |
| Total stockholders' equity  | 3,318,101            | 3,118,034            |
| Total liabilities and stockholders' equity  | \$8,017,001          | \$7,231,045          |
| See accompanying notes.   |                      |                      |

SPIRIT REALTY CAPITAL, INC.  
Consolidated Statements of Operations  
(In Thousands, Except Share and Per Share Data)

|  | Years Ended December 31, |             |            |
|--|--------------------------|-------------|------------|
|  | 2014                     | 2013        | 2012       |
| Revenues:  |                          |             |            |
| Rentals  | \$574,456                | \$404,402   | \$266,567  |
| Interest income on loans receivable  | 7,239                    | 5,928       | 5,696      |
| Earned income from direct financing leases   | 3,343                    | 1,572       | —          |
| Tenant reimbursement income  | 13,085                   | 5,637       | —          |
| Interest income and other  | 4,748                    | 1,928       | 852        |
| Total revenues   | 602,871                  | 419,467     | 273,115    |
| Expenses:  |                          |             |            |
| General and administrative   | 44,252                   | 35,146      | 36,252     |
| Finance restructuring charges  | 13,022                   | 717         | —          |
| Merger costs   | —                        | 56,644      | —          |
| Property costs   | 23,383                   | 11,760      | 5,176      |
| Real estate acquisition costs  | 3,631                    | 1,718       | 1,054      |
| Interest   | 220,070                  | 179,267     | 156,220    |
| Depreciation and amortization  | 247,966                  | 164,054     | 104,984    |
| Impairments (recoveries)   | 36,019                   | (185        | ) 8,918    |
| Total expenses   | 588,343                  | 449,121     | 312,604    |
| Income (loss) from continuing operations before other expense and income tax expense | 14,528                   | (29,654     | ) (39,489  |
| Other expense:   |                          |             |            |
| Loss on debt extinguishment  | (64,750                  | ) (2,405    | ) (32,522  |
| Total other expense  | (64,750                  | ) (2,405    | ) (32,522  |
| Loss from continuing operations before income tax expense                            | (50,222                  | ) (32,059   | ) (72,011  |
| Income tax expense   | 673                      | 1,113       | 504        |
| Loss from continuing operations  | (50,895                  | ) (33,172   | ) (72,515  |
| Discontinued operations:   |                          |             |            |
| Income (loss) from discontinued operations   | 3,368                    | (2,077      | ) (369     |
| Gain (loss) on dispositions of assets  | 488                      | 36,926      | (3,349     |
| Income (loss) from discontinued operations   | 3,856                    | 34,849      | (3,718     |
| (Loss) income before dispositions of assets  | (47,039                  | ) 1,677     | (76,233    |
| Gain on dispositions of assets   | 13,240                   | —           | —          |
| Net (loss) income  | (33,799                  | ) 1,677     | (76,233    |
| Less: preferred dividends  | —                        | —           | (63        |
| Net (loss) income attributable to common stockholders                                | \$(33,799                | ) \$1,677   | \$(76,296  |
| Net (loss) income per share of common stock—basic and diluted:                       |                          |             |            |
| Continuing operations  | \$(0.10                  | ) \$(0.14   | ) \$(0.92  |
| Discontinued operations  | 0.01                     | 0.14        | (0.05      |
| Net (loss) income per share attributable to common stockholders - basic and diluted  | \$(0.09                  | ) \$0.00    | \$(0.97    |
| Weighted average common shares outstanding:  |                          |             |            |
| Basic and diluted  | 386,809,746              | 255,020,565 | 78,625,102 |
| See accompanying notes.  |                          |             |            |



SPIRIT REALTY CAPITAL, INC.

Consolidated Statements of Comprehensive (Loss) Income

(In Thousands)

|   | Years Ended December 31, |           |           |
|---|--------------------------|-----------|-----------|
|   | 2014                     | 2013      | 2012      |
| Net (loss) income                                     | \$(33,799                | ) \$1,677 | \$(76,233 |
| Other comprehensive (loss) income:                    |                          |           |           |
| Change in net unrealized losses on cash flow hedges   | (1,760                   | ) (314    | ) (902    |
| Net cash flow hedge losses reclassified to operations | 1,315                    | 447       | 7,683     |
| Total comprehensive (loss) income                     | \$(34,244                | ) \$1,810 | \$(69,452 |

See accompanying notes.



SPIRIT REALTY CAPITAL, INC.  
Consolidated Statements of Stockholders' Equity  
(In Thousands, Except Share Data)

|  | Common Stock                         |                          |               |           |                                | Treasury Stock      |                                      |           |         | Total Stockholders' Equity |
|--|--------------------------------------|--------------------------|---------------|-----------|--------------------------------|---------------------|--------------------------------------|-----------|---------|----------------------------|
|  | Series A Cumulative Preferred Shares | Series A Preferred Value | Common Shares | Par Value | Capital in Excess of Par Value | Accumulated Deficit | Accumulated Other Comprehensive Loss | Shares    | Value   |                            |
| Balances, December 31, 2011                      | 125                                  | \$84                     | 49,265,701    | \$493     | \$1,003,831                    | \$(470,496)         | \$(7,552)                            | —         | \$—     | \$526,360                  |
| Net loss   | —                                    | —                        | —             | —         | —                              | (76,233)            | —                                    | —         | —       | (76,233)                   |
| Other comprehensive income                       | —                                    | —                        | —             | —         | —                              | —                   | 6,781                                | —         | —       | 6,781                      |
| Issuance of common stock                         | —                                    | —                        | 63,525,058    | 635       | 454,679                        | —                   | —                                    | —         | —       | 455,314                    |
| Issuance of common stock for TLC debt conversion | —                                    | —                        | 46,182,406    | 462       | 363,217                        | —                   | —                                    | —         | —       | 363,679                    |
| Issuance of restricted common stock              | —                                    | —                        | 2,651,979     | 26        | (26)                           | —                   | —                                    | —         | —       | —                          |
| Preferred stock redemption                       | (125)                                | (84)                     | —             | —         | —                              | (55)                | —                                    | —         | —       | (139)                      |
| Dividends declared on common stock               | —                                    | —                        | —             | —         | —                              | (28,242)            | —                                    | —         | —       | (28,242)                   |
| Stock-based compensation, net                    | —                                    | —                        | —             | —         | 5,931                          | —                   | —                                    | —         | —       | 5,931                      |
| Dividends paid on preferred stock                | —                                    | —                        | —             | —         | —                              | (8)                 | —                                    | —         | —       | (8)                        |
| Balances, December 31, 2012                      | —                                    | —                        | 161,625,144   | 1,616     | 1,827,632                      | (575,034)           | (771)                                | —         | —       | 1,253,443                  |
| Common shares issued in connection with merger   | —                                    | —                        | 208,570,007   | 2,086     | 2,023,426                      | —                   | —                                    | —         | —       | 2,025,512                  |
| Net income                                       | —                                    | —                        | —             | —         | —                              | 1,677               | —                                    | —         | —       | 1,677                      |
| Other comprehensive income                       | —                                    | —                        | —             | —         | —                              | —                   | 133                                  | —         | —       | 133                        |
| Dividends declared on common stock               | —                                    | —                        | —             | —         | —                              | (169,395)           | —                                    | —         | —       | (169,395)                  |
| Repurchase of common shares                      | —                                    | —                        | —             | —         | —                              | —                   | —                                    | (206,762) | (1,942) | (1,942)                    |
| Stock-based compensation, net                    | —                                    | —                        | 375,414       | 4         | 8,765                          | (163)               | —                                    | —         | —       | 8,606                      |
| Balances, December 31, 2013                      | —                                    | —                        | 370,570,565   | 3,706     | 3,859,823                      | (742,915)           | (638)                                | (206,762) | (1,942) | 3,118,034                  |

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|   |   |     |             |         |             |               |           |           |           |             |   |
|---|---|-----|-------------|---------|-------------|---------------|-----------|-----------|-----------|-------------|---|
| Net loss  | — | —   | —           | —       | —           | (33,799)      | ) —       | —         | —         | (33,799)    | ) |
| Other comprehensive loss                              | — | —   | —           | —       | —           | —             | (445)     | ) —       | —         | (445)       | ) |
| Dividends declared on common stock                    | — | —   | —           | —       | —           | (264,113)     | ) —       | —         | —         | (264,113)   | ) |
| Repurchase of common shares                           | — | —   | —           | —       | —           | —             | —         | (266,837) | (2,920)   | (2,920)     | ) |
| Issuance of common shares                             | — | —   | 40,808,577  | 408     | 434,576     | —             | —         | —         | —         | 434,984     |   |
| Embedded conversion premium of convertible notes, net | — | —   | —           | —       | 55,131      | —             | —         | —         | —         | 55,131      |   |
| Exercise of stock options                             | — | —   | 20,000      | —       | 183         | —             | —         | —         | —         | 183         |   |
| Stock-based compensation, net                         | — | —   | 424,897     | 4       | 11,607      | (565)         | ) —       | —         | —         | 11,046      |   |
| Balances, December 31, 2014                           | — | \$— | 411,824,039 | \$4,118 | \$4,361,320 | \$(1,041,392) | \$(1,083) | (473,599) | \$(4,862) | \$3,318,101 |   |

See accompanying notes.

SPIRIT REALTY CAPITAL, INC.  
Consolidated Statements of Cash Flows  
(In Thousands)

|   | Years Ended December 31, |            |              |
|---|--------------------------|------------|--------------|
|   | 2014                     | 2013       | 2012         |
| Operating activities  |                          |            |              |
| Net (loss) income   | \$(33,799                | ) \$1,677  | \$(76,233 )  |
| Adjustments to reconcile net (loss) income to net cash provided by operating activities:          |                          |            |              |
| Depreciation and amortization   | 247,966                  | 167,599    | 112,100      |
| Impairments   | 36,436                   | 6,949      | 13,552       |
| Amortization of deferred financing costs  | 5,899                    | 13,188     | 2,819        |
| Derivative net settlements, amortization and other interest rate hedge losses                     | (114                     | ) (289     | ) 11,465     |
| Payments to terminate interest rate swap  | —                        | (376       | ) —          |
| Amortization of debt (premium) discounts  | (849                     | ) 4,653    | 10,900       |
| Stock-based compensation expense  | 11,346                   | 8,769      | 5,931        |
| Loss on debt extinguishment, net  | 64,750                   | 1,377      | 32,522       |
| Debt extinguishment costs   | (59,576                  | ) —        | —            |
| (Gains) losses on dispositions of real estate and other assets, net                               | (13,728                  | ) (37,174  | ) 3,529      |
| Non-cash revenue  | (16,732                  | ) (18,755  | ) (3,283 )   |
| Other   | 260                      | (53        | ) 216        |
| Changes in operating assets and liabilities:  |                          |            |              |
| Deferred costs and other assets   | (25,466                  | ) (7,255   | ) 418        |
| Accounts payable, accrued expenses and other liabilities  | 2,178                    | (2,206     | ) (2,163 )   |
| Net cash provided by operating activities   | 218,571                  | 138,104    | 111,773      |
| Investing activities  |                          |            |              |
| Acquisitions/improvements of real estate  | (936,448                 | ) (401,422 | ) (163,779 ) |
| Investments in loans receivable   | —                        | —          | (3,743 )     |
| Collections of principal on loans receivable and real estate assets under direct financing leases | 6,085                    | 15,260     | 17,343       |
| Proceeds from dispositions of real estate and other assets  | 104,292                  | 205,816    | 45,998       |
| Cash acquired in connection with merger   | —                        | 7,347      | —            |
| Transfers of sale proceeds and loan principal collections (to) from restricted account            | (51,959                  | ) 13,406   | (5,133 )     |
| Net cash used in investing activities   | (878,030                 | ) (159,593 | ) (109,314 ) |
| Financing activities  |                          |            |              |
| Borrowings under credit facilities  | 875,722                  | 386,705    | —            |
| Repayments under credit facilities  | (895,661                 | ) (351,585 | ) —          |
| Repayment of line of credit previously belonging to Cole II                                       | —                        | (324,111   | ) —          |
| Borrowings under mortgages and notes payable  | 518,846                  | 620,290    | 44,210       |
| Borrowings under Convertible Notes  | 747,500                  | —          | —            |
| Repayments under mortgages and notes payable  | (610,973                 | ) (127,572 | ) (46,929 )  |
| Repayments/repurchases of term note payable   | —                        | —          | (398,983 )   |
| Deferred financing costs  | (30,772                  | ) (34,399  | ) (3,436 )   |
| Proceeds from issuance of common stock, net of offering costs                                     | 434,984                  | (518       | ) 457,115    |
| Offering costs paid on equity component of Convertible Notes                                      | (1,609                   | ) —        | —            |
| Purchase of treasury stock  | (2,920                   | ) (1,942   | ) —          |
| Consent fees paid to lenders  | —                        | (5,449     | ) (10,672 )  |



SPIRIT REALTY CAPITAL, INC.  
 Consolidated Statements of Cash Flows  
 (In Thousands)

|  | Years Ended December 31, |            |           |
|--|--------------------------|------------|-----------|
|  | 2014                     | 2013       | 2012      |
| Proceeds from exercise of stock options              | 183                      | —          | —         |
| Redemption of preferred stock                        | —                        | —          | (139 )    |
| Dividends paid/distributions to equity owners        | (255,771 )               | (136,091 ) | (8 )      |
| Transfers to escrow deposits with lenders            | (10,477 )                | (10,819 )  | (19,585 ) |
| Net cash provided by financing activities            | 769,052                  | 14,509     | 21,573    |
| Net increase (decrease) in cash and cash equivalents | 109,593                  | (6,980 )   | 24,032    |
| Cash and cash equivalents, beginning of period       | 66,588                   | 73,568     | 49,536    |
| Cash and cash equivalents, end of period             | \$ 176,181               | \$ 66,588  | \$ 73,568 |
| See accompanying notes.                              |                          |            |           |

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SPIRIT REALTY CAPITAL, INC.

Notes to Consolidated Financial Statements

December 31, 2014

Note 1. Organization

Company Organization and Operations

Spirit Realty Capital, Inc. (the "Company") is a Maryland corporation and operates as a self-administered and self-managed real estate investment trust ("REIT") that seeks to generate and deliver sustainable and attractive returns for stockholders by investing primarily in and managing a portfolio of single-tenant, operationally essential real estate throughout the United States that is generally leased on a long-term, triple-net basis predominantly to tenants operating within retail, office and industrial property types. Single tenant, operationally essential real estate generally refers to free-standing, commercial real estate facilities where tenants conduct activities that are essential to the generation of their sales and profits.

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

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

The Company's operations are carried out through its operating partnership, Spirit Realty, L.P. (the "Operating Partnership"). Spirit General OP Holdings, LLC, one of the Company's wholly-owned subsidiaries, is the sole general partner and owns 1.0% of the Operating Partnership. The Company and a wholly-owned subsidiary are the only limited partners and together own the remaining 99.0% of the Operating Partnership.

Note 2. Summary of Significant Accounting Policies

Basis of Accounting and Principles of Consolidation

The accompanying consolidated financial statements of Spirit Realty Capital, Inc. and its consolidated subsidiaries have been prepared on the accrual basis of accounting, in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The consolidated financial statements include the accounts of Spirit Realty Capital, Inc. and its wholly-owned subsidiaries. All significant intercompany balances and transactions have been eliminated in consolidation.

The Company has formed numerous special purpose entities to acquire and hold real estate encumbered by indebtedness (see Note 6). As a result, the vast majority of the Company's consolidated assets are held in these wholly-owned special purpose entities. Each special purpose entity is a separate legal entity and is the sole owner of its assets and responsible for its liabilities. The assets of these special purpose entities are not available to pay, or otherwise satisfy obligations to, the creditors of any owner or affiliate of the special purpose entity. As of December 31, 2014 and 2013, assets totaling \$5.7 billion and \$6.1 billion, respectively, were held, and as of each year ending December 31, 2014 and 2013, liabilities totaling \$3.8 billion were owed by these special purpose entities and are included in the accompanying consolidated balance sheets.

Use of Estimates

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

SPIRIT REALTY CAPITAL, INC.

Notes to Consolidated Financial Statements - (continued)

December 31, 2014

Reclassifications

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

Segment Reporting

ASC 280, Segment Reporting, established standards for the manner in which public enterprises report information about operating segments. The Company views its operations as one segment, which consists of net leasing operations. The Company has no other reportable segments.

Real Estate Investments

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

Investment in Direct Financing Leases - For real estate property leases classified as direct financing leases, the building portion of the lease is accounted for as a direct financing lease, while the land portion is accounted for as operating leases when certain criteria are met. For direct financing leases, the Company records an asset which represents the net investment that is determined by using the aggregate of the total amount of future minimum lease payments, the estimated residual value of the leased property and deferred incremental direct costs less unearned income. Income is recognized over the life of the lease to approximate a level rate of return on the net investment. Residual values, which are reviewed quarterly, represent the estimated amount we expect to receive at lease termination from the disposition of the leased property. Actual residual values realized could differ from these estimates. The Company evaluates the collectability of future minimum lease payments on each direct financing lease primarily through the evaluation of payment history and the underlying creditworthiness of the tenant. There were no amounts past due as of December 31, 2014. The Company's direct financing leases are evaluated individually for the purpose of determining if an allowance is needed. Any write-down of an estimated residual value is recognized as an impairment loss in the current period and earned income adjusted prospectively. The Company's direct financing leases were acquired in connection with the Merger. There were no impairment losses or allowances recorded related to direct financing leases during the year ended December 31, 2014.

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

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

Lease Intangibles - Lease intangibles, if any, acquired in conjunction with the purchase of real estate represent the value of in-place leases and above- or below-market leases. For real estate acquired subject to existing lease agreements, in-place lease intangibles are valued based on the Company's estimates of costs related to tenant



acquisition and the carrying costs that would be incurred during the time it would take to locate a tenant if the property were vacant, considering current market conditions and costs to execute similar leases at the time of the acquisition, and are amortized on a straight-line basis over the remaining initial term of the related lease. Above- and below-market lease intangibles are recorded based on the present value of the difference between the contractual amounts to be

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## SPIRIT REALTY CAPITAL, INC.

Notes to Consolidated Financial Statements - (continued)

December 31, 2014

paid pursuant to the leases at the time of acquisition of the real estate and the Company's estimate of current market lease rates for the property, measured over a period equal to the remaining initial term of the lease. Capitalized above-market lease intangibles are amortized over the remaining initial terms of the respective leases as a decrease to rental revenue. Below-market lease intangibles are amortized as an increase in rental revenue over the remaining initial terms of the respective leases plus any fixed-rate renewal periods on those leases. Should a lease terminate early, the unamortized portion of any related lease intangible is immediately recognized in impairment loss in the Company's consolidated statements of operations.

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

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

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

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

The Company suspends revenue recognition if the collectability of amounts due pursuant to a lease is not reasonably assured or if the tenant's monthly lease payments become more than 60 days past due, whichever is earlier. Lease termination fees are included in "interest income and other" on the Company's consolidated statements of operations and are recognized when there is a signed termination agreement and all of the conditions of the agreement have been met. The Company recorded lease termination fees of \$3.4 million, \$0.9 million and \$0.5 million during the years ended December 31, 2014, 2013 and 2012, respectively.

## SPIRIT REALTY CAPITAL, INC.

Notes to Consolidated Financial Statements - (continued)

December 31, 2014

## Allowance for Doubtful Accounts

The Company reviews its rent and other tenant receivables for collectability on a regular basis, taking into consideration changes in factors such as the tenant's payment history, the financial condition of the tenant, business conditions in the industry in which the tenant operates, and economic conditions in the area where the property is located. In the event that the collectability of a receivable with respect to any tenant is in doubt, a provision for uncollectible amounts will be established or a direct write-off of the specific receivable will be made. The Company provided for reserves for uncollectible amounts totaling \$8.4 million and \$7.9 million at December 31, 2014 and 2013, respectively, against accounts receivable balances of \$21.3 million and \$17.6 million, respectively; receivables are recorded within deferred cost and other assets, net in the accompanying consolidated balance sheets. For deferred rental revenues related to the straight-line method of reporting rental revenue, the Company performs a periodic review of receivable balances and established a provision for losses of \$10.9 million and \$9.6 million at December 31, 2014 and 2013, respectively, against deferred rental revenue receivables of \$48.3 million and \$35.3 million, respectively. The Company's periodic review includes management's estimates of amounts that will not be realized and an assessment of the risks inherent in the portfolio, giving consideration to historical experience and industry default rates for long-term receivables.

## Loans Receivable

Impairment and Allowance for Loan Losses - The Company periodically evaluates the collectability of its loans receivable, including accrued interest, by analyzing the underlying property-level economics and trends, collateral value and quality, and other relevant factors in determining the adequacy of its allowance for loan losses. A loan is determined to be impaired when, in management's judgment based on current information and events, it is probable that the Company will be unable to collect all amounts due according to the contractual terms of the loan agreement. Specific allowances for loan losses are provided for impaired loans on an individual loan basis in the amount by which the carrying value exceeds the estimated fair value of the underlying collateral less disposition costs. Delinquent loans receivable are written off against the allowance when all possible means of collection have been exhausted. There was no allowance for loan losses at December 31, 2014 or December 31, 2013.

A loan is placed on nonaccrual status when the loan has become 60 days past due, or earlier if management determines that full recovery of the contractually specified payments of principal and interest is doubtful. While on nonaccrual status, interest income is recognized only when received. As of December 31, 2014 or December 31, 2013, there were no mortgages or notes on nonaccrual status.

## Cash and Cash Equivalents

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

## Restricted Cash and Escrow Deposits

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

|  | December 31,<br>2014 | December 31,<br>2013 |
|--|----------------------|----------------------|
| Collateral deposits <sup>(1)</sup>                                   | \$29,483             | \$21,816             |
| Tenant improvements, repairs, and leasing commissions <sup>(2)</sup> | 13,427               | 10,297               |
| Master trust release / title company escrow <sup>(3)</sup>           | 53,069               | 21,893               |
| Loan impounds <sup>(4)</sup>   | 794                  | 2,018                |
| Other <sup>(5)</sup>   | 3,571                | 2,667                |
|  | \$ 100,344           | \$58,691             |



SPIRIT REALTY CAPITAL, INC.

Notes to Consolidated Financial Statements - (continued)

December 31, 2014

(1) Funds held in reserve by lenders which, at their sole discretion, can be applied to the repayment of debt. Any funds remaining on deposit after the debt is paid in full are released to the borrower. As of December 31, 2014, this total includes \$8.2 million of lender controlled restricted cash held on the four defaulted commercial mortgage backed securities ("CMBS") loans (see Note 6).

(2) Deposits held by lenders that are reserved to fund tenant improvements/repairs on collateral properties or when leasing commissions are incurred to secure a new tenant. As of December 31, 2014, this total includes \$5.3 million in restricted cash held on the four defaulted CMBS loans (see Note 6).

(3) Includes net sales proceeds from property dispositions held as collateral that can be released upon qualified re-investment.

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

(5) Funds held in lender controlled accounts released within the following month after debt service requirements are met.

A significant amount of these reserves were established in connection with obtaining lender consents relating to our IPO during 2012 and Merger during 2013.

#### Accounting for Derivative Financial Instruments and Hedging Activities

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

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

#### Income Taxes

The Company has elected to be taxed as a REIT under the Internal Revenue Code of 1986, as amended. As a REIT, the Company generally will not be subject to federal income tax provided it continues to satisfy certain tests concerning the Company's sources of income, the nature of its assets, the amounts distributed to its stockholders, and the ownership of Company stock. Management believes the Company has qualified and will continue to qualify as a REIT and therefore, no provision has been made for federal income taxes in the accompanying consolidated financial statements. Even if the Company qualifies for taxation as a REIT, it may be subject to state and local income and franchise taxes, and to federal income tax and excise tax on its undistributed income.

Franchise taxes are included in general and administrative expenses on the accompanying consolidated statements of operations. Taxable income from non-REIT activities managed through any of the Company's taxable REIT

subsidiaries is subject to federal, state, and local taxes, which are not material.

#### Earnings Per Share

Earnings per share have been computed in accordance with the ASC 260, Earnings Per Share (see Note 16). The guidance requires classification of the Company's unvested restricted common stock which contain rights to receive nonforfeitable dividends, as participating securities requiring the two-class method of computing earnings per share. Under the two-class method, earnings per common share are computed by dividing the sum of distributed earnings to common stockholders and undistributed earnings allocated to common stockholders by the weighted average number of common shares outstanding for the period. In applying the two-class method, undistributed earnings are allocated to both common shares and participating securities based on their respective weighted average shares outstanding during the period. Under the terms of the Company's Incentive Award Plan and the related restricted stock awards

SPIRIT REALTY CAPITAL, INC.

Notes to Consolidated Financial Statements - (continued)

December 31, 2014

(see Note 15), losses are not allocated to participating securities including undistributed losses as a result of dividends declared exceeding net income. The Company uses income or loss from continuing operations as the basis for determining whether potential common shares are dilutive or antidilutive and undistributed net income or loss as the basis for determining whether undistributed earnings are allocable to participating securities.

#### Fair Value Measurements

The Company's estimates of fair value of financial and non-financial assets and liabilities based on the framework established in ASC 820, Fair Value Measurements and Disclosures (see Note 11). The framework specifies a hierarchy of valuation inputs which was established to increase consistency, clarity and comparability in fair value measurements and related disclosures. The guidance describes a fair value hierarchy based upon three levels of inputs that may be used to measure fair value, two of which are considered observable and one that is considered unobservable. The following describes the three levels:

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

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

Level 3 – Inputs that are unobservable and significant to the overall fair value measurement of the assets or liabilities. These types of inputs include the Company's own assumptions.

#### Unaudited Interim Information

The consolidated quarterly financial data in Note 17 is unaudited. In the opinion of management, this financial information reflects all adjustments necessary for a fair presentation of the respective interim periods. All such adjustments are of a normal recurring nature.

#### New Accounting Pronouncements

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

In April 2014, the FASB issued Accounting Standards Update ("ASU") 2014-08, Presentation of Financial Statements (Topic 205) and Property, Plant, and Equipment (Topic 360), Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity, which amends the requirements for reporting discontinued operations. Under ASU 2014-08, a disposal of a component of an entity or a group of components of an entity is required to be reported in discontinued operations if the disposal represents a strategic shift that has (or will have) a major effect on an entity's operations and financial results when the component or group of components meets the criteria to be classified as held for sale or when the component or group of components is disposed of by sale or other than by sale. In addition, this ASU requires additional disclosures about both discontinued operations and the disposal of an individually significant component of an entity that does not qualify for discontinued operations presentation in the financial statements. The Company has early adopted the provisions of ASU 2014-08 beginning with the period ended March 31, 2014, and has applied the provisions prospectively.

In May 2014, the FASB issued ASU 2014-09, Revenue from Contracts with Customers: Topic 606. This new guidance establishes a principles-based approach for accounting for revenue from contracts with customers. Lease



contracts covered by Topic 840, Leases, are excluded from the scope of this new guidance. This new standard is effective for annual reporting periods beginning after December 15, 2016 and early adoption is not permitted. The Company is currently evaluating the impact of this new standard on its consolidated financial statements.

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SPIRIT REALTY CAPITAL, INC.

Notes to Consolidated Financial Statements - (continued)

December 31, 2014

In June 2014, the FASB issued ASU 2014-12, Compensation-Stock Compensation (Topic 718): Accounting for Share-Based Payments When the Terms of an Award Provide That a Performance Target Could Be Achieved after the Requisite Service Period. This standard requires that a performance target that affects vesting and that could be achieved after the requisite service period be treated as a performance condition. This update is effective for fiscal years beginning after December 15, 2015. The Company does not expect that the adoption of ASU 2014-12 will have a material impact on its consolidated financial statements.

In August 2014, the FASB issued ASU 2014-15, Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern, which requires management to perform interim and annual assessments of an entity's ability to continue as a going concern within one year of the date the financial statements are issued and provides guidance on determining when and how to disclose going concern uncertainties in the financial statements. Certain disclosures will be required if conditions give rise to substantial doubt about an entity's ability to continue as a going concern. The update is effective for periods beginning after December 15, 2016 with early adoption permitted. The Company does not expect that the adoption of ASU 2014-15 will have a material impact on its consolidated financial statements.

In November 2014, the FASB issued ASU 2014-16, Derivatives and Hedging (Topic 815): Determining Whether the Host Contract in a Hybrid Financial Instrument Issued in the Form of a Share is More Akin to Debt or to Equity. ASU 2014-16 clarifies how current guidance should be interpreted in evaluating the economic characteristics and risks of a host contract in a hybrid financial instrument that is issued in the form of a share. The amendments in this ASU are effective for annual reporting periods beginning after December 15, 2015, including interim periods within that reporting period. Early adoption is permitted. The Company does not expect the adoption of ASU 2014-16 will have a material impact on its consolidated financial statements.

In November 2014, the FASB issued ASU 2014-17, Business Combinations (Topic 805): Pushdown Accounting. ASU 2014-17 provides an acquired entity with an option to apply pushdown accounting in its separate financial statements upon occurrence of an event in which an acquirer obtains control of the acquired entity. This update is effective beginning November 18, 2014, and is applicable to change-in-control events occurring after that date or applied to the most recent change-in-control event if financial statements have not yet been issued. The Company has adopted the amendments in ASU 2014-17, effective November 18, 2014, as the amendments in the update are effective upon issuance. The adoption did not have an impact on the Company's consolidated financial statements.

### Note 3. Merger with Cole II

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

At the effective time of the Merger, each share of common stock, par value \$0.01 per share, of the Company (“Company Common Stock”), issued and outstanding immediately prior to the effective time of the Merger on July 17, 2013 was canceled and converted into the right to receive 1.9048 shares of common stock, par value \$0.01 per share, of post-Merger Spirit Realty Capital (“New Spirit Common Stock”). Upon receiving the converted shares of New Spirit Common Stock, the stockholders of the Company held an equity interest of approximately 44% of post-Merger Spirit Realty Capital.

The consideration transferred was computed on the basis of the Company’s closing stock price of \$18.50 on July 17, 2013, multiplied by the inverse of the Merger exchange ratio (0.525) multiplied by the number of Cole II shares of common stock outstanding at the close of the Merger.

## SPIRIT REALTY CAPITAL, INC.

Notes to Consolidated Financial Statements - (continued)

December 31, 2014

The allocation of the consideration paid of approximately \$2.0 billion is calculated below as of the July 17, 2013 closing date (dollars in thousands, except per share amounts):

|                                   |             |
|-----------------------------------|-------------|
| Cole II shares outstanding        | 208,570,007 |
| Inverse of exchange ratio         | 0.525       |
|                                   | 109,499,254 |
| Spirit Realty Capital share price | \$18.50     |
| Consideration paid                | \$2,025,737 |

In accordance with ASC 805, Business Combinations, the allocation of the purchase price was based on the Company's assessment of the fair value of the acquired assets and liabilities using both Level 2 and 3 inputs, as summarized below.

The following table summarizes the purchase price allocation to the assets acquired and liabilities assumed (in thousands):

|  |             |
|--|-------------|
| Assets   |             |
| Investments:   |             |
| Real estate investments:                                   |             |
| Land and improvements                                      | \$944,060   |
| Buildings and improvements                                 | 2,203,859   |
| Real estate investments under direct financing leases, net | 58,765      |
| Loans receivable, net                                      | 81,433      |
| Intangible lease assets                                    | 482,321     |
| Net investments  | 3,770,438   |
| Cash and cash equivalents                                  | 7,347       |
| Deferred costs and other assets, net                       | 13,608      |
| Total assets   | \$3,791,393 |
| Liabilities  |             |
| Revolving credit facilities                                | \$324,111   |
| Mortgages and notes payable, net                           | 1,512,029   |
| Intangible lease liabilities                               | 190,330     |
| Accounts payable, accrued expenses and other liabilities   | 30,607      |
| Total liabilities  | \$2,057,077 |
| Fair value of net assets acquired                          | \$1,734,316 |

## Real estate investments

The fair value of real estate was generally calculated by applying an income approach methodology using both direct capitalization and discounted cash flow analysis. Key assumptions include capitalization and discount rates. Our valuations are based, in part, on valuations prepared by an independent valuation firm.

## Lease Intangibles

The fair value of in-place leases was calculated based upon our estimate of the costs to obtain tenants in each of the applicable markets. An asset or liability is recognized for acquired leases with favorable or unfavorable rents based on

our estimate of current market rents in each of the applicable markets. Our valuations of the intangible assets are based, in part, on valuations prepared by an independent valuation firm. Total lease intangibles acquired had a weighted-average remaining amortization period of 15.7 years. Included in lease intangibles are in-place leases, above market

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## SPIRIT REALTY CAPITAL, INC.

Notes to Consolidated Financial Statements - (continued)

December 31, 2014

leases and below market leases which, upon acquisition, had weighted-average remaining amortization periods of 14.1, 11.1, and 21.0 years, respectively.

## Debt

The fair value of debt was estimated based on contractual future cash flows discounted using borrowing spreads and market interest rates that would be available to us for the issuance of debt with similar terms and remaining maturities.

## Merger costs

In connection with the Merger, the Company incurred and expensed merger costs of approximately \$56.6 million for the year ending December 31, 2013, which included legal, accounting and financial advisory services, debt financing related costs and other third-party expenses.

## Goodwill

Goodwill of \$291.4 million was recognized as part of the purchase price allocation. The Merger and integration of the Cole II portfolio provides for several potential benefits and synergies that include, but are not limited to, the following; the Merger doubled the size of the portfolio, further diversified the portfolio geographically and by industry, reduced tenant concentrations, improved overall credit quality of the portfolio, and increased operating efficiency. The Merger has, in part, improved the Company's access to the capital markets and has allowed for more advantageous acquisition opportunities. Goodwill is allocated to the Company at an enterprise level, which is representative of the reporting unit. Goodwill is non-deductible for tax purposes.

## Pro Forma Information

The following unaudited pro forma information presents our operating results as though the Merger had been consummated on January 1, 2012. The pro forma information does not necessarily reflect the actual results of operations had the Merger been consummated at the beginning of the period indicated nor is it necessarily indicative of future results. Additionally, the unaudited pro forma information does not include the impact of all the potential synergies that may be achieved from the Merger or any strategies that management may consider in order to continue to efficiently manage the on-going operations of the Company. The actual results for the year ended December 31, 2013 include total revenues and net income attributable to common stockholders from the acquired properties of \$116.4 million and \$20.2 million, respectively, from the close of the Merger (July 17, 2013) through December 31, 2013. The following table reflects the pro forma information (in thousands):

|                                   | Years Ended December 31, |           |
|-----------------------------------|--------------------------|-----------|
|                                   | 2013                     | 2012      |
| Total revenues                    | \$556,647                | \$532,560 |
| Income from continuing operations | 64,018                   | 16,876    |

The Company's pro forma information includes Merger adjustments to operations directly attributable to the Merger consisting primarily of legal, accounting and financial advisory services, debt financing related costs, and other third-party expenses, as follows (in thousands):

|                              | Years Ended December 31, |           |
|------------------------------|--------------------------|-----------|
|                              | 2013                     | 2012      |
| Pro forma Merger adjustments | \$69,666                 | \$(5,485) |



## SPIRIT REALTY CAPITAL, INC.

Notes to Consolidated Financial Statements - (continued)

December 31, 2014

## Note 4. Investments

## Real Estate Investments

At December 31, 2014 and 2013, the Company's gross investment in real estate properties and loans, including real estate assets held for sale, totaled approximately \$8.04 billion and \$7.24 billion, respectively. These investments are comprised of 2,509 and 2,186, respectively, owned or financed properties that are geographically dispersed throughout 49 states. Only one state, Texas, with a 12.2% investment, accounted for more than 10% of the total dollar amount of the Company's investment portfolio. At December 31, 2014 and 2013, respectively, the Company's gross investment portfolio was comprised of 2,364 and 2,041 owned properties. The Company also held mortgage loans receivable with aggregate carrying amounts of \$109.0 million and \$117.3 million secured by 145 real properties at each of December 31, 2014 and 2013. An unsecured loan receivable with a carrying amount of \$0.4 million was held at each of December 31, 2014 and 2013.

During the years ended December 31, 2014 and 2013, the Company had the following gross real estate and loan activity:

|   | Number of<br>Properties<br>Owned or<br>Financed | Investments<br>(1)<br><br>(in thousands) |
|---|---|--|
| Balance, December 31, 2012  | 1,207   | \$3,654,925                              |
| Acquisitions/improvements and loan originations - Non-merger        | 194   | 422,458                                  |
| Acquisitions/improvements and loan originations - Cole/Merger       | 816   | 3,580,108                                |
| Dispositions of real estate <sup>(2)</sup> <sup>(3)</sup> (Note 13) | (22)  | (396,717)                                |
| Principal payments and payoffs                                      | (9)   | (15,254)                                 |
| Impairments   | —   | (7,233)                                  |
| Loan premium amortization and other                                 | —   | (2,555)                                  |
| Balance, December 31, 2013  | 2,186   | 7,235,732                                |
| Acquisitions/improvements <sup>(4)</sup>                            | 361   | 973,653                                  |
| Dispositions of real estate <sup>(2)</sup> (Note 13)                | (38)  | (117,755)                                |
| Principal payments and payoffs                                      | —   | (5,771)                                  |
| Impairments   | —   | (35,908)                                 |
| Write off of gross lease intangibles                                | —   | (2,748)                                  |
| Loan premium amortization and other                                 | —   | (2,840)                                  |
| Balance, December 31, 2014  | 2,509   | \$8,044,363                              |

The dollar amount of investments includes the gross investment in land, buildings and lease intangibles, as

- (1) adjusted for any impairment, related to properties owned and the carrying amount of loans receivable and real estate assets held under direct financing leases.
- (2) The total accumulated depreciation and amortization associated with dispositions of real estate was \$17.3 million and \$33.2 million for the years ended December 31, 2014 and 2013, respectively.
- (3) The balance includes a real estate property surrendered to a lender resulting in a gain on debt extinguishment of approximately \$1.0 million.
- (4) Includes non-revenue producing capital expenditures not reflected in our gross investments disclosed elsewhere.

The properties that the Company owns are leased to tenants under long-term operating leases that typically include one or more renewal options. The leases are generally triple-net, which provides that the tenant is responsible for the



payment of all property operating expenses, including property taxes, maintenance and repairs, and insurance costs. Therefore, the Company is generally not responsible for repairs or other capital expenditures related to its properties, unless the property is not subject to a lease agreement. At December 31, 2014, 37 of the Company's properties were vacant, not

## SPIRIT REALTY CAPITAL, INC.

Notes to Consolidated Financial Statements - (continued)

December 31, 2014

subject to a lease and in the Company's possession; eight of these properties were held for sale. At December 31, 2013, 21 properties were vacant, not subject to a lease and in the Company's possession; six of these properties were held for sale.

Scheduled minimum future contractual rent to be received under the remaining non-cancelable term of the operating leases (including realized rent increases occurring after January 1, 2015) are as follows (in thousands):

|                              | December 31,<br>2014 |
|------------------------------|----------------------|
| 2015                         | \$598,921            |
| 2016                         | 579,275              |
| 2017                         | 564,242              |
| 2018                         | 549,285              |
| 2019                         | 529,080              |
| Thereafter                   | 4,312,351            |
| Total future minimum rentals | \$7,133,154          |

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

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

## Loans Receivable

The following table details loans receivable, net of premium, as of December 31, 2014 and 2013 (in thousands):

|                             | December 31,<br>2014 | December 31,<br>2013 |
|-----------------------------|----------------------|----------------------|
| Mortgage - principal        | \$96,594             | \$102,315            |
| Mortgage - premium          | 12,452               | 14,976               |
| Mortgages, net              | 109,046              | 117,291              |
| Other note - principal      | 379                  | 430                  |
| Total loans receivable, net | \$109,425            | \$117,721            |

As of December 31, 2014 and 2013, the Company held a total of 79 and 80, respectively, first-priority mortgage loans (representing loans to eight and nine borrowers, respectively). These mortgage loans, which are secured by single-tenant commercial properties, generally provide for monthly payments of principal and interest and may provide for scheduled increases in interest rates over the term of the loans. The other note receivable is unsecured.

## Real Estate Assets Under Direct Financing Leases

The Company's direct financing leases were acquired in the Merger. The components of investment assets held under direct financing leases as of December 31, 2014 and 2013 were as follows (in thousands):

## SPIRIT REALTY CAPITAL, INC.

Notes to Consolidated Financial Statements - (continued)

December 31, 2014

|   | December 31,<br>2014 | December 31,<br>2013 |
|---|----------------------|----------------------|
| Minimum lease payments receivable                     | \$ 15,897            | \$ 19,555            |
| Estimated residual value of leased assets             | 55,858               | 57,739               |
| Unearned income                                       | (15,191              | ) (18,534            |
| Real estate assets under direct financing leases, net | \$56,564             | \$58,760             |

## Real Estate Assets Held for Sale

The following table shows the activity in real estate assets held for sale for the years ended December 31, 2014 and 2013 (dollars in thousands):

|   | Number of<br>Properties | Carrying<br>Value |
|---|-------------------------|-------------------|
| Balance, December 31, 2012                | 7                       | \$5,898           |
| Transfers from real estate investments    | 15                      | 94,732            |
| Sales (Note 13)                           | (11                     | ) (81,019         |
| Balance, December 31, 2013                | 11                      | 19,611            |
| Transfers from real estate investments    | 36                      | 155,641           |
| Sales (Note 13)                           | (23                     | ) (55,340         |
| Balance, December 31, 2014 <sup>(1)</sup> | 24                      | \$119,912         |

<sup>(1)</sup> Includes 19 properties with a net carrying amount of \$110.9 million in which its operating results are reported in continuing operations.

The following table is a reconciliation of the major classes of assets and liabilities from discontinued operations included in real estate assets held for sale on the accompanying consolidated balance sheets as of December 31, 2014 and 2013 (in thousands):

|                                   | December 31,<br>2014 | December 31,<br>2013 |
|-----------------------------------|----------------------|----------------------|
| <b>Assets</b>                     |                      |                      |
| Land and improvements             | \$5,351              | \$10,003             |
| Buildings and improvements        | 5,798                | 14,178               |
| Total real estate investments     | 11,149               | 24,181               |
| Less: Accumulated depreciation    | (2,167               | ) (4,819             |
| Intangible lease assets, net      | 460                  | 697                  |
| Total assets                      | \$9,442              | \$20,059             |
| <b>Liabilities</b>                |                      |                      |
| Intangible lease liabilities, net | \$448                | \$448                |
| Total liabilities                 | \$448                | \$448                |

## SPIRIT REALTY CAPITAL, INC.

Notes to Consolidated Financial Statements - (continued)

December 31, 2014

## Impairments

The following table summarizes total impairment losses recognized for the years ended ended December 31, 2014, 2013 and 2012 (in thousands):

|   | Years Ended December 31, |         |          |
|---|--------------------------|---------|----------|
|   | 2014                     | 2013    | 2012     |
| Real estate and intangible asset impairment                     | \$40,728                 | \$6,829 | \$10,923 |
| Write-off of lease intangibles due to lease terminations, net   | (4,820)                  | ) 487   | 2,809    |
| Loans receivable (recovery) / impairment                        | —                        | (367)   | ) (180)  |
| Other impairment  | 528                      | —       | —        |
| Total impairment loss in continuing and discontinued operations | \$36,436                 | \$6,949 | \$13,552 |

## Note 5. Lease Intangibles, net

The following table details lease intangible assets and liabilities, net of accumulated amortization, as of December 31, 2014 and 2013 (in thousands):

|                                   | December 31,<br>2014 | December 31,<br>2013 |
|-----------------------------------|----------------------|----------------------|
| In-place leases                   | \$676,665            | \$663,027            |
| Above-market leases               | 100,568              | 95,118               |
| Less: accumulated amortization    | (187,160)            | ) (140,024)          |
| Intangible lease assets, net      | \$590,073            | \$618,121            |
| Below-market leases               | \$237,593            | \$243,237            |
| Less: accumulated amortization    | (31,625)             | ) (23,123)           |
| Intangible lease liabilities, net | \$205,968            | \$220,114            |

In-place lease intangibles are amortized on a straight-line basis over the remaining initial term of the related lease and included in depreciation and amortization expense. Capitalized above-market lease intangibles are amortized over the remaining initial terms of the respective leases as a decrease to rental revenue. Below-market lease intangibles are amortized as an increase in rental revenue over the remaining initial terms of the respective leases plus any fixed-rate renewal periods on those leases. The amounts amortized as a net increase to rental revenue for capitalized above- and below-market leases totaled \$6.1 million, \$2.4 million and \$1.3 million for the years ended December 31, 2014, 2013 and 2012, respectively. The value of in-place leases amortized and included in depreciation and amortization expense was \$53.2 million, \$33.6 million and \$18.0 million for the years ended December 31, 2014, 2013, and 2012, respectively. The increase in above- and below-market lease and lease-in-place amortization was primarily attributable to the properties acquired in connection with the Merger and the \$968.6 million in real estate acquisitions during 2014.

Based on the balance of intangible assets and liabilities at December 31, 2014 and 2013, the net aggregate amortization expense for the next five years is expected to be as follows: \$41.6 million in 2015, \$42.8 million in 2016, \$40.2 million in 2017, \$36.7 million in 2018, \$34.3 million in 2019 and \$188.5 million thereafter. The weighted average remaining amortization period of the lease intangibles is approximately 10.8 years.

## SPIRIT REALTY CAPITAL, INC.

Notes to Consolidated Financial Statements - (continued)

December 31, 2014

## Note 6. Debt

The Company's debt is summarized below:

|   | 2014<br>Weighted<br>Average<br>Effective<br>Interest Rates<br>(1) | 2014<br>Weighted<br>Average<br>Stated<br>Rates (2) | 2014<br>Weighted<br>Average<br>Maturity<br>(3) | December 31,<br>2014 | December 31,<br>2013 |
|---|---|--|--|----------------------|----------------------|
|   |   |  |  | (In Thousands)       |                      |
| Revolving credit facilities             | 4.84  | % 3.58   | % 1.6  | \$15,181             | \$35,120             |
| Master Trust Notes                      | 5.62  | % 5.04   | % 8.2  | 1,710,380            | 1,241,437            |
| CMBS - fixed-rate                       | 5.34  | % 5.85   | % 3.2  | 1,836,181            | 2,387,532            |
| CMBS - variable-rate (4)                | 3.50  | % 3.28   | % 2.7  | 110,685              | 111,018              |
| Convertible Notes                       | 4.82  | % 3.28   | % 5.3  | 747,500              | —                    |
| Unsecured fixed rate promissory note    | 9.12  | % 7.00   | % 7.0  | 1,293                | 1,442                |
|   |   |  |  | 4,421,220            | 3,776,549            |
| Unamortized net debt (discount) premium |   |  |  | (51,586              | ) 1,669              |
| Total debt, net                         |   |  |  | \$4,369,634          | \$3,778,218          |

(1) The effective interest rates include amortization of debt discount, amortization of deferred financing costs, and related debt insurer premiums and non-utilization fees, where applicable, calculated for the three months ended December 31, 2014.

(2) Represents the weighted average stated interest rate based on the outstanding principal balance as of December 31, 2014.

(3) Represents the weighted average maturity based on the outstanding principal balance as of December 31, 2014.

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

## Revolving Credit Facilities

\$400 million Credit Facility - On July 17, 2013, the Operating Partnership and various affiliates, entered into a three-year credit agreement ("Credit Facility") with various lenders and terminated the Company's previous \$100.0 million secured revolving credit facility. The Operating Partnership may obtain loans and/or extensions of credit in an aggregate amount not to exceed \$400.0 million. The initial term expires on July 17, 2016 and may be extended for an additional 12 months subject to the satisfaction of specified requirements. The Credit Facility bears interest, at the Operating Partnership's option, of either (i) the "Base Rate" (as defined in the Credit Facility) plus 1.00% to 2.00%; or (ii) LIBOR plus 2.00% to 3.00%, depending on the Operating Partnership's leverage ratio. The Operating Partnership is also required to pay a fee on the unused portion of the Credit Facility at a rate of either 0.25% or 0.35% per annum, based on percentage thresholds for the average daily unused balance during a fiscal quarter, which amounted to \$1.2 million, \$0.7 million and \$0.1 million for the years ended December 31, 2014, 2013 and 2012, respectively.

As a result of entering into the Credit Facility, the Company incurred origination costs of \$4.5 million. These costs are being amortized to interest expense, on a straight-line basis, over the remaining initial term of the Credit Facility. As of December 31, 2014 and 2013, \$2.3 million and \$3.8 million, respectively, remain in deferred costs and other assets, net on the accompanying consolidated balance sheet. The interest rate, excluding the impact of non-cash amortization of deferred financing costs and non-utilization fee of the Credit Facility, was 2.69% for the three months ended December 31, 2014. As of December 31, 2014, there was no balance outstanding on the Credit Facility and \$400.0

million of borrowing capacity.

The Company guarantees the Operating Partnership's obligations under the Credit Facility and, to the extent not prohibited by law, all of its assets and the Operating Partnership's assets, other than interests in subsidiaries that are contractually prohibited from being pledged, are pledged as collateral for obligations under the Credit Facility.

The ability to borrow under the Credit Facility is subject to the Operating Partnerships' ongoing compliance with a number of customary financial covenants. As of December 31, 2014, the Operating Partnership was in compliance with these financial covenants.

SPIRIT REALTY CAPITAL, INC.

Notes to Consolidated Financial Statements - (continued)

December 31, 2014

Line of Credit - As of December 31, 2014, a special purpose entity indirectly owned by the Company had access to a \$40.0 million secured revolving credit facility (“Line of Credit”). The initial term of the Line of Credit expires in March 2016, and each advance under the Line of Credit has a 24-month term. The interest rate is determined on the date of each advance and is the greater of (i) the stated prime rate or (ii) the floor rate, which was amended and reduced during the third quarter 2014, equal to 3.50%. The interest rate with respect to each advance resets on the annual anniversary date of each advance, and is subject to the same terms as above. As of December 31, 2014, \$15.2 million was outstanding on the Line of Credit under three separate advances, secured by three properties, at a weighted average stated rate of 3.58% and an effective interest rate for the three months ended December 31, 2014 of 5.83%. Each advance under the Line of Credit is secured by the assets specified as collateral for such advance. The ability to borrow under the Line of Credit is subject to the Operating Partnership and special purposes entity's ongoing compliance with a number of customary financial covenants. As of December 31, 2014, the Operating Partnership and, if applicable, the special purpose entity were in compliance with these financial covenants.

Master Trust Notes

The Company utilizes an asset-backed securitization platform to raise capital through the issuance of non-recourse net-lease mortgage notes collateralized by commercial real estate, net-leases and mortgage loans (the “Spirit Master Funding Program”). The Spirit Master Funding Program consists of two separate securitization trusts which have one or multiple bankruptcy-remote, special purpose entities as issuers of the notes (“Master Trust 2013” and “Master Trust 2014”, respectively). Each issuer is an indirect wholly-owned subsidiary of the Company. Notes issued under Master Trust 2014 are cross-collateralized by the assets of all issuers within that trust. The notes issued under Master Trust 2013 and Master Trust 2014 are collectively referred to as the “Master Trust Notes”.

Master Trust 2013

In December 2013, an indirect wholly-owned subsidiary of the Company issued \$330.0 million aggregate principal amount of investment grade rated net-lease mortgage notes comprised of \$125.0 million of 3.89% interest only notes expected to be repaid in December 2018 and \$205.0 million of 5.27% amortizing notes expected to be repaid in December 2023 (collectively referred to as the “2013 Notes”). As of December 31, 2014, the 2013 Notes had an outstanding principal balance of \$326.0 million and were secured by 313 properties, including 77 properties securing mortgage loans. The 2013 Notes have a weighted average stated interest rate of 4.74% and a weighted average maturity of 7.1 years as of December 31, 2014.

Master Trust 2014

In May 2014, the Company completed its offer to exchange the outstanding principal balance of three series of existing net-lease mortgage notes for three series of newly issued 2014 Notes (the “Exchange Offer”). The terms of the new notes remain generally similar to the old notes including the interest rate and anticipated final repayment dates; however, the new notes generally amortize more slowly than the old notes and have a legal final payment date that is 17 years later than the old notes (although the anticipated repayment date remains the same). The Exchange Offer was accounted for as a debt modification and the related costs of \$13.0 million and \$0.7 million for the years ended December 31, 2014 and 2013, respectively, are classified as finance restructuring charges in the accompanying consolidated statements of operations.

In November 2014, the existing issuers under Master Trust 2014 and two additional indirect wholly-owned subsidiaries of the Company, collectively as co-issuers, completed the issuance of \$510.0 million aggregate principal amount of net-lease mortgage notes comprised of \$150.0 million of 3.50% interest only notes expected to be repaid in January 2020 and \$360.0 million of 4.63% amortizing notes (interest only through November 2017) expected to be repaid in January 2030 (together with the new notes from the Exchange Offer, the “2014 Notes”). As of December 31, 2014, the 2014 Notes had an outstanding principal balance of \$1.38 billion and were secured by 952 properties, including 82 properties securing mortgage loans. The 2014 Notes have a weighted average stated interest rate of 5.11% and a weighted average maturity of 8.5 years as of December 31, 2014.



## SPIRIT REALTY CAPITAL, INC.

Notes to Consolidated Financial Statements - (continued)

December 31, 2014

## CMBS

As of December 31, 2014, indirectly owned subsidiaries of the Company were borrowers under 175 fixed and 11 variable rate non-recourse loans that had been securitized into CMBS that are secured by the borrowers' respective leased properties and related assets. The stated interest rates as of December 31, 2014 for the fixed rate notes ranged from 3.90% to 10.88% with a weighted average stated rate of 5.85%. The variable rate notes ranged from 2.66% to 3.66% with a weighted average stated rate of 3.28%. As of December 31, 2014, the fixed and variable rate loans have balances outstanding of \$1.84 billion and \$110.7 million and are secured by 721 and 123 properties, respectively.

In connection with obtaining lender consent to our IPO, the Company agreed to certain cash sweep covenants that were more restrictive than those provided under certain original loan agreements. One such CMBS loan is secured by a first priority lien on properties leased to one of our tenants pursuant to a master lease that expires in April 2027. During the year ended December 31, 2014, the servicer of this CMBS loan notified the Company that conditions exist under covenants contained in the loan agreement that permit the servicer to retain rents in excess of debt service requirements ("Excess Cash") as additional deposited collateral beginning as of September 30, 2013. In December 2014, the borrower deposited with the lender an Excess Cash amount of \$8.6 million, representing the required cash collateral from September 30, 2013 through December 31, 2014. The right of the servicer to claim Excess Cash continues until (a) the collateral tenant meets certain financial performance requirements for four consecutive fiscal quarters, (b) no event of default under the loan agreement is continuing, and (c) our long term debt is rated at or above "BB" by S&P and "Ba2" by Moody's. For so long as the cash sweep triggering event period continues, on a quarterly basis, the borrower will be required to post additional Excess Cash of approximately \$1.7 million per quarter, and the Company must guarantee the anticipated Excess Cash for the remainder of the loan term, which is \$15.0 million as of December 31, 2014. Pursuant to the notice from the loan servicer, the Company is permitted to issue a letter of credit in lieu of the Excess Cash eligible to be swept. Excess Cash deposited with the lender as additional collateral is included in deferred costs and other assets, net in the accompanying consolidated balance sheet.

As of December 31, 2014, certain borrowers were in default under the loan agreements relating to four separate CMBS loans where the collateral securing the respective loans was no longer generating sufficient revenue to pay the required debt service. Each defaulted borrower is a special purpose entity and the sole owner of the collateral securing the loan obligations. As of December 31, 2014, the aggregate principal balance under the defaulted CMBS loans was \$75.6 million, which includes \$2.6 million of interest capitalized to principal. The following table provides key elements of the defaulted mortgage loans (dollars in thousands):

| Industry                 | Properties | Net Book Value | Monthly Base Rent | Outstanding Principal | Restricted Cash <sup>(3)</sup> | Stated Rate           | Default Rate           | Accrued Interest     |
|--------------------------|------------|----------------|-------------------|-----------------------|--------------------------------|-----------------------|------------------------|----------------------|
| Drug Stores / Pharmacies | 1          | \$1,032        | \$—               | \$1,247               | \$78                           | 5.67 %                | 9.67 %                 | \$61 <sup>(1)</sup>  |
| Home Furnishings         | 1          | 3,315          | 36                | 17,026                | 3,537                          | 6.88 %                | 10.88 %                | 1,168 <sup>(1)</sup> |
| Sporting Goods           | 1          | 3,375          | —                 | 4,133                 | 609                            | 5.52 %                | 9.52 %                 | 260 <sup>(1)</sup>   |
| Manufacturing            | 9          | 39,034         | 83                | 53,184                | 9,497                          | 5.85 %                | 9.85 %                 | 1,614 <sup>(1)</sup> |
|                          | 12         | \$46,756       | \$119             | \$75,590              | \$13,721                       | 6.06 % <sup>(2)</sup> | 10.06 % <sup>(2)</sup> | \$3,103              |

(1) Interest accrued or capitalized to principal that remains unpaid.

(2) Weighted average interest rate.

(3) Represents restricted cash controlled by the lender that may be applied to reduce amounts owed.

Convertible Senior Notes

On May 20, 2014, the Company completed registered offerings of \$402.5 million aggregate principal amount of 2.875% Convertible Notes due in 2019 (the "2019 Notes") and \$345.0 million aggregate principal amount of 3.75% Convertible Notes due in 2021 (the "2021 Notes" and together with the 2019 Notes, the "Convertible Notes"). Interest on the

## SPIRIT REALTY CAPITAL, INC.

Notes to Consolidated Financial Statements - (continued)

December 31, 2014

Convertible Notes is payable semiannually in arrears on May 15 and November 15 of each year. The 2019 Notes will mature on May 15, 2019 and the 2021 Notes will mature on May 15, 2021.

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

In connection with the issuance of the Convertible Notes, the Company recorded a discount of \$56.7 million, which represents the estimated value of the embedded conversion option feature for each of the Convertible Notes. The discount is shown net against the aggregate outstanding principal balance of the Convertible Notes on the accompanying consolidated balance sheets. The equity component of the conversion feature is recorded in capital in excess of par, net of \$1.6 million in financing transaction costs incurred and allocated to this conversion feature. The discount will be amortized to interest expense using the effective interest method over the term of each of the 2019 Notes and 2021 Notes. As of December 31, 2014, the unamortized discount was \$51.5 million. The Company also incurred \$19.6 million in transaction costs recorded in deferred financing costs in connection with the Convertible Notes Offering. This amount has been allocated on a pro-rata basis to each of the Convertible Notes and is being amortized to interest expense over the term of each note.

## Debt Extinguishment

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

## Debt Maturities

As of December 31, 2014, scheduled debt maturities of the Company's revolving credit facilities, mortgages and notes payable, including balloon payments, are as follows (in thousands):

|            | Scheduled<br>Principal | Balloon<br>Payment | Total       |
|------------|------------------------|--------------------|-------------|
| 2015       | \$31,552               | \$321,372          | \$352,924   |
| 2016       | 30,167                 | 289,045            | 319,212     |
| 2017       | 29,667                 | 839,977            | 869,644     |
| 2018       | 43,750                 | 248,851            | 292,601     |
| 2019       | 45,771                 | 452,000            | 497,771     |
| Thereafter | 289,752                | 1,799,316          | 2,089,068   |
|            | \$470,659              | \$3,950,561        | \$4,421,220 |

## SPIRIT REALTY CAPITAL, INC.

Notes to Consolidated Financial Statements - (continued)

December 31, 2014

## Interest Expense

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

|   | Years Ended December 31, |           |           |
|---|--------------------------|-----------|-----------|
|   | 2014                     | 2013      | 2012      |
| Interest expense – revolving credit facilities            | \$3,597                  | \$3,037   | \$108     |
| Interest expense – mortgages and notes payable            | 196,246                  | 157,903   | 119,196   |
| Interest expense – Convertible Notes                      | 15,046                   | —         | —         |
| Interest expense – other                                  | 6                        | 475       | 10        |
| Interest expense – term note payable                      | —                        | —         | 19,925    |
| Amortization of deferred financing costs <sup>(1)</sup>   | 5,899                    | 13,188    | 2,819     |
| Amortization of net losses related to interest rate swaps | 125                      | 11        | 3,415     |
| Amortization of debt (premium)/discount                   | (849                     | ) 4,653   | 10,747    |
| Total interest expense                                    | \$220,070                | \$179,267 | \$156,220 |

<sup>(1)</sup> Includes \$9.5 million arising from financing commitments related to the Merger for the year ended December 31, 2013.

## Note 7. Derivative and Hedging Activities

The Company uses interest rate derivative contracts to manage its exposure to changes in interest rates on its variable rate debt. These derivatives are considered cash flow hedges and are recorded on a gross basis at fair value and included in accounts payable, accrued expenses and other liabilities on the accompanying consolidated balance sheets. Assessments of hedge effectiveness are performed quarterly using regression analysis and the measurement of hedge ineffectiveness is based on the hypothetical derivative method. The effective portion of changes in fair value are recorded in accumulated other comprehensive loss (“AOCL”) and subsequently reclassified to earnings when the hedged transactions affect earnings. The ineffective portion is recorded immediately in earnings in general and administrative expenses.

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

| Derivatives Designated as Hedging Instruments | Balance Sheet Location                                   | Notional Amount | Fixed Interest Rate | Effective Date | Maturity Date | Fair Value of Liability |                   |   |
|---|--|-----------------|---------------------|----------------|---------------|-------------------------|-------------------|---|
|   |  |                 |                     |                |               | December 31, 2014       | December 31, 2013 |   |
| Interest Rate Swap                            | Accounts payable, accrued expenses and other liabilities | \$10,833        | 4.62                | % 06/28/12     | 07/06/17      | \$(46                   | ) \$(42           | ) |
| Interest Rate Swap                            | Accounts payable, accrued expenses and other liabilities | \$6,668         | 5.75                | % 07/17/13     | 03/01/16      | (180                    | ) (326            | ) |
| Interest Rate Swap                            | Accounts payable,  | \$32,400        | 3.15                | % 07/17/13     | 09/05/15      | (93                     | ) (178            | ) |

|                                    |                   |          |      |   |          |          |          |   |        |
|------------------------------------|-------------------|----------|------|---|----------|----------|----------|---|--------|
|                                    | accrued           |          |      |   |          |          |          |   |        |
|                                    | expenses and      |          |      |   |          |          |          |   |        |
|                                    | other liabilities |          |      |   |          |          |          |   |        |
|                                    | Accounts          |          |      |   |          |          |          |   |        |
|                                    | payable,          |          |      |   |          |          |          |   |        |
| Interest Rate Swaps <sup>(1)</sup> | accrued           | \$61,758 | 5.14 | % | 01/02/14 | 12/13/18 | (803     | ) | (246   |
|                                    | expenses and      |          |      |   |          |          |          |   | )      |
|                                    | other liabilities |          |      |   |          |          |          |   |        |
|                                    |                   |          |      |   |          |          | \$(1,122 | ) | \$(792 |
|                                    |                   |          |      |   |          |          |          |   | )      |

<sup>(1)</sup> Represents a tranche of eight individual interest rate swap agreements with notional amounts ranging from \$7.6 million to \$7.9 million. The swap agreements contain the same payment terms, stated interest rate, effective date, and maturity date.

As of December 31, 2014, the fixed weighted average interest rate of the Company's variable rate debt was 4.55%.

SPIRIT REALTY CAPITAL, INC.  
Notes to Consolidated Financial Statements  
December 31, 2014

The following tables provide information about the amounts recorded in AOCL, as well as the gain or (loss) recorded in operations, when reclassified out of AOCL or recognized in earnings immediately, for the years ended December 31, 2014, 2013, and 2012, respectively (in thousands):

|  | Amount of Loss Recognized<br>in AOCL on Derivative<br>(Effective Portion) |          |          |
|--|---|----------|----------|
|  | Years Ended December 31,  |          |          |
|  | 2014  | 2013     | 2012     |
| Derivatives in Cash Flow Hedging Relationships |   |          |          |
| Interest rate swaps                            | \$(1,760 )  | \$(314 ) | \$(902 ) |

|   | Amount of Loss Reclassified from<br>AOCL into Operations<br>(Effective Portion) |          |            |
|---|---|----------|------------|
|   | Years Ended December 31,  |          |            |
|   | 2014  | 2013     | 2012       |
| Location of Loss Reclassified from AOCL into Operations |   |          |            |
| Interest expense  | \$(1,315 )  | \$(425 ) | \$(3,646 ) |
| General and administrative expense                      | —   | (22 )    | (4,037 )   |

|  | Amount of Gain Recognized in<br>Operations on Derivative<br>(Ineffective Portion) |      |      |
|--|---|------|------|
|  | Years Ended December 31,  |      |      |
|  | 2014  | 2013 | 2012 |
| Location of Gain Recognized in Operations on Derivatives |   |      |      |
| General and administrative expense                       | \$—   | \$10 | \$—  |

In December 2013, the Company terminated certain interest rate swap agreements upon the repayment of four variable rate debt obligations. The Company paid \$0.4 million to terminate these swaps and recognized a gain of \$0.1 million, which is included in general and administrative expenses. During 2012, the Company recorded \$4.0 million in losses in general and administrative expenses from the fair value measurement of the term note's share settled call option that was deemed an embedded derivative. Approximately \$1.1 million of the remaining balance in AOCL is estimated to be reclassified as an increase to interest expense during the next 12 months. The Company does not enter into derivative contracts for speculative or trading purposes.

The Company is exposed to credit risk in the event of non-performance by its derivative counterparties. The Company believes it mitigates its credit risk by entering into agreements with counterparties it considers credit-worthy. As of December 31, 2014 and 2013, there were no termination events or events of default related to the interest rate swaps.

#### Note 8. Income Taxes

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

|                                      | Years Ended December 31, |         |       |
|--------------------------------------|--------------------------|---------|-------|
|                                      | 2014                     | 2013    | 2012  |
| REIT state income tax                | \$673                    | \$723   | \$504 |
| REIT state built-in gain tax expense | —                        | 390     | —     |
| Total income tax expense             | \$673                    | \$1,113 | \$504 |

The Company's deferred income tax expense and its ending balance in deferred tax assets and liabilities were immaterial at December 31, 2014, 2013 and 2012.



## SPIRIT REALTY CAPITAL, INC.

## Notes to Consolidated Financial Statements

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To the extent that the Company acquires property that has been owned by a C corporation in a transaction in which the tax basis of the property carries over, and the Company recognizes a gain on the disposition of such property during the subsequent recognition period, it will be required to pay tax at the highest regular corporate tax rate to the extent of such built-in gain. During 2013, the Company sold a property that was subject to state built-in gain tax of \$0.4 million. The Company continues to hold certain real estate assets acquired in 2006 with a built-in gain of approximately \$435 million. The Company intends to hold these assets beyond the applicable built-in gain recognition period or sell the assets in tax deferred exchanges and therefore does not anticipate recognizing the built-in gain tax associated with these assets.

The Company has net operating loss carryforwards for income tax purposes totaling \$63.9 million, \$63.9 million and \$63.4 million at December 31, 2014, 2013 and 2012, respectively. These losses, which begin to expire in 2015 through 2032, are available to reduce future taxable income or distribution requirements, subject to certain ownership change limitations.

The Company files federal, state and local income tax returns. All federal tax returns for years prior to 2011 are no longer subject to examination. Additionally, state tax returns for years prior to 2010 are generally no longer subject to examination. The Company's policy is to recognize interest related to any underpayment of income taxes as interest expense and to recognize any penalties as operating expenses. There was no accrual for interest or penalties at December 31, 2014, 2013 and 2012. The Company believes that it has appropriate support for the income tax positions taken and to be taken on its tax returns and that its accruals for tax liabilities are adequate for all open years based on an assessment of many factors, including past experience and interpretations of tax law applied to the facts of each matter.

For income tax purposes, dividends paid consist of ordinary income, capital gains, return of capital, or a combination thereof. For the years ended December 31, 2014, 2013 and 2012, preferred dividends paid were characterized for tax as follows (per share):

|                   | Years Ended December 31, |      |         |
|-------------------|--------------------------|------|---------|
|                   | 2014                     | 2013 | 2012    |
| Ordinary income   | \$—                      | \$—  | \$63    |
| Return of capital | —                        | —    | 1,112   |
|                   | \$—                      | \$—  | \$1,175 |

For the years ended December 31, 2014, 2013 and 2012, common stock dividends were characterized for tax as follows (per share):

|                   | Spirit <sup>(1)</sup>              |                                    | Pre-Merger Spirit <sup>(2)</sup>                     |                                    |
|-------------------|------------------------------------|------------------------------------|--|------------------------------------|
|                   | Year Ended<br>December 31,<br>2014 | Year Ended<br>December 31,<br>2013 | For the Period<br>January 1, 2013 -<br>July 17, 2013 | Year Ended<br>December 31,<br>2012 |
| Ordinary income   | \$—                                | \$0.29                             | \$0.12   | \$0.23                             |
| Return of capital | 0.58                               | —                                  | 0.66   | —                                  |
| Capital gain      | —                                  | 0.32                               | —  | —                                  |
|                   | \$0.58                             | \$0.61                             | \$0.78   | \$0.23                             |

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



<sup>(2)</sup> Dividends per share for pre-merger Spirit reflect amounts declared by the Company prior to the Merger and are not adjusted for the Merger exchange ratio.

## SPIRIT REALTY CAPITAL, INC.

Notes to Consolidated Financial Statements - (continued)

December 31, 2014

## Note 9. Stockholders' Equity

On May 13, 2014, the Company approved an amendment to its charter to increase the number of shares of stock that it has the authority to issue from 490.0 million to 770.0 million. As of December 31, 2014, the Company has authority to issue 770.0 million shares of stock, consisting of 750.0 million shares of common stock, \$0.01 par value per share, and 20.0 million shares of preferred stock, \$0.01 par value per share. As of December 31, 2013, and following an amendment and restatement of the charter at the effective time of the Merger, the total number of shares of all classes of capital stock, which the Company had the authority to issue was 490.0 million, consisting of 470.0 million shares of common stock, par value \$0.01 per share and 20.0 million shares of preferred stock, par value of \$0.01 per share. As of December 31, 2014 and 2013, there were no outstanding shares of preferred stock.

Concurrent with the registered offering of Convertible Notes on May 20, 2014, the Company completed a registered offering of 26.45 million shares of the Company's common stock, par value \$0.01 per share, pursuant to an underwriting agreement dated May 14, 2014 (including shares issued pursuant to the underwriters' option to purchase additional shares).

On April 15, 2014, the Company commenced a continuous equity offering under which the Company may sell up to an aggregate of \$350.0 million of shares of its common stock from time to time through broker-dealers in "at the market" offerings (the "ATM Program"). The Company may sell the shares in amounts and at times to be determined by the Company, but has no obligation to sell any of the shares in the ATM Program. Through December 31, 2014, the Company has sold an aggregate total of 14.4 million shares, raising net proceeds of approximately \$163.8 million. In fiscal year 2014, our board of directors declared the following dividends:

| Declaration Date   | Dividend Per Share<br>(1) | Record Date        | Total Amount (2)<br>(in thousands) | Payment Date     |
|--------------------|---------------------------|--------------------|------------------------------------|------------------|
| March 18, 2014     | \$0.16625                 | March 31, 2014     | \$61,628                           | April 15, 2014   |
| June 16, 2014      | 0.16625                   | June 30, 2014      | 66,299                             | July 15, 2014    |
| September 16, 2014 | 0.16625                   | September 30, 2014 | 66,259                             | October 15, 2014 |
| December 15, 2014  | 0.17000                   | December 31, 2014  | 69,927                             | January 15, 2015 |
| Total              | \$0.66875                 |                    | \$264,113                          |                  |

(1) Net of estimated forfeitures for dividends declared on employee restricted stock awards.

The dividend declared on December 15, 2014 was paid on January 15, 2015 and was included in accounts payable, accrued expenses and other liabilities as of December 31, 2014.

In fiscal year 2013, our board of directors declared the following dividends:

| Declaration Date  | Dividend Per Share<br>(1) | Record Date        | Total Amount (2)<br>(in thousands) | Payment Date     |
|-------------------|---------------------------|--------------------|------------------------------------|------------------|
| March 14, 2013    | \$0.16406                 | April 1, 2013      | \$26,501                           | April 16, 2013   |
| June 17, 2013     | 0.16406                   | June 28, 2013      | 26,514                             | July 16, 2013    |
| July 1, 2013      | 0.02853                   | July 16, 2013      | 4,622                              | July 19, 2013    |
| September 5, 2013 | 0.13553                   | September 30, 2013 | 50,190                             | October 15, 2013 |
| December 17, 2013 | 0.16625                   | December 31, 2013  | 61,568                             | January 15, 2014 |
| Total             | \$0.65843                 |                    | \$169,395                          |                  |

(1) Dividend share data prior to July 17, 2013, has been adjusted for the Merger.

(2) Net of estimated forfeitures for dividends declared on employee restricted stock awards.

During the year ended December 31, 2014 and 2013, portions of awards of restricted common stock granted to certain of the Company's officers and other employees vested (see Note 15). The vesting of these shares, granted pursuant

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## SPIRIT REALTY CAPITAL, INC.

Notes to Consolidated Financial Statements - (continued)

December 31, 2014

to the Company's Incentive Award Plan (the "Plan"), resulted in federal and state income tax liabilities for the recipients. As permitted by the terms of the Plan and the award grants, certain officers elected to surrender 0.3 million and 0.2 million shares of common stock, valued at \$2.9 million and \$1.9 million, solely to pay the associated minimum statutory tax withholdings, during each respective year. The surrendered shares are held as treasury stock and included in stockholders' equity.

## Note 10. Commitments and Contingencies

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

At December 31, 2014, there were no outstanding claims against the Company that are expected to have a material adverse effect on the Company's financial position, results of operations or cash flows.

At December 31, 2014, the Company had commitments totaling \$293.0 million, of which \$288.7 million relates to future acquisitions with the remainder to fund improvements on properties the Company currently owns. All commitments are expected to be funded during fiscal year 2015. In addition, the Company is contingently liable for \$5.7 million of debt owed by one of its tenants and is indemnified by that tenant for any payments the Company may be required to make on such debt.

The Company estimates future costs for known environmental remediation requirements when it is probable that the Company has incurred a liability and the related costs can be reasonably estimated. The Company considers various factors when estimating its environmental liabilities, and adjustments are made when additional information becomes available that affects the estimated costs to study or remediate any environmental issues. When only a wide range of estimated amounts can be reasonably established and no other amount within the range is better than another, the low end of the range is recorded in the financial statements.

The Company leases its current corporate office space and certain operating equipment under non-cancelable agreements from unrelated third parties. Total rental expense included in general and administrative expense amounted to \$0.7 million, \$0.5 million and \$0.4 million for the years ended December 31, 2014, 2013 and 2012, respectively. The Company is also a lessee under seven long-term, non-cancelable ground leases under which it is obligated to pay monthly rent. Total rental expense included in property costs amounted to \$1.2 million, \$1.2 million and \$1.1 million for the years ended December 31, 2014, 2013 and 2012, respectively. Ground leases are subleased to unrelated third parties, and the corresponding rental revenue is recorded in rentals on the accompanying consolidated statements of operations.

The Company's minimum aggregate rental commitments under all non-cancelable operating leases as of December 31, 2014 are as follows (in thousands):

|            | Ground Leases | Office and<br>Equipment<br>Leases | Total    |
|------------|---------------|-----------------------------------|----------|
| 2015       | \$1,159       | \$584                             | \$1,743  |
| 2016       | 1,161         | 593                               | 1,754    |
| 2017       | 1,225         | 605                               | 1,830    |
| 2018       | 1,283         | 616                               | 1,899    |
| 2019       | 1,293         | 622                               | 1,915    |
| Thereafter | 12,344        | 2,494                             | 14,838   |
| Total      | \$18,465      | \$5,514                           | \$23,979 |



## SPIRIT REALTY CAPITAL, INC.

Notes to Consolidated Financial Statements - (continued)

December 31, 2014

## Note 11. Fair Value Measurements

The Company's liabilities that are required to be measured at fair value in the accompanying consolidated financial statements are summarized below.

The following table sets forth the Company's financial liabilities that were accounted for at fair value on a recurring basis as of December 31, 2014 and 2013 (in thousands):

|   | Fair Value | Fair Value Hierarchy Level |            |         |
|---|------------|----------------------------|------------|---------|
|   |            | Level 1                    | Level 2    | Level 3 |
| December 31, 2014                         |            |                            |            |         |
| Derivatives:                              |            |                            |            |         |
| Interest rate swaps financial liabilities | \$(1,122 ) | \$—                        | \$(1,122 ) | \$—     |
| December 31, 2013                         |            |                            |            |         |
| Derivatives:                              |            |                            |            |         |
| Interest rate swaps financial liabilities | \$(792 )   | \$—                        | \$(792 )   | \$—     |

The interest rate swaps are measured using a market approach, using prices obtained from a nationally recognized pricing service and pricing models with market observable inputs such as interest rates and volatilities. These measurements are classified as Level 2 of the fair value hierarchy.

The following table sets forth the Company's assets that were accounted for at fair value on a nonrecurring basis as of December 31, 2014 and 2013 (in thousands):

| Description                     | Fair Value | Dispositions | Fair Value Hierarchy Level |         |          | Impairment Charges |
|---------------------------------|------------|--------------|----------------------------|---------|----------|--------------------|
|                                 |            |              | Level 1                    | Level 2 | Level 3  |                    |
| December 31, 2014               |            |              |                            |         |          |                    |
| Long-lived assets held and used | \$37,278   | \$—          | \$—                        | \$—     | \$37,278 | \$(20,679 )        |
| Lease intangible assets         | 10,013     | —            | —                          | —       | 10,013   | 4,317              |
| Long-lived assets held for sale | 65,958     | (26,721 )    | —                          | —       | 92,679   | (20,074 )          |
|                                 |            |              |                            |         |          | \$(36,436 )        |
| December 31, 2013               |            |              |                            |         |          |                    |
| Lease intangible assets         | \$—        | \$—          | \$—                        | \$—     | \$—      | \$(182 )           |
| Long-lived assets held for sale | 11,198     | (26,832 )    | —                          | —       | 38,030   | (7,134 )           |
|                                 |            |              |                            |         |          | \$(7,316 )         |

The fair values of impaired real estate and intangible assets were determined by using the following information, depending on availability, in order of preference: signed purchase and sale agreements or letters of intent; recently quoted bid or ask prices, or market prices for comparable properties; estimates of cash flow, which consider, among other things, contractual and forecasted rental revenues, leasing assumptions, and expenses based upon market conditions; and expectations for the use of the real estate. Based on these inputs, the Company determined that its valuation of the impaired real estate and intangible assets falls within Level 3 of the fair value hierarchy.

In addition to the disclosures for assets and liabilities required to be measured at fair value at the balance sheet date, companies are required to disclose the estimated fair values of all financial instruments, even if they are not carried at their fair values. The fair values of financial instruments are estimates based upon market conditions and perceived risks at December 31, 2014 and 2013. These estimates require management's judgment and may not be indicative of the future fair values of the assets and liabilities.

## SPIRIT REALTY CAPITAL, INC.

Notes to Consolidated Financial Statements - (continued)

December 31, 2014

Financial assets and liabilities for which the carrying values approximate their fair values include cash and cash equivalents, restricted cash and escrow deposits, and accounts receivable and payable. Generally, these assets and liabilities are short-term in duration and are recorded at cost, which approximates fair value, on the accompanying consolidated balance sheets.

The estimated fair values of the loans receivable, revolving credit facilities, Convertible Notes and the fixed-rate mortgages and notes payable have been derived based on market quotes for comparable instruments or discounted cash flow analyses using estimates of the amount and timing of future cash flows, market rates and credit spreads. The loans receivable, revolving credit facilities, Convertible Notes and the mortgages and notes payable were measured using a market approach from nationally recognized financial institutions with market observable inputs such as interest rates and credit analytics. These measurements are classified as Level 2 of the fair value hierarchy. The following table discloses fair value information for these financial instruments (in thousands):

|                                       | December 31, 2014 |                      | December 31, 2013 |                      |
|---------------------------------------|-------------------|----------------------|-------------------|----------------------|
|                                       | Carrying Value    | Estimated Fair Value | Carrying Value    | Estimated Fair Value |
| Loans receivable, net                 | \$109,425         | \$115,747            | \$117,721         | \$131,587            |
| Revolving credit facilities           | 15,181            | 15,254               | 35,120            | 34,911               |
| Convertible Notes, net <sup>(1)</sup> | 695,957           | 729,231              | —                 | —                    |
| Mortgages and notes payable           | 3,658,496         | 3,899,950            | 3,743,098         | 3,892,621            |

<sup>(1)</sup> The carrying value of the Convertible Notes is net of an embedded conversion premium totaling \$51.5 million.

## Note 12. Significant Credit and Revenue Concentration

As of December 31, 2014 and 2013, the Company's real estate investments are operated by 454 and 377 tenants, respectively, that operate within retail, office and industrial property types across various industries throughout the United States. Shopko operates in the general merchandise industry and is the Company's largest tenant as a percentage of total revenue. Total revenues from Shopko for the three months ended December 31, 2014 and 2013, contributed 14.0% and 14.8% of the Company's total revenues from continuing operations, respectively. No other tenant contributed 5% or more of the Company's total revenues during any of the periods presented. As of December 31, 2014 and 2013, the combined properties that are operated by Shopko represent approximately 13.1% and 14.4%, respectively, of the Company's total investment portfolio.

## Note 13. Discontinued Operations

In April 2014, the FASB issued ASU 2014-08, which amends the requirements for reporting discontinued operations (see Note 2) whereby a disposal of a component of an entity or a group of components of an entity is required to be reported in discontinued operations if the disposal represents a strategic shift that has (or will have) a major effect on an entity's operations and financial results. The Company has early adopted the provisions of ASU 2014-08 beginning with the period ended March 31, 2014, and will apply the provisions prospectively. Properties that were reported as held for sale as of December 31, 2013, will continue to be reported under the prior standards and will be presented in discontinued operations until they are disposed of.

## SPIRIT REALTY CAPITAL, INC.

Notes to Consolidated Financial Statements - (continued)

December 31, 2014

As a result, net gains or losses from the disposition of these properties, as well as the current and prior period operations, of these properties will continue to be reclassified to discontinued operations. The results of discontinued operations for the years ended December 31, 2014, 2013 and 2012 have been reclassified to discontinued operations as summarized below (dollars in thousands):

|   | Years Ended December 31, |          |          |   |
|---|--------------------------|----------|----------|---|
|   | 2014                     | 2013     | 2012     |   |
| Revenues  |                          |          |          |   |
| Rent  | \$1,206                  | \$8,304  | \$12,622 |   |
| Non-cash rent   | (80                      | ) 21     | 80       |   |
| Other   | 2,972                    | 433      | 9        |   |
| Total Revenues  | 4,098                    | 8,758    | 12,711   |   |
| Expenses:   |                          |          |          |   |
| General and administrative                                    | 15                       | 9        | 214      |   |
| Property costs  | 298                      | 1,009    | 472      |   |
| Interest  | —                        | 241      | 644      |   |
| Depreciation and amortization                                 | —                        | 3,545    | 7,116    |   |
| Impairments   | 417                      | 7,134    | 4,634    |   |
| Total expenses  | 730                      | 11,938   | 13,080   |   |
| Gain (loss) from discontinued operations before other income  | 3,368                    | (3,180   | ) (369   | ) |
| Other income:   |                          |          |          |   |
| Gain on debt extinguishment                                   | —                        | 1,028    | —        |   |
| Other   | —                        | 75       | —        |   |
| Total other income  | —                        | 1,103    | —        |   |
| Income (loss) from discontinued operations                    | 3,368                    | (2,077   | ) (369   | ) |
| Gain (loss) on dispositions of real estate                    | 488                      | 36,926   | (3,349   | ) |
| Total discontinued operations                                 | \$3,856                  | \$34,849 | \$(3,718 | ) |
| Number of properties disposed of during period <sup>(1)</sup> | 6                        | 22       | 41       |   |

<sup>(1)</sup> During the year ended December 31, 2014, 38 properties were sold, but only six of them were held for sale at December 31, 2013 and not subject to early adoption of ASU 2014-08 and are recorded as discontinued operations.



## SPIRIT REALTY CAPITAL, INC.

Notes to Consolidated Financial Statements - (continued)

December 31, 2014

## Note 14. Supplemental Cash Flow Information

The following table presents the supplemental cash flow disclosures for the years ended December 31, 2014, 2013 and 2012 (in thousands):

|   | Year Ended December 31, |              |           |
|---|-------------------------|--------------|-----------|
|   | 2014                    | 2013         | 2012      |
| Supplemental Disclosures of Non-Cash Investing and Financing Activities:  |                         |              |           |
| Real estate properties acquired under 1031 exchange                       | (26,677                 | ) (20,184    | ) —       |
| Real estate properties sold under 1031 exchange                           | 5,893                   | 40,968       | —         |
| Net assets acquired in Merger in exchange for common stock                | \$—                     | \$(1,734,315 | ) \$—     |
| Common stock registered in exchange for net assets acquired               | —                       | 2,025,737    | —         |
| Reduction of debt through sale of certain real estate properties          | (5,001                  | ) (149,156   | ) (3,472  |
| Debt assumed through real estate property acquisition                     | 10,528                  | —            | —         |
| Reduction of term note indebtedness through common stock share conversion | —                       | —            | (330,017  |
| Reduction of debt net of assets surrendered to lender                     | —                       | (1,069       | ) —       |
| Accrued interest capitalized to principal <sup>(1)</sup>                  | 2,598                   | —            | —         |
| Accrued performance share dividend rights                                 | (565                    | ) (163       | ) —       |
| Financing of a tenant lease settlement                                    | —                       | (650         | ) —       |
| Supplemental Cash Flow Disclosures:                                       |                         |              |           |
| Interest paid   | 209,032                 | \$154,919    | \$143,966 |
| Taxes paid  | 2,416                   | 1,549        | 708       |

<sup>(1)</sup> Accrued and overdue interest on certain CMBS notes that have been intentionally placed in default.

## Note 15. Incentive Award Plan and Employee Benefit Plan

Under the Plan, the Company may grant equity incentive awards to eligible employees, directors and other service providers. Awards under the Plan may be in the form of stock options, restricted stock, dividend equivalents, restricted stock units, stock appreciation rights, performance awards, stock payment awards, performance share awards, LTIP units and other incentive awards. If an award under the Plan is forfeited, expires or is settled for cash, any shares subject to such award may, to the extent of such forfeiture, expiration or cash settlement, be used again for new grants under the Plan. As of December 31, 2014, 2.5 million shares remained available for award under the Plan.

## Restricted Shares of Common Stock

During the year ended December 31, 2014, the Company granted 0.4 million restricted shares under the Plan to certain named executive officers and employees. The Company recorded \$4.0 million in deferred compensation associated with these grants. As of December 31, 2014, there were approximately 1.3 million non-vested restricted shares outstanding.

## SPIRIT REALTY CAPITAL, INC.

Notes to Consolidated Financial Statements - (continued)

December 31, 2014

The following table summarizes restricted share grant activity under the Plan.

|  | 2014                |   | 2013                |   |
|--|---------------------|---|---------------------|---|
|  | Number of<br>Shares | Weighted<br>Average<br>Price <sup>(1)</sup> | Number of<br>Shares | Weighted<br>Average Price<br><sup>(1)</sup> |
| Outstanding non-vested shares, beginning of year | 1,777,652           | \$8.41                                      | 2,203,783           | \$8.19                                      |
| Shares granted                                   | 372,974             | \$10.85                                     | 363,501             | \$9.21                                      |
| Shares vested                                    | (846,102 )          | \$8.37                                      | (754,709 )          | \$8.19                                      |
| Shares forfeited                                 | (4,717 )            | \$10.60                                     | (34,923 )           | \$8.01                                      |
| Outstanding non-vested shares, end of year       | 1,299,807           | \$9.12                                      | 1,777,652           | \$8.41                                      |

<sup>(1)</sup> Grant date fair value

Historical staff turnover rates are used by the Company to estimate the forfeiture rate for its non-vested shares. Accordingly, changes in actual forfeiture rates will affect stock-based compensation expense during the applicable period.

## Performance Share Awards

During the year ended December 31, 2014, the compensation committee of the board of directors approved the grant of additional performance share awards for the named executive officers. The awards set an initial target grant of 242,883 performance shares with a performance period from January 1, 2014 through December 31, 2016. Pursuant to the performance share award agreement, each participant is eligible to vest in and receive shares of the Company's common stock based on the initial target number of shares granted multiplied by a percentage range between 0% and 250%. The percentage range is based on the attainment of total shareholder return of the Company compared to a specified peer group of companies during the performance period. In addition, final shares issued under each performance share award entitle its holder to a cash payment equal to the aggregate dividends that would have been outstanding on each dividend record date over the performance period as if they had been issued and outstanding on those dates. Based on the grant date fair value, the Company expects to recognize \$3.3 million in compensation expense on a straight-line basis over the requisite service period associated with this grant. On August 1, 2013, the compensation committee approved performance share awards containing similar terms as noted above. The initial target grant is for 367,914 performance shares with a performance period that begins from September 20, 2012 (the day of the Company's IPO) and continues through December 31, 2015.

As of December 31, 2014, under each separate annual performance award, the Company's total shareholder return compared to the specified peer group during the performance periods would have resulted in the release of 1.1 million shares, in the aggregate. In addition, approximately \$0.7 million and \$0.2 million in dividend rights have been accrued as of December 31, 2014 and 2013, respectively. The projected shares to be released are not considered issued under the Plan until the performance period has ended and the actual number of shares to be released is determined. The performance shares and dividend rights are subject to forfeiture in the event of a non-qualifying termination of a participant prior to the performance period end date.

## Stock compensation

For the years ended December 31, 2014, 2013 and 2012, the Company recognized \$11.3 million, \$8.8 million and \$5.9 million, respectively, in stock-based compensation expense, which is included in general and administrative expenses in the accompanying consolidated statements of operations.

As of December 31, 2014 and 2013, the remaining unamortized stock-based compensation expense, including amounts relating to the performance awards, totaled \$12.0 million and \$15.6 million, respectively. These amounts are recognized as the greater of the amount amortized on a straight-line basis over the service period of each applicable

award or the amount vested over the vesting periods.

The Company has a defined contribution retirement savings plan qualified under Section 401(k) of the Code (the “401(k) Plan”). The 401(k) Plan is available to full-time employees who have completed at least six months of service with

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## SPIRIT REALTY CAPITAL, INC.

Notes to Consolidated Financial Statements - (continued)

December 31, 2014

the Company. The Company provides a matching contribution in cash, up to a maximum of 4% of compensation, which vests immediately.

## Note 16. Loss Per Share

Loss per share has been computed using the two-class method. Loss per common share under the two-class method is computed by dividing the sum of distributed earnings to common stockholders and undistributed earnings allocated to common stockholders by the weighted average number of common shares outstanding for the period. In applying the two-class method, undistributed earnings are allocated to both common shares and participating securities based on the weighted average shares outstanding during the period. Classification of the Company's unvested restricted stock, which contain rights to receive nonforfeitable dividends, are deemed participating securities under the two-class method. Under the two class method, earnings attributable to unvested restricted shares are deducted from loss from continuing operations in the computation of net (loss) income attributable to common stockholders. The table below is a reconciliation of the numerator and denominator used in the computation of basic and diluted net (loss) income per share (dollars in thousands):

|   | Years Ended December 31, |              |              |
|---|--------------------------|--------------|--------------|
|   | 2014                     | 2013         | 2012         |
| Basic and diluted (loss) income:  |                          |              |              |
| Loss from continuing operations   | \$(50,895 )              | \$(33,172 )  | \$(72,515 )  |
| Gain on disposition of assets   | 13,240                   | —            | —            |
| Less: income attributable to unvested restricted stock  | (1,099 )                 | (1,291 )     | (380 )       |
| Less: preferred dividends   | —                        | —            | (63 )        |
| Loss used in basic and diluted loss per share from continuing operations                                | (38,754 )                | (34,463 )    | (72,958 )    |
| Income (loss) from discontinued operations  | 3,856                    | 34,849       | (3,718 )     |
| Net (loss) income attributable to common stockholders used in basic and diluted (loss) income per share | \$(34,898 )              | \$386        | \$(76,676 )  |
| Basic and diluted weighted average shares of common stock outstanding:                                  |                          |              |              |
| Weighted average shares of common stock outstanding   | 388,604,270              | 257,153,935  | 80,828,885   |
| Less: unvested weighted average shares of restricted stock  | (1,794,524 )             | (2,133,370 ) | (2,203,783 ) |
| Weighted average number of shares outstanding used in basic and diluted (loss) income per share         | 386,809,746              | 255,020,565  | 78,625,102   |
| Potentially dilutive shares of common stock <sup>(1)</sup>  |                          |              |              |
| Unvested shares of restricted stock   | 731,444                  | 704,306      | 67,556       |
| Unvested performance shares   | 770,688                  | 189,530      | —            |
| Stock options   | 5,146                    | 662          | —            |
| Convertible term note debt  | —                        | —            | 33,816,625   |
| Total   | 1,507,278                | 894,498      | 33,884,181   |

<sup>(1)</sup> Due to a loss from continuing operations for all periods presented, no potentially dilutive securities were included in computing loss per share of common stock as their effect would be anti-dilutive.

The Company intends to satisfy its exchange obligation for the principal amount of the Convertible Notes to the exchange note holders entirely in cash. As the Company intends to settle the principal amount of the Convertible Notes in cash, the "if-converted" method does not apply and the treasury stock method is being used. As the

Company's stock price is below the conversion price, there are no potentially dilutive shares associated with the Convertible Notes.

## SPIRIT REALTY CAPITAL, INC.

Notes to Consolidated Financial Statements - (continued)

December 31, 2014

## Note 17. Consolidated Quarterly Financial Data (in thousands, except share and per share data)

|   | First<br>Quarter<br>(unaudited) | Second<br>Quarter | Third<br>Quarter | Fourth<br>Quarter | Year       |
|---|---------------------------------|-------------------|------------------|-------------------|------------|
| 2014  |                                 |                   |                  |                   |            |
| Total revenues  | \$143,972                       | \$151,789         | \$152,295        | \$154,815         | \$602,871  |
| Depreciation and amortization                         | 60,549                          | 61,968            | 62,069           | 63,380            | 247,966    |
| Interest  | 54,399                          | 55,992            | 53,535           | 56,144            | 220,070    |
| Other expenses  | 19,554                          | 58,023            | 31,175           | 12,228            | 120,980    |
| (Loss) gain on debt extinguishment                    | —                               | (64,708)          | ) 212            | (254)             | ) (64,750) |
| Income (loss) from continuing operations              | 9,470                           | (88,902)          | ) 5,728          | 22,809            | (50,895)   |
| Income (loss) from discontinued operations            | 3,047                           | 371               | 691              | (253)             | ) 3,856    |
| Net income (loss)                                     | 14,239                          | (89,821)          | ) 7,670          | 34,113            | (33,799)   |
| Net income (loss) attributable to common stockholders | 14,239                          | (89,821)          | ) 7,670          | 34,113            | (33,799)   |
| Net income (loss) per common share:                   |                                 |                   |                  |                   |            |
| Basic   | \$0.04                          | \$(0.24)          | ) \$0.02         | \$0.08            | \$(0.09)   |
| Diluted   | \$0.04                          | N/A               | ) \$0.02         | \$0.08            | N/A        |
| Dividends declared per common share                   | \$0.16625                       | \$0.16625         | ) \$0.16625      | \$0.17000         | \$0.66875  |
| 2013  |                                 |                   |                  |                   |            |
| Total revenues  | \$70,968                        | \$72,414          | \$136,847        | \$139,238         | \$419,467  |
| Depreciation and amortization expense                 | 26,939                          | 29,700            | 48,243           | 59,172            | 164,054    |
| Interest expense                                      | 36,439                          | 39,552            | 50,386           | 52,890            | 179,267    |
| Other expenses  | 14,608                          | 14,510            | 61,357           | 16,438            | 106,913    |
| Loss on debt extinguishment                           | —                               | —                 | —                | (2,405)           | ) (2,405)  |
| (Loss) income from continuing operations              | (7,018)                         | ) (11,348)        | ) (23,139)       | ) 8,333           | (33,172)   |
| (Loss) Income from discontinued operations            | (1,314)                         | ) (321)           | ) 1,231          | 35,253            | 34,849     |
| Net (loss) income                                     | (8,332)                         | ) (11,669)        | ) (21,908)       | ) 43,586          | 1,677      |
| Net (loss) income attributable to common stockholders | (8,332)                         | ) (11,669)        | ) (21,908)       | ) 43,586          | 1,677      |
| Net (loss) income per common share: <sup>(1)</sup>    |                                 |                   |                  |                   |            |
| Basic   | \$(0.05)                        | ) \$(0.07)        | ) \$(0.07)       | ) \$0.12          | \$—        |
| Diluted   | N/A                             | N/A               | N/A              | \$0.12            | N/A        |
| Dividends declared per common share <sup>(1)</sup>    | \$0.16406                       | \$0.16406         | ) \$0.16406      | \$0.16625         | \$0.65843  |

<sup>(1)</sup> Share data prior to the effective date of the Merger has been adjusted for the Merger.

## Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.



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### Item 9A. Controls and Procedures

#### Evaluation of Disclosure Controls and Procedures

An evaluation was performed under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness as of December 31, 2014 of the design and operation of our disclosure controls and procedures as defined in Rule 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded, as of December 31, 2014, that the design and operation of these disclosure controls and procedures were effective at the reasonable assurance level.

#### Management's Report on Internal Control over Financial Reporting

Management, including the Chief Executive Officer and Chief Financial Officer, are responsible for establishing and maintaining adequate internal control over financial reporting for the Company. Management used the criteria issued by the Committee of Sponsoring Organizations of the Treadway Commission in Internal Control - 2013 Integrated Framework to assess the effectiveness of the Company's internal control over financial reporting. Based upon the assessments, the Company's Chief Executive Officer and Chief Financial Officer have concluded that, as of December 31, 2014, internal control over financial reporting was effective.

Ernst & Young LLP, the Company's independent registered public accounting firm, audited the financial statements included in this Annual Report on Form 10-K and has issued an attestation report on the Company's effectiveness of internal control over financial reporting, which appears in this Annual Report on Form 10-K.

#### Changes in Internal Control over Financial Reporting

There were no changes to our internal control over financial reporting (as defined in Rule 13a-15(e) and 15d-15(e) under the Exchange Act) that occurred during the quarter ended December 31, 2014 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

#### Inherent Limitations on Effectiveness of Controls

Our management, including our Chief Executive Officer and Chief Financial Officer, believes that our disclosure controls and procedures and internal control over financial reporting are designed to provide reasonable assurance of achieving their objectives and are effective at the reasonable assurance level. However, our management does not expect that our disclosure controls and procedures or our internal control over financial reporting will prevent all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. These inherent limitations include the realities that judgments in decision making can be faulty, and that breakdowns can occur because of a simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by management override of the controls. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, controls may become inadequate because of changes in conditions, or the degree of compliance with policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

### Item 9B. Other Information



None.

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PART III

Item 10. Directors, Executive Officers and Corporate Governance

The information concerning our directors and executive officers required by Item 10 will be included in the Proxy Statement to be filed relating to our 2015 Annual Meeting of Stockholders and is incorporated herein by reference.

Item 11. Executive Compensation

The information concerning our executive compensation required by Item 11 will be included in the Proxy Statement to be filed relating to our 2015 Annual Meeting of Stockholders and is incorporated herein by reference.

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

The information concerning our security ownership of certain beneficial owners and management and related stockholder matters (including equity compensation plan information) required by Item 12 will be included in the Proxy Statement to be filed relating to our 2015 Annual Meeting of Stockholders and is incorporated herein by reference.

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

The information concerning certain relationships, related transactions and director independence required by Item 13 will be included in the Proxy Statement to be filed relating to our 2015 Annual Meeting of Stockholders and is incorporated herein by reference.

Item 14. Principal Accountant Fees and Services

The information concerning our principal accounting fees and services required by Item 14 will be included in the Proxy Statement to be filed relating to our 2015 Annual Meeting of Stockholders and is incorporated herein by reference.

PART IV

Item 15. Exhibits, Financial Statement Schedules

(a)(1) and (2)

Financial Statements and Schedules. The following documents are filed as a part of this report (see Item 8):

Reports of Independent Registered Public Accounting Firm.

Consolidated Balance Sheets as of December 31, 2014 and 2013.

Consolidated Statements of Operations for the Years Ended December 31, 2014, 2013 and 2012.

Consolidated Statements of Comprehensive (Loss) Income for the Years December 31, 2014, 2013 and 2012.

Consolidated Statements of Stockholders' Equity for the Years Ended December 31, 2014, 2013 and 2012.

Consolidated Statements of Cash Flows for the Years Ended December 31, 2014, 2013 and 2012.

Notes to Consolidated Financial Statements.

Schedule III - Real Estate and Accumulated Depreciation.

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Schedule IV - Mortgage Loans on Real Estate as of December 31, 2014.

All other schedules are omitted since the required information is not present in amounts sufficient to require submission of the schedule or because the information required is included in the financial statements and the notes thereto.

(b) Exhibits.

Exhibit No. Description

- |     |   |
|-----|---|
| 1.1 | Equity Distribution Agreement among Spirit Realty Capital, Inc. and the persons named therein, dated April 15, 2014 filed as Exhibit 1.1 to the Company's Form 8-K on April 15, 2014 and incorporated herein by reference.  |
| 1.2 | Underwriting Agreement, dated May 14, 2014, by and among the Spirit Realty Capital, Inc., Spirit Realty, L.P., Morgan Stanley & Co. LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated and Deutsche Bank Securities Inc. filed as Exhibit 1.1 to the Company's Form 8-K on May 20, 2014 and incorporated herein by reference.  |
| 1.3 | Underwriting Agreement, dated May 14, 2014, by and among the Spirit Realty Capital, Inc., Spirit Realty, L.P., Morgan Stanley & Co. LLC, J.P. Morgan Securities LLC and RBC Capital Markets, LLC, as representatives of the several underwriters filed as Exhibit 1.2 to the Company's Form 8-K on May 20, 2014 and incorporated herein by reference.   |
| 2.1 | Agreement and Plan of Merger, dated as of January 22, 2013, as amended by the First Amendment to Agreement and Plan of Merger, dated as of May 8, 2013, by and among Spirit Realty Capital, Inc. (f/k/a Cole Credit Property Trust II, Inc.), a Maryland corporation, Spirit Realty Capital, Inc., a Maryland corporation, Cole Operating Partnership II, LP, a Delaware limited partnership and Spirit Realty, L.P., a Delaware limited partnership. Previously filed by Spirit Realty Capital, Inc. as an exhibit to the Company's Form 8-K filed with the Securities and Exchange Commission on January 22, 2013 and Exhibit 2.1 to the Company's Form 8-K filed with the Securities and Exchange Commission on May 9, 2013, respectively. |
| 2.2 | Articles of Merger by and between Spirit Realty Capital, Inc. (f/k/a Cole Credit Property Trust II, Inc.), a Maryland corporation, and Spirit Realty Capital, Inc., a Maryland corporation and the Amended and Restated Charter of Spirit Realty Capital, Inc. (f/k/a Cole Credit Property Trust II, Inc.) filed as Exhibit (Incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K (File No. 000-51963), filed on July 17, 2013).  |
| 3.1 | Articles of Restatement of Spirit Realty Capital, Inc. filed Exhibit 3.1 to the Company's Registration Statement on Form S-3 on November 8, 2013 and incorporated herein by reference.  |
| 3.2 | Articles of Amendment of Spirit Realty Capital, Inc. filed as Exhibit 3.1 to the Company's Form 8-K on May 13, 2014 and incorporated herein by reference.   |
| 3.3 | Second Amended and Restated Bylaws of Spirit Realty Capital, Inc. filed as Exhibit 3.2 to the Company's Form 8-K on July 17, 2013 and incorporated herein by reference.   |
| 4.1 |   |

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Form of Certificate for Common Stock of Spirit Realty Capital, Inc. filed as Exhibit 4.1 to the Registration Statement on Form S-4 on March 29, 2013 and incorporated herein by reference.

4.2 Second Amended and Restated Master Indenture among Spirit Master Funding, LLC, Spirit Master Funding II, LLC, Spirit Master Funding III, LLC and Citibank, N.A., dated May 20, 2014 filed as Exhibit 4.1 to the Company's Form 8-K on May 20, 2014 and incorporated herein by reference.

4.3 Amendment No. 1 to the Second Amended and Restated Master Indenture among Spirit Master Funding, LLC, Spirit Master Funding II, LLC, Spirit Master Funding III, LLC and Citibank, N.A., dated November 26, 2014 filed as Exhibit 4.1 to the Company's Form 8-K on December 1, 2014 and incorporated herein by reference.

4.4 Series 2014-1 Indenture Supplement among Spirit Master Funding, LLC, Spirit Master Funding II, LLC, Spirit Master Funding III, LLC and Citibank, N.A., dated May 20, 2014 filed as Exhibit 4.2 to the Company's Form 8-K on May 20, 2014 and incorporated herein by reference.

4.5 Series 2014-2 Indenture Supplement among Spirit Master Funding, LLC, Spirit Master Funding II, LLC, Spirit Master Funding III, LLC and Citibank, N.A., dated May 20, 2014 filed as Exhibit 4.3 to the Company's Form 8-K on May 20, 2014 and incorporated herein by reference.

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| Exhibit No. | Description   |
|-------------|---|
| 4.6         | Series 2014-3 Indenture Supplement among Spirit Master Funding, LLC, Spirit Master Funding II, LLC, Spirit Master Funding III, LLC and Citibank, N.A., dated May 20, 2014 filed as Exhibit 4.3 to the Company's Form 8-K on May 20, 2014 and incorporated herein by reference.  |
| 4.7         | Series 2014-4 Indenture Supplement among Spirit Master Funding, LLC, Spirit Master Funding II, LLC, Spirit Master Funding III, LLC, Spirit Master Funding VI, LLC, Spirit Master Funding VIII, LLC and Citibank, N.A., dated November 26, 2014 filed as Exhibit 4.2 to the Company's Form 8-K on December 1, 2014 and incorporated herein by reference. |
| 4.8         | Master Indenture, between Citibank, N.A. and Spirit Master Funding VII, LLC, dated as of December 23, 2013. Previously filed by Spirit Realty Capital, Inc. as Exhibit 10.21 to the Company's Annual Report on Form 10-K on March 4, 2014 and incorporated herein by reference.   |
| 4.9         | Series 2013-1 Supplement, between Citibank, N.A. and Spirit Master Funding VII, LLC, dated as of December 23, 2013. filed as Exhibit 10.22 to the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 4, 2014.  |
| 4.10        | Series 2013-2 Supplement, between Citibank, N.A. and Spirit Master Funding VII, LLC, dated as of December 23, 2013. filed as Exhibit 10.23 to Annual Report on Form 10-K on March 4, 2014 and incorporated herein by reference.   |
| 4.11        | Indenture, dated May 20, 2014, between the Company and Wilmington Trust, National Association, filed as Exhibit 4.1 to the Company's Form 8-K on May 20, 2014 and incorporated herein by reference.   |
| 4.12        | First Supplemental Indenture, dated May 20, 2014, by and between Spirit Realty Capital, Inc. and Wilmington Trust, National Association (including the form of 2.875% Convertible Senior Note due 2019) filed as Exhibit 4.2 to the Company's Form 8-K on May 20, 2014 and incorporated herein by reference.  |
| 4.13        | Second Supplemental Indenture, dated May 20, 2014, by and between Spirit Realty Capital, Inc. and Wilmington Trust, National Association (including the form of 3.75% Convertible Senior Note due 2021) filed as Exhibit 4.3 to the Company's Form 8-K on May 20, 2014 and incorporated herein by reference.  |
| 10.1        | Spirit Realty Capital, Inc. and Spirit Realty, L.P. 2012 Incentive Award Plan filed as Exhibit 10.7 to the Company's Form 8-K on July 17, 2013 and incorporated herein by reference.  |
| 10.2        | Form of 2012 Incentive Award Plan Restricted Stock Award Grant Notice and Agreement filed as Exhibit 10.9 to the Company's Form 8-K on July 17, 2013 and incorporated herein by reference.  |
| 10.3        | Form of 2012 Incentive Award Plan Stock Payment Award Grant Notice and Agreement filed as Exhibit 10.9 to the Company's Form 8-K on July 17, 2013 and incorporated herein by reference.   |
| 10.4        | Form of Performance Share Award Agreement. Previously filed by Spirit Realty Capital, Inc. as an exhibit to the Company's Form 8-K filed with the Securities and Exchange Commission on July 17, 2013.  |

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10.5 Credit Agreement, by and among Deutsche Bank Securities Inc., Deutsche Bank AG New York Branch, Spirit Realty, L.P. and various lenders, dated as of July 17, 2013 filed as Exhibit 10.01 to the Company's Form 8-K on July 17, 2013 and incorporated herein by reference.

10.6 Guaranty, by and among Spirit Realty Capital, Inc. Spirit General OP Holdings, LLC, Deutsche Bank Securities Inc. and various lenders, dated as of July 17, 2013 filed as Exhibit 10.2 to the Company's Form 8-K filed on July 17, 2013 and incorporated herein by reference.

10.7 Security Agreement, by and among Spirit Realty Capital, Inc., Spirit General OP Holdings, LLC, Spirit Realty, L.P., Spirit Master Funding IV, LLC, Spirit Master Funding V, LLC, Deutsche Bank Securities Inc. and various lenders, dated as of July 17, 2013 filed as Exhibit 10.3 to the Company's Form 8-K on July 17, 2013 and incorporated herein by reference.

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| Exhibit No. | Description  |
|-------------|--|
| 10.8        | Omnibus Collateral Assignment of Material Agreements, Permits and Licenses, by and among Spirit Realty Capital, Inc., Spirit General OP Holdings, LLC, Spirit Realty, L.P., Spirit Master Funding IV, LLC, Spirit Master Funding V, LLC, Deutsche Bank Securities Inc. and various lenders, dated as of July 17, 2013. Previously filed by Spirit Realty Capital, Inc. as an exhibit to the Company's Form 8-K filed with the Securities and Exchange Commission on July 17, 2013.           |
| 10.9        | Loan Agreement, between German American Capital Corporation and Spirit SPE Loan Portfolio 2013-2, LLC, dated as of July 17, 2013 filed as Exhibit 10.4 to the Company's Form 8-K on July 17, 2013 and incorporated herein by reference.  |
| 10.10       | Guaranty of Recourse Obligations of Borrower, by Spirit Realty, L.P. in favor of German American Capital Corporation, dated as of July 17, 2013 filed as Exhibit 10.6 to the Company's Form 8-K on July 17, 2013 and incorporated herein by reference.   |
| 10.11       | Loan Agreement, between Barclays Bank PLC and Spirit SPE Loan Portfolio 2013-3, LLC, dated as of July 17, 2013 filed as Exhibit 10.7 to the Company's Form 8-K on July 17, 2013 and incorporated herein by reference.  |
| 10.12       | Guaranty of Recourse Obligations of Borrower by Spirit Realty, L.P. in favor of Barclays Bank PLC, dated as of July 17, 2013 filed as Exhibit 10.8 to the Company's Form 8-K on July 17, 2013 and incorporated herein by reference.  |
| 10.13       | Second Amended and Restated Property Management and Servicing Agreement dated May 20, 2014, by and among Spirit Realty, L.P., Spirit Master Funding, LLC, Spirit Master Funding II, LLC, Spirit Master Funding III, LLC and Midland Loan Services, a division of PNC Bank, National Association filed as Exhibit 1.1 of the Company's Form 8-K on May 20, 2014 and incorporated herein by reference.   |
| 10.14       | Amendment No. 1 to the Second Amended and Restated Property Management and Servicing Agreement dated November 26, 2014, by and among Spirit Realty, L.P., Spirit Master Funding, LLC, Spirit Master Funding II, LLC, Spirit Master Funding III, LLC and Midland Loan Services, a division of PNC Bank, National Association filed as Exhibit 1.2 of the Company's Form 8-K on December 1, 2014 and incorporated herein by reference.   |
| 10.15       | Property Management and Servicing Agreement, between Midland Loan Services, Spirit Master Funding VII, LLC and Spirit Realty, L.P., dated as of December 23, 2013 filed as Exhibit 10.24 to its Annual Report on Form 10-K filed on March 4, 2014 and incorporated herein by reference.  |
| 10.16       | Defeasance, Assignment, Assumption and Release Agreement dated June 5, 2014 by and among Spirit SPE Portfolio 2006-1, LLC and Spirit SPE Portfolio 2006-2, LLC, U.S. Bank, National Association as Trustee for the Lender, Midland Loan Servicer, a division of PNC Bank, National Association as servicer and U.S. Bank, National Association as Securities Intermediary and Custodian filed as Exhibit 1.1 of the Company's Form 8-K on June 6, 2014 and incorporated herein by reference. |
| 10.17       | First Amended and Restated Agreement of Limited Partnership of Spirit Realty, L.P. on September 12, 2014.  |
| 10.18       |  |

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Amended and Restated Master Lease between Spirit SPE Portfolio 2006-1, LLC and Spirit SPE Portfolio 2006-2, LLC, and Shopko Stores Operating CO., LLC, dated December 15, 2014 filed as Exhibit 1.2 of the Company's Form 8-K on December 1, 2014 and incorporated herein by reference.

- 10.19 Form of Indemnification Agreement of Spirit Realty Capital, Inc. filed as Exhibit 10.1 of the Company's Form 8-K on July 17, 2013 and incorporated herein by reference.
- 10.20 Amended and Restated Employment Agreement among Spirit Realty Capital, Inc. and Thomas H. Nolan, Jr., dated as of July 17, 2013 filed as Exhibit 10.2 of the Company's Form 8-K on July 17, 2013 and incorporated herein by reference.
- 10.21 Amended and Restated Employment Agreement among Spirit Realty Capital, Inc. and Michael A. Bender, dated as of July 17, 2013 filed as Exhibit 10.3 of the Company's Form 8-K on July 17, 2013 and incorporated herein by reference.
- 10.22 Amended and Restated Employment Agreement among Spirit Realty Capital, Inc. and Peter M. Mavoides, dated as of July 17, 2013 filed as Exhibit 10.4 of the Company's Form 8-K on July 17, 2013 and incorporated herein by reference.



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| Exhibit No. | Description   |
|-------------|---|
| 10.23       | Amended and Restated Employment Agreement among Spirit Realty Capital, Inc. and Gregg A. Seibert, dated as of July 17, 2013 filed as Exhibit 10.5 of the Company's Form 8-K on July 17, 2013 and incorporated herein by reference.  |
| 10.24       | Amended and Restated Employment Agreement among Spirit Realty Capital, Inc. and Mark A. Manheimer, dated as of July 17, 2013 filed as Exhibit 10.6 of the Company's Form 8-K on July 17, 2013 and incorporated herein by reference.   |
| 10.25       | Director Compensation Program of Spirit Realty Capital, Inc. filed as Exhibit 10.10 of the Company's Form 8-K on July 17, 2013 and incorporated herein by reference.  |
| 14.1        | Code of Business Conduct and Ethics of Spirit Realty Capital, Inc. filed as Exhibit 14.1 to its Annual Report on Form 10-K on March 5, 2013 and incorporated herein by reference.   |
| 16.1        | Deloitte & Touche LLP's Response Letter to the Securities and Exchange Commission dated as of July 17, 2013 filed as Exhibit to the Company's Form 8-K filed with the Securities and Exchange Commission on July 17, 2013.  |
| 21.1*       | List of Subsidiaries of Spirit Realty Capital, Inc. as of February 24, 2015   |
| 23.1*       | Consent of Ernst & Young LLP the Company's Independent Registered Accounting Firm   |
| 31.1*       | Certification of Chief Executive Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) under the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.   |
| 31.2*       | Certification of Chief Financial Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) under the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.   |
| 32.1*       | Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.  |
| 101.1**     | The following financial information from Spirit Realty Capital, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2014, formatted in XBRL (Extensible Business Reporting Language): (i) Consolidated Balance Sheets, (ii) Consolidated Statements of Operations, (iii) Consolidated Statements of Comprehensive Income (loss), (iv) Consolidated Statements of Stockholders' Equity, (v) Consolidated Statements of Cash Flows and (vi) Notes to the Consolidated Financial Statements. |

\* Filed herewith.

Pursuant to applicable securities laws and regulations, these interactive data files are deemed not filed or part of a \*\*registration statement or prospectus for purposes of sections 11 or 12 of the Securities Act, are deemed not filed for purposes of section 18 of the Exchange Act and otherwise are not subject to liability under these sections.

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## SPIRIT REALTY CAPITAL, INC.

## Schedule III Real Estate and

## Accumulated Depreciation

(Amounts in thousands)

| Encumbrances<br>Description<br>(f) | Initial Cost to Company  |                            |                       | Cost Capitalized Subsequent to Gross Amount at<br>Acquisition including impairment December 31, 2014 (h) |                          |                            |                          |                            |                          |                            | Total    | Final<br>Accum       |
|------------------------------------|--------------------------|----------------------------|-----------------------|--|--------------------------|----------------------------|--------------------------|----------------------------|--------------------------|----------------------------|----------|----------------------|
|                                    | Land and<br>Improvements | Buildings,<br>Improvements | Improvements/<br>Land | Improvements/<br>building  | Land and<br>Improvements | Buildings,<br>Improvements | Land and<br>Improvements | Buildings,<br>Improvements | Land and<br>Improvements | Buildings,<br>Improvements |          |                      |
| General Merchandise                |                          |                            |                       |  |                          |                            |                          |                            |                          |                            |          |                      |
| Aberdeen,<br>SD                    | (b)                      | \$3,857                    | \$3,348               | \$—  | \$—                      | \$3,857                    | \$3,348                  | \$7,205                    | \$(1,199)                | 1984                       | 05/31/06 | 15 to<br>30<br>years |
| Ainsworth,<br>NE                   | (a)                      | 360                        | 1,829                 | —  | —                        | 360                        | 1,829                    | 2,189                      | (349 )                   | 2007                       | 12/11/07 | 12 to<br>47<br>years |
| Alamogordo,<br>NM                  | (a)                      | 476                        | 560                   | —  | —                        | 476                        | 560                      | 1,036                      | (46 )                    | 2006                       | 07/17/13 | 8 to 40<br>Years     |
| Albany, MO                         | (c )                     | 66                         | 410                   | —  | —                        | 66                         | 410                      | 476                        | (122 )                   | 1990                       | 05/31/06 | 15 to<br>30<br>years |
| Albert Lea,<br>MN                  | (b)                      | 2,526                      | 3,141                 | —  | —                        | 2,526                      | 3,141                    | 5,667                      | (1,444 )                 | 1985                       | 05/31/06 | 15 to<br>20<br>years |
| Allegan, MI                        | (c )                     | 741                        | 1,198                 | —  | —                        | 741                        | 1,198                    | 1,939                      | (436 )                   | 2000                       | 05/31/06 | 15 to<br>30<br>years |
| Alpena, AR                         | (b)                      | 359                        | 600                   | —  | —                        | 359                        | 600                      | 959                        | (2 )                     | 2014                       | 12/15/14 | 14 to<br>40<br>Years |
| Anderson,<br>SC                    | 8,160                    | 4,770                      | 6,883                 | —  | —                        | 4,770                      | 6,883                    | 11,653                     | (882 )                   | 1993                       | 07/17/13 | 7 to 21<br>Years     |
| Anderson,<br>SC                    | (a)                      | 351                        | 966                   | —  | —                        | 351                        | 966                      | 1,317                      | (45 )                    | 1992                       | 07/17/13 | 10 to<br>41<br>Years |
| Appleton,<br>WI                    | (b)                      | 4,898                      | 5,804                 | —  | —                        | 4,898                      | 5,804                    | 10,702                     | (1,761 )                 | 1971                       | 05/31/06 | 15 to<br>30<br>years |
| Arcadia, WI                        | (c )                     | 673                        | 983                   | —  | —                        | 673                        | 983                      | 1,656                      | (447 )                   | 2000                       | 05/31/06 | 15 to<br>30<br>years |
|                                    | (c )                     | 631                        | 1,229                 | —  | —                        | 631                        | 1,229                    | 1,860                      | (446 )                   | 2000                       | 05/31/06 |                      |

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|                     |     |       |        |       |   |       |        |        |         |      |          |                      |
|---------------------|-----|-------|--------|-------|---|-------|--------|--------|---------|------|----------|----------------------|
| Archbold,<br>OH     |     |       |        |       |   |       |        |        |         |      |          | 15 to<br>30<br>years |
| Ashland, WI         | (c) | 462   | 791    | —     | — | 462   | 791    | 1,253  | (400)   | 1975 | 05/31/06 | 20<br>years          |
| Attica, IN          | (c) | 550   | 1,116  | —     | — | 550   | 1,116  | 1,666  | (413)   | 1999 | 05/31/06 | 15 to<br>30<br>years |
| Austin, MN          | (b) | 4,246 | 4,444  | —     | — | 4,246 | 4,444  | 8,690  | (1,493) | 1983 | 05/31/06 | 15 to<br>30<br>years |
| Avoca, AR           | (b) | 247   | 642    | —     | — | 247   | 642    | 889    | (2)     | 2014 | 12/15/14 | 14 to<br>40<br>Years |
| Baton<br>Rouge, LA  | (a) | 328   | 996    | —     | — | 328   | 996    | 1,324  | (53)    | 1999 | 07/17/13 | 10 to<br>40<br>Years |
| Bay City,<br>TX     | (b) | 1,192 | 3,250  | —     | — | 1,192 | 3,250  | 4,442  | (363)   | 1990 | 07/17/13 | 3 to 20<br>Years     |
| Beeville, TX        | (a) | 101   | 1,814  | —     | — | 101   | 1,814  | 1,915  | (63)    | 2004 | 07/17/13 | 10 to<br>45<br>Years |
| Bellevue,<br>NE     | (b) | 3,269 | 3,482  | —     | — | 3,269 | 3,482  | 6,751  | (1,194) | 1984 | 05/31/06 | 15 to<br>30<br>years |
| Beloit, WI          | (b) | 3,191 | 4,414  | —     | — | 3,191 | 4,414  | 7,605  | (1,992) | 1978 | 05/31/06 | 15 to<br>20<br>years |
| Belvidere,<br>IL    | (b) | 3,061 | 3,609  | —     | — | 3,061 | 3,609  | 6,670  | (1,239) | 1995 | 05/31/06 | 15 to<br>30<br>years |
| Bethany,<br>MO      | (c) | 648   | 379    | —     | — | 648   | 379    | 1,027  | (251)   | 1974 | 05/31/06 | 15 to<br>20<br>years |
| Billings, MT        | (b) | 3,035 | 4,509  | (259) | — | 2,776 | 4,509  | 7,285  | (1,435) | 1990 | 05/31/06 | 15 to<br>30<br>years |
| Bloomfield,<br>IN   | (c) | 639   | 940    | —     | — | 639   | 940    | 1,579  | (382)   | 1999 | 05/31/06 | 15 to<br>30<br>years |
| Boise, ID           | (b) | 5,017 | 12,407 | —     | — | 5,017 | 12,407 | 17,424 | (5,062) | 1992 | 05/31/06 | 15 to<br>30<br>years |
| Boise, ID           | (b) | 2,036 | 5,555  | —     | — | 2,036 | 5,555  | 7,591  | (1,693) | 1989 | 05/31/06 | 15 to<br>30<br>years |
| Borger, TX          | (b) | 907   | 3,243  | —     | — | 907   | 3,243  | 4,150  | (305)   | 1991 | 07/17/13 | 3 to 25<br>Years     |
| Brigham<br>City, UT | (b) | 1,814 | 2,540  | —     | — | 1,814 | 2,540  | 4,354  | (856)   | 1990 | 05/31/06 | 15 to<br>30          |

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|                   |     |       |       |   |   |       |       |       |      |   |      |          |                               |
|-------------------|-----|-------|-------|---|---|-------|-------|-------|------|---|------|----------|-------------------------------|
| Burlington,<br>IA | (b) | 1,117 | 1,825 | — | — | 1,117 | 1,825 | 2,942 | (787 | ) | 1985 | 05/31/06 | years<br>15 to<br>20<br>years |
| Burlington,<br>KS | (c) | 371   | 565   | — | — | 371   | 565   | 936   | (286 | ) | 1990 | 05/31/06 | years<br>15 to<br>20<br>years |

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| Encumbrances<br>Description<br>(i) |     | Initial Cost to Company |                         |   | Cost Capitalized Subsequent to Acquisition including impairment |                       |                       | Gross Amount at December 31, 2014 (h) |         | Total    | Final Accum   |                |
|------------------------------------|-----|-------------------------|-------------------------|---|---|-----------------------|-----------------------|---------------------------------------|---------|----------|---------------|----------------|
|                                    |     | Land and Improvements   | Buildings, Improvements | — | Improvements/Land   | Improvements/building | Land and Improvements | Buildings, Improvements               |         |          |               |                |
| Calumet City, IL                   | (a) | 393                     | 949                     | — | 393   | 949                   | 1,342                 | (56 )                                 | 1977    | 07/17/13 | 9 to 32 Years |                |
| Cameron, OK                        | (b) | 312                     | 710                     | — | —   | 312                   | 710                   | 1,022                                 | (2 )    | 2014     | 12/15/14      | 14 to 40 Years |
| Carrollton, MO                     | (c) | 352                     | 345                     | — | —   | 352                   | 345                   | 697                                   | (227 )  | 1994     | 07/21/11      | 10 to 20 years |
| Center Ridge, AR                   | (b) | 313                     | 595                     | — | —   | 313                   | 595                   | 908                                   | (2 )    | 2014     | 12/15/14      | 14 to 40 Years |
| Centerville, TN                    | (c) | 420                     | 776                     | — | —   | 420                   | 776                   | 1,196                                 | (301 )  | 2000     | 05/31/06      | 15 to 30 years |
| Charlotte, NC                      | (a) | 371                     | 598                     | — | —   | 371                   | 598                   | 969                                   | (51 )   | 1957     | 07/17/13      | 8 to 25 Years  |
| Chiefland, FL                      | (a) | 376                     | 1,206                   | — | —   | 376                   | 1,206                 | 1,582                                 | (58 )   | 2007     | 07/17/13      | 10 to 47 Years |
| Clanton, AL                        | (a) | 350                     | 816                     | — | —   | 350                   | 816                   | 1,166                                 | (41 )   | 2007     | 07/17/13      | 10 to 46 Years |
| Clare, MI                          | (c) | 1,219                   | 760                     | — | —   | 1,219                 | 760                   | 1,979                                 | (439 )  | 2000     | 05/31/06      | 15 to 30 years |
| Clarion, IA                        | (c) | 365                     | 812                     | — | —   | 365                   | 812                   | 1,177                                 | (300 )  | 2000     | 05/31/06      | 15 to 30 years |
| Clintonville, WI                   | (c) | 495                     | 1,089                   | — | —   | 495                   | 1,089                 | 1,584                                 | (501 )  | 1978     | 05/31/06      | 15 to 20 years |
| Coeur d'Alene, ID                  | (b) | 7,247                   | 4,907                   | — | —   | 7,247                 | 4,907                 | 12,154                                | (2,185) | 1987     | 05/31/06      | 15 to 20 years |
| De Pere, WI                        | (b) | 2,805                   | 3,593                   | — | —   | 2,805                 | 3,593                 | 6,398                                 | (1,486) | 1967     | 05/31/06      | 15 to 20 years |
| De Pere, WI                        | (b) | 264                     | 1,681                   | — | —   | 264                   | 1,681                 | 1,945                                 | (479 )  | 2000     | 05/31/06      | 15 to 30 years |
| De Pere, WI                        | (b) | 4,961                   | 8,243                   | — | —   | 4,961                 | 8,243                 | 13,204                                | (4,733) | 1987     | 05/31/06      | 15 to 20 years |

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|                      |     |       |       |        |   |       |       |        |         |      |          |                        |
|----------------------|-----|-------|-------|--------|---|-------|-------|--------|---------|------|----------|------------------------|
| De Pere, WI          | (b) | 1,275 | 2,113 | —      | — | 1,275 | 2,113 | 3,388  | (626 )  | 2005 | 05/31/06 | 40 years<br>15 to      |
| Delavan, WI          | (b) | 1,752 | 4,387 | (118 ) | — | 1,634 | 4,387 | 6,021  | (1,396) | 1995 | 05/31/06 | 30 years<br>15 to      |
| Detroit Lakes, MN    | (c) | 811   | 1,392 | —      | — | 811   | 1,392 | 2,203  | (648 )  | 1974 | 05/31/06 | 20 years<br>15 to      |
| Dixon, IL            | (b) | 1,502 | 2,810 | —      | — | 1,502 | 2,810 | 4,312  | (952 )  | 1993 | 05/31/06 | 30 years<br>15 to      |
| Dowagiac, MI         | (c) | 762   | 984   | —      | — | 762   | 984   | 1,746  | (389 )  | 2000 | 05/31/06 | 30 years<br>15 to      |
| Duluth, MN           | (b) | 4,722 | 6,955 | —      | — | 4,722 | 6,955 | 11,677 | (2,133) | 1993 | 05/31/06 | 30 years<br>15 to      |
| Dyersville, IA       | (c) | 381   | 1,082 | —      | — | 381   | 1,082 | 1,463  | (372 )  | 2000 | 05/31/06 | 30 years<br>15 to      |
| Eau Claire, WI       | (b) | 3,652 | 5,217 | —      | — | 3,652 | 5,217 | 8,869  | (1,678) | 1978 | 05/31/06 | 30 years<br>15 to      |
| Escanaba, MI         | (b) | 3,030 | 3,321 | —      | — | 3,030 | 3,321 | 6,351  | (1,452) | 1971 | 05/31/06 | 20 years<br>10 to      |
| Essex, MD            | (a) | 294   | 1,973 | —      | — | 294   | 1,973 | 2,267  | (71 )   | 1988 | 07/17/13 | 45 Years<br>15 to      |
| Estherville, IA      | (c) | 630   | 463   | —      | — | 630   | 463   | 1,093  | (296 )  | 1976 | 05/31/06 | 20 years<br>15 to      |
| Fairmont, MN         | (b) | 2,393 | 3,546 | —      | — | 2,393 | 3,546 | 5,939  | (1,138) | 1984 | 05/31/06 | 30 years<br>15 to      |
| Fairview Heights, IL | (b) | 1,418 | 2,383 | —      | — | 1,418 | 2,383 | 3,801  | (483 )  | 1979 | 07/17/13 | 3 to 10 Years<br>15 to |
| Fergus Falls, MN     | (c) | 738   | 1,175 | —      | — | 738   | 1,175 | 1,913  | (514 )  | 1986 | 05/31/06 | 20 years<br>15 to      |
| Fond du Lac, WI      | (b) | 4,110 | 5,210 | —      | — | 4,110 | 5,210 | 9,320  | (1,582) | 1985 | 05/31/06 | 30 years<br>10 to      |
| Forrest City, AR     | (a) | 331   | 860   | —      | — | 331   | 860   | 1,191  | (39 )   | 2002 | 07/17/13 | 45 Years<br>15 to      |
| Fort Atkinson, WI    | (b) | 1,005 | 2,873 | —      | — | 1,005 | 2,873 | 3,878  | (919 )  | 1984 | 05/31/06 | 30 years               |

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|                     |     |       |        |   |   |       |        |        |        |      |          |                |
|---------------------|-----|-------|--------|---|---|-------|--------|--------|--------|------|----------|----------------|
| Fountain Valley, CA | (b) | 9,471 | 13,326 | — | — | 9,471 | 13,326 | 22,797 | (14 )  | 1968 | 12/30/14 | 11 to 30 Years |
| Freeport, IL        | (b) | 1,941 | 2,431  | — | — | 1,941 | 2,431  | 4,372  | (956 ) | 1994 | 05/31/06 | 15 to 30 years |
| Gallatin, MO        | (c) | 57    | 405    | — | — | 57    | 405    | 462    | (125 ) | 1990 | 05/31/06 | 15 to 30 years |
| Glasgow, MT         | (c) | 772   | 1,623  | — | — | 772   | 1,623  | 2,395  | (588 ) | 1998 | 05/31/06 | 15 to 30 years |

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| Encumbrances<br>Description<br>(i) | Initial Cost to Company  |                            |                       | Cost Capitalized Subsequent to Acquisition including impairment |                          |                            | Gross Amount at<br>December 31, 2014 (h) |        | Total   | Final<br>Accum |          |                      |
|------------------------------------|--------------------------|----------------------------|-----------------------|---|--------------------------|----------------------------|--|--------|---------|----------------|----------|----------------------|
|                                    | Land and<br>Improvements | Buildings,<br>Improvements | Improvements/<br>Land | Improvements/<br>building                                       | Land and<br>Improvements | Buildings,<br>Improvements |  |        |         |                |          |                      |
| Glenwood,<br>MN                    | (c)                      | 775                        | 1,404                 | —   | —                        | 775                        | 1,404                                    | 2,179  | (421 )  | 1996           | 05/31/06 | 15 to<br>40<br>years |
| Gothenburg,<br>NE                  | (a)                      | 391                        | 1,798                 | —   | —                        | 391                        | 1,798                                    | 2,189  | (344 )  | 2007           | 12/11/07 | 12 to<br>47<br>years |
| Grafton, WI                        | (b)                      | 2,952                      | 4,206                 | —   | —                        | 2,952                      | 4,206                                    | 7,158  | (1,417) | 1989           | 05/31/06 | 15 to<br>30<br>years |
| Grand Island,<br>NE                | (b)                      | 3,401                      | 5,497                 | —   | —                        | 3,401                      | 5,497                                    | 8,898  | (1,870) | 1983           | 05/31/06 | 15 to<br>30<br>years |
| Great Falls,<br>MT                 | (b)                      | 2,998                      | 4,929                 | —   | —                        | 2,998                      | 4,929                                    | 7,927  | (2,158) | 1985           | 05/31/06 | 15 to<br>20<br>years |
| Green Bay,<br>WI                   | (b)                      | 6,155                      | 6,298                 | —   | —                        | 6,155                      | 6,298                                    | 12,453 | (1,909) | 1979           | 05/31/06 | 15 to<br>30<br>years |
| Green Bay,<br>WI                   | (b)                      | 8,698                      | 12,160                | —   | —                        | 8,698                      | 12,160                                   | 20,858 | (4,884) | 2000           | 05/31/06 | 15 to<br>20<br>years |
| Green Bay,<br>WI                   | (b)                      | 1,269                      | 1,937                 | —   | —                        | 1,269                      | 1,937                                    | 3,206  | (577 )  | 2005           | 05/31/06 | 15 to<br>40<br>years |
| Green Bay,<br>WI                   | (b)                      | 4,788                      | 4,605                 | —   | —                        | 4,788                      | 4,605                                    | 9,393  | (2,044) | 1966           | 05/31/06 | 15 to<br>20<br>years |
| Greenfield,<br>OH                  | (c)                      | 555                        | 1,041                 | —   | —                        | 555                        | 1,041                                    | 1,596  | (387 )  | 2000           | 05/31/06 | 15 to<br>30<br>years |
| Griffin, GA                        | (a)                      | 459                        | 1,322                 | —   | —                        | 459                        | 1,322                                    | 1,781  | (59 )   | 2007           | 07/17/13 | 10 to<br>49<br>Years |
| Grovetown,<br>GA                   | (a)                      | 425                        | 933                   | —   | —                        | 425                        | 933                                      | 1,358  | (48 )   | 2007           | 07/17/13 | 10 to<br>45<br>Years |
| Harrisonville,<br>MO               | (a)                      | 316                        | 466                   | —   | —                        | 316                        | 466                                      | 782    | (42 )   | 1996           | 07/17/13 | 8 to 33<br>Years     |
| Hart, MI                           | (c)                      | 565                        | 1,377                 | —   | —                        | 565                        | 1,377                                    | 1,942  | (460 )  | 1999           | 05/31/06 | 15 to<br>30<br>years |
|                                    | (a)                      | 536                        | 813                   | —   | —                        | 536                        | 813                                      | 1,349  | (66 )   | 2007           | 07/17/13 |                      |



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|                     |     |       |       |        |   |       |       |       |         |      |          |             |                      |
|---------------------|-----|-------|-------|--------|---|-------|-------|-------|---------|------|----------|-------------|----------------------|
| Hartsville,<br>SC   |     |       |       |        |   |       |       |       |         |      |          |             | 10 to<br>37<br>Years |
| Havana, IL          | (c) | 526   | 813   | —      | — | 526   | 813   | 1,339 | (317 )  | 2000 | 05/31/06 | 30<br>years | 15 to                |
| Helena, MT          | (b) | 3,176 | 5,583 | (724 ) | — | 2,452 | 5,583 | 8,035 | (1,727) | 1992 | 05/31/06 | 30<br>years | 15 to                |
| Hodgenville,<br>KY  | (c) | 709   | 838   | —      | — | 709   | 838   | 1,547 | (355 )  | 1999 | 05/31/06 | 30<br>years | 15 to                |
| Houghton,<br>MI     | (b) | 1,963 | 4,025 | —      | — | 1,963 | 4,025 | 5,988 | (1,429) | 1994 | 05/31/06 | 30<br>years | 15 to                |
| Hutchinson,<br>MN   | (b) | 2,793 | 4,108 | —      | — | 2,793 | 4,108 | 6,901 | (1,299) | 1991 | 05/31/06 | 30<br>years | 15 to                |
| Idaho Falls,<br>ID  | (b) | 1,721 | 3,231 | —      | — | 1,721 | 3,231 | 4,952 | (1,420) | 1986 | 05/31/06 | 20<br>years | 15 to                |
| Jacksonville,<br>IL | (b) | 3,603 | 3,569 | —      | — | 3,603 | 3,569 | 7,172 | (1,553) | 1996 | 05/31/06 | 30<br>years | 15 to                |
| Janesville,<br>WI   | (b) | 3,166 | 4,808 | —      | — | 3,166 | 4,808 | 7,974 | (2,063) | 1980 | 05/31/06 | 20<br>years | 15 to                |
| Kennewick,<br>WA    | (b) | 4,044 | 5,347 | —      | — | 4,044 | 5,347 | 9,391 | (1,742) | 1989 | 05/31/06 | 30<br>years | 15 to                |
| Kenosha, WI         | (b) | 3,079 | 4,259 | —      | — | 3,079 | 4,259 | 7,338 | (1,916) | 1980 | 05/31/06 | 20<br>years | 14 to                |
| Keota, OK           | (b) | 215   | 687   | —      | — | 215   | 687   | 902   | (2 )    | 2014 | 12/15/14 | 40<br>Years | 15 to                |
| Kewaunee,<br>WI     | (c) | 872   | 758   | —      | — | 872   | 758   | 1,630 | (403 )  | 2000 | 05/31/06 | 30<br>years | 15 to                |
| Kimberly,<br>WI     | (b) | 3,550 | 4,749 | —      | — | 3,550 | 4,749 | 8,299 | (1,987) | 1979 | 05/31/06 | 20<br>years | 15 to                |
| Kingsford,<br>MI    | (b) | 3,736 | 3,570 | —      | — | 3,736 | 3,570 | 7,306 | (1,601) | 1970 | 05/31/06 | 20<br>years | 15 to                |
| La Crosse,<br>WI    | (b) | 2,896 | 3,810 | —      | — | 2,896 | 3,810 | 6,706 | (1,657) | 1978 | 05/31/06 | 20<br>years | 15 to                |
| Lake Hallie,<br>WI  | (b) | 2,627 | 3,965 | —      | — | 2,627 | 3,965 | 6,592 | (1,531) | 1982 | 05/31/06 | 30<br>years | 15 to                |

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|                |     |       |       |   |   |       |       |       |         |      |          |                |
|----------------|-----|-------|-------|---|---|-------|-------|-------|---------|------|----------|----------------|
| Lancaster, WI  | (c) | 581   | 1,018 | — | — | 581   | 1,018 | 1,599 | (386 )  | 1999 | 05/31/06 | 15 to 30 years |
| Lander, WY     | (c) | 289   | 589   | — | — | 289   | 589   | 878   | (280 )  | 1974 | 05/31/06 | 15 to 20 years |
| Largo, FL      | (a) | 758   | 1,025 | — | — | 758   | 1,025 | 1,783 | (52 )   | 1999 | 07/17/13 | 9 to 36 Years  |
| Layton, UT     | (b) | 2,950 | 3,408 | — | — | 2,950 | 3,408 | 6,358 | (1,145) | 1988 | 05/31/06 | 15 to 30 years |
| Lewiston, ID   | (b) | 409   | 2,999 | — | — | 409   | 2,999 | 3,408 | (1,323) | 1987 | 05/31/06 | 15 to 20 years |
| Liberty, KY    | (c) | 474   | 945   | — | — | 474   | 945   | 1,419 | (342 )  | 2000 | 05/31/06 | 15 to 30 years |
| Lincoln, NE    | (b) | 4,186 | 4,150 | — | — | 4,186 | 4,150 | 8,336 | (1,298) | 1983 | 05/31/06 | 15 to 30 years |
| Livingston, TN | (c) | 429   | 822   | — | — | 429   | 822   | 1,251 | (311 )  | 2000 | 05/31/06 | 15 to 30 years |

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|------------------------------------|-----|--------------------------|----------------------------|-----------------------|---------------------------|---|----------------------------|--------|------------|--|----------|----------------------|----------------|
|                                    |     | Land and<br>Improvements | Buildings,<br>Improvements | Improvements/<br>Land | Improvements/<br>building | Land and<br>Improvements  | Buildings,<br>Improvements | Year   | Expiration |  |          |                      |                |
| Logan, UT                          | (b) | 454                      | 3,453                      | —                     | —                         | 454   | 3,453                      | 3,907  | (1,516)    | 1989                                     | 05/31/06 | 15 to<br>20<br>years |                |
| Loogootee,<br>IN                   | (c) | 571                      | 973                        | —                     | —                         | 571   | 973                        | 1,544  | (375)      | 1999                                     | 05/31/06 | 15 to<br>30<br>years |                |
| Madison, SD                        | (c) | 1,060                    | 1,015                      | —                     | —                         | 1,060   | 1,015                      | 2,075  | (546)      | 1975                                     | 05/31/06 | 15 to<br>20<br>years |                |
| Madison, WI                        | (b) | 4,072                    | 5,777                      | —                     | —                         | 4,072   | 5,777                      | 9,849  | (1,802)    | 1988                                     | 05/31/06 | 15 to<br>30<br>years |                |
| Madison, WI                        | (b) | 2,836                    | 4,522                      | —                     | —                         | 2,836   | 4,522                      | 7,358  | (1,694)    | 1982                                     | 05/31/06 | 15 to<br>30<br>years |                |
| Madison, WI                        | (b) | 5,632                    | 5,299                      | (1,125)               | —                         | 4,507   | 5,299                      | 9,806  | (1,706)    | 1980                                     | 05/31/06 | 15 to<br>30<br>years |                |
| Manistique,<br>MI                  | (c) | 659                      | 1,223                      | —                     | —                         | 659   | 1,223                      | 1,882  | (453)      | 2000                                     | 05/31/06 | 15 to<br>30<br>years |                |
| Manitowoc,<br>WI                   | (b) | 2,573                    | 4,011                      | —                     | —                         | 2,573   | 4,011                      | 6,584  | (1,789)    | 1977                                     | 05/31/06 | 15 to<br>20<br>years |                |
| Mankato,<br>MN                     | (b) | 6,167                    | 4,861                      | —                     | —                         | 6,167   | 4,861                      | 11,028 | (2,087)    | 1971                                     | 05/31/06 | 15 to<br>20<br>years |                |
| Mansfield,<br>TX                   | (a) | 859                      | 599                        | —                     | —                         | 859   | 599                        | 1,458  | (44)       | 2007                                     | 07/17/13 | 10 to<br>34<br>Years |                |
| Marinette,<br>WI                   | (b) | 1,452                    | 3,736                      | —                     | —                         | 1,452   | 3,736                      | 5,188  | (1,214)    | 1990                                     | 05/31/06 | 15 to<br>30<br>years |                |
| Marion, KY                         | (c) | 724                      | 765                        | —                     | —                         | 724   | 765                        | 1,489  | (349)      | 2000                                     | 05/31/06 | 15 to<br>30<br>years |                |
| Marquette,<br>MI                   | (b) | 4,423                    | 5,774                      | —                     | —                         | 4,423   | 5,774                      | 10,197 | (2,476)    | 1969                                     | 05/31/06 | 15 to<br>20<br>years |                |
| Marshall,<br>MN                    | (b) | 4,152                    | 2,872                      | —                     | —                         | 4,152   | 2,872                      | 7,024  | (1,402)    | 1972                                     | 05/31/06 | 15 to<br>20<br>years |                |

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|                   |     |       |       |   |   |       |       |       |         |      |          |                |
|-------------------|-----|-------|-------|---|---|-------|-------|-------|---------|------|----------|----------------|
| Marshfield, WI    | (b) | 3,272 | 4,406 | — | — | 3,272 | 4,406 | 7,678 | (1,849) | 1968 | 05/31/06 | 15 to 20 years |
| Mason City, IA    | (b) | 2,186 | 3,888 | — | — | 2,186 | 3,888 | 6,074 | (1,688) | 1985 | 05/31/06 | 15 to 20 years |
| Memphis, MO       | (c) | 448   | 313   | — | — | 448   | 313   | 761   | (192)   | 1983 | 05/31/06 | 15 to 20 years |
| Menasha, WI       | (b) | 3,137 | 3,245 | — | — | 3,137 | 3,245 | 6,382 | (1,111) | 1981 | 05/31/06 | 15 to 30 years |
| Mesa, AZ          | (b) | 734   | —     | — | — | 734   | —     | 734   | —       | 1955 | 11/13/14 | 0 to 0 Years   |
| Mineral Wells, TX | (a) | 448   | 878   | — | — | 448   | 878   | 1,326 | (47)    | 2008 | 07/17/13 | 10 to 42 Years |
| Minerva, OH       | (c) | 1,103 | 902   | — | — | 1,103 | 902   | 2,005 | (461)   | 2000 | 05/31/06 | 15 to 30 years |
| Missoula, MT      | (b) | 4,123 | 5,253 | — | — | 4,123 | 5,253 | 9,376 | (2,190) | 1987 | 05/31/06 | 15 to 20 years |
| Mitchell, IN      | (c) | 554   | 791   | — | — | 554   | 791   | 1,345 | (330)   | 2000 | 05/31/06 | 15 to 30 years |
| Mitchell, SD      | (b) | 3,918 | 3,126 | — | — | 3,918 | 3,126 | 7,044 | (1,414) | 1973 | 05/31/06 | 15 to 20 years |
| Monmouth, IL      | (b) | 2,037 | 1,166 | — | — | 2,037 | 1,166 | 3,203 | (721)   | 1971 | 05/31/06 | 15 to 20 years |
| Monona, WI        | (b) | 2,982 | 4,700 | — | — | 2,982 | 4,700 | 7,682 | (1,564) | 1981 | 05/31/06 | 15 to 30 years |
| Monroe, WI        | (b) | 1,526 | 4,027 | — | — | 1,526 | 4,027 | 5,553 | (1,284) | 1994 | 05/31/06 | 15 to 30 years |
| Monticello, IL    | (c) | 641   | 1,172 | — | — | 641   | 1,172 | 1,813 | (430)   | 1999 | 05/31/06 | 15 to 30 years |
| Montpelier, OH    | (c) | 557   | 1,130 | — | — | 557   | 1,130 | 1,687 | (409)   | 2000 | 05/31/06 | 15 to 30 years |
| Morgantown, KY    | (c) | 518   | 871   | — | — | 518   | 871   | 1,389 | (330)   | 1999 | 05/31/06 | 15 to 30 years |
| Mount Ayr, IA     | (c) | 228   | 666   | — | — | 228   | 666   | 894   | (221)   | 1995 | 05/31/06 | 15 to 30 years |
|                   | (c) | 972   | 1,602 | — | — | 972   | 1,602 | 2,574 | (767)   | 2000 | 05/31/06 |                |

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|                  |       |       |       |      |   |       |       |       |         |      |          |                |
|------------------|-------|-------|-------|------|---|-------|-------|-------|---------|------|----------|----------------|
| Mount Carmel, IL |       |       |       |      |   |       |       |       |         |      |          | 15 to 20 years |
| Munfordville, KY | (c)   | 672   | 766   | —    | — | 672   | 766   | 1,438 | (335)   | 2000 | 05/31/06 | 30 years       |
| Nampa, ID        | (b)   | 2,080 | 4,014 | —    | — | 2,080 | 4,014 | 6,094 | (1,747) | 1986 | 05/31/06 | 15 to 20 years |
| Navasota, TX     | (a)   | 322   | 868   | —    | — | 322   | 868   | 1,190 | (47)    | 2007 | 07/17/13 | 10 to 44 Years |
| Neenah, WI       | (b)   | 2,944 | 5,595 | (38) | — | 2,906 | 5,595 | 8,501 | (1,719) | 1990 | 05/31/06 | 15 to 30 years |
| New London, WI   | 1,778 | 1,008 | 2,094 | —    | — | 1,008 | 2,094 | 3,102 | (295)   | 1991 | 07/17/13 | 3 to 28 Years  |
| Newaygo, MI      | (c)   | 633   | 1,155 | —    | — | 633   | 1,155 | 1,788 | (418)   | 2000 | 05/31/06 | 15 to 30 years |
| Norfolk, NE      | (b)   | 2,701 | 2,912 | —    | — | 2,701 | 2,912 | 5,613 | (1,158) | 1984 | 05/31/06 | 15 to 30 years |

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|------------------------------------|-------------------------|-------------------------|--------------------|---|-----------------------|-------------------------|---------------------------------------|--------|---------|-------|-------------|----------------|
|                                    | Land and Improvements   | Buildings, Improvements | Improvements/ Land | Improvements/ building  | Land and Improvements | Buildings, Improvements |                                       |        |         |       |             |                |
| North Platte, NE                   | (b)                     | 2,734                   | 3,378              | —   | —                     | 2,734                   | 3,378                                 | 6,112  | (1,063) | 1985  | 05/31/06    | 15 to 30 years |
| Oconto, WI                         | (c)                     | 496                     | 1,176              | —   | —                     | 496                     | 1,176                                 | 1,672  | (435)   | 2000  | 05/31/06    | 15 to 30 years |
| Ogden, UT                          | (b)                     | 2,448                   | 3,864              | —   | —                     | 2,448                   | 3,864                                 | 6,312  | (1,234) | 1988  | 05/31/06    | 15 to 30 years |
| Okeechobee, FL                     | (a)                     | 409                     | 1,298              | —   | —                     | 409                     | 1,298                                 | 1,707  | (56)    | 2006  | 07/17/13    | 10 to 47 Years |
| Omaha, NE                          | (c)                     | 1,024                   | 7,113              | —   | —                     | 1,024                   | 7,113                                 | 8,137  | (2,197) | 1966  | 05/31/06    | 15 to 30 years |
| Omaha, NE                          | (b)                     | 5,320                   | 4,086              | —   | —                     | 5,320                   | 4,086                                 | 9,406  | (1,354) | 1985  | 05/31/06    | 15 to 30 years |
| Omaha, NE                          | (b)                     | 5,477                   | 3,986              | —   | —                     | 5,477                   | 3,986                                 | 9,463  | (1,315) | 1984  | 05/31/06    | 15 to 30 years |
| Omaha, NE                          | (b)                     | 7,431                   | 14,273             | —   | —                     | 7,431                   | 14,273                                | 21,704 | (6,242) | 2000  | 05/31/06    | 15 to 30 years |
| Onalaska, WI                       | (b)                     | 2,468                   | 4,392              | —   | —                     | 2,468                   | 4,392                                 | 6,860  | (1,408) | 1989  | 05/31/06    | 15 to 30 years |
| O'Neill, NE                        | (a)                     | 400                     | 1,752              | —   | —                     | 400                     | 1,752                                 | 2,152  | (376)   | 1972  | 08/24/07    | 12 to 47 years |
| Osceola, IA                        | (c)                     | 322                     | 422                | —   | —                     | 322                     | 422                                   | 744    | (200)   | 1978  | 05/31/06    | 15 to 20 years |
| Oshkosh, WI                        | (b)                     | 3,594                   | 4,384              | —   | —                     | 3,594                   | 4,384                                 | 7,978  | (1,399) | 1984  | 05/31/06    | 15 to 30 years |
| Papillion, NE                      | (c)                     | 10,113                  | 13,578             | —   | —                     | 10,113                  | 13,578                                | 23,691 | (720)   | 2007  | 07/17/13    | 10 to 41 Years |
| Park Rapids, MN                    | (c)                     | 877                     | 1,089              | —   | —                     | 877                     | 1,089                                 | 1,966  | (520)   | 1981  | 05/31/06    | 15 to 20 years |

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|                           |       |       |       |   |   |       |       |        |         |      |          |                      |
|---------------------------|-------|-------|-------|---|---|-------|-------|--------|---------|------|----------|----------------------|
| Peoria, IL                | 4,950 | 2,407 | 5,452 | — | — | 2,407 | 5,452 | 7,859  | (274 )  | 2006 | 07/17/13 | 2 to 40<br>Years     |
| Perry, IA                 | (c)   | 651   | 1,015 | — | — | 651   | 1,015 | 1,666  | (408 )  | 1998 | 05/31/06 | 15 to<br>30<br>years |
| Petersburg,<br>IN         | (c)   | 799   | 678   | — | — | 799   | 678   | 1,477  | (348 )  | 1999 | 05/31/06 | 15 to<br>30<br>years |
| Pocatello, ID             | (b)   | 2,317 | 4,274 | — | — | 2,317 | 4,274 | 6,591  | (1,870) | 1986 | 05/31/06 | 15 to<br>20<br>years |
| Port<br>Washington,<br>WI | (b)   | 436   | 1,427 | — | — | 436   | 1,427 | 1,863  | (427 )  | 1982 | 05/31/06 | 15 to<br>40<br>years |
| Powell, WY                | (c)   | 1,264 | 859   | — | — | 1,264 | 859   | 2,123  | (450 )  | 1985 | 05/31/06 | 15 to<br>20<br>years |
| Provo, UT                 | (b)   | 2,145 | 2,966 | — | — | 2,145 | 2,966 | 5,111  | (991 )  | 1988 | 05/31/06 | 15 to<br>30<br>years |
| Pullman,<br>WA            | (b)   | 2,237 | 4,295 | — | — | 2,237 | 4,295 | 6,532  | (1,401) | 1996 | 05/31/06 | 15 to<br>30<br>years |
| Quincy, IL                | (b)   | 3,510 | 4,916 | — | — | 3,510 | 4,916 | 8,426  | (2,125) | 1986 | 05/31/06 | 15 to<br>20<br>years |
| Quinton, OK               | (b)   | 245   | 683   | — | — | 245   | 683   | 928    | (2 )    | 2014 | 12/15/14 | 14 to<br>40<br>Years |
| Racine, WI                | (b)   | 3,076 | 5,305 | — | — | 3,076 | 5,305 | 8,381  | (2,149) | 1979 | 05/31/06 | 15 to<br>20<br>years |
| Rapid City,<br>SD         | (b)   | 4,725 | 4,164 | — | — | 4,725 | 4,164 | 8,889  | (1,457) | 1988 | 05/31/06 | 15 to<br>30<br>years |
| Rawlins,<br>WY            | (c)   | 430   | 581   | — | — | 430   | 581   | 1,011  | (308 )  | 1971 | 05/31/06 | 15 to<br>20<br>years |
| Redding, CA               | (b)   | 7,043 | 5,255 | — | — | 7,043 | 5,255 | 12,298 | (1,688) | 1989 | 05/31/06 | 15 to<br>30<br>years |
| Rensselaer,<br>NY         | (a)   | 705   | 657   | — | — | 705   | 657   | 1,362  | (154 )  | 1971 | 07/17/13 | 3 to 13<br>Years     |
| Rice Lake,<br>WI          | (b)   | 1,535 | 3,407 | — | — | 1,535 | 3,407 | 4,942  | (1,194) | 1995 | 05/31/06 | 15 to<br>30<br>years |
| River Falls,<br>WI        | (b)   | 1,787 | 4,283 | — | — | 1,787 | 4,283 | 6,070  | (1,384) | 1994 | 05/31/06 | 15 to<br>30<br>years |
| Rochester,<br>MN          | (b)   | 6,466 | 4,232 | — | — | 6,466 | 4,232 | 10,698 | (1,932) | 1981 | 05/31/06 | 15 to<br>20          |

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|                       |     |       |       |   |   |       |       |        |         |      |          |                               |
|-----------------------|-----|-------|-------|---|---|-------|-------|--------|---------|------|----------|-------------------------------|
| Rochester,<br>MN      | (b) | 6,189 | 4,511 | — | — | 6,189 | 4,511 | 10,700 | (1,988) | 1981 | 05/31/06 | years<br>15 to<br>20          |
| Rockville,<br>IN      | (c) | 628   | 939   | — | — | 628   | 939   | 1,567  | (375 )  | 1999 | 05/31/06 | years<br>15 to<br>30          |
| Rome, NY              | (a) | 436   | 699   | — | — | 436   | 699   | 1,135  | (52 )   | 1996 | 07/17/13 | years<br>10 to<br>28<br>Years |
| Rothschild,<br>WI     | (b) | 2,685 | 4,231 | — | — | 2,685 | 4,231 | 6,916  | (1,875) | 1977 | 05/31/06 | years<br>15 to<br>20          |
| Salt Lake<br>City, UT | (b) | 3,260 | 3,937 | — | — | 3,260 | 3,937 | 7,197  | (1,305) | 1991 | 05/31/06 | years<br>15 to<br>30          |
| Sandersville,<br>GA   | (a) | 503   | 751   | — | — | 503   | 751   | 1,254  | (44 )   | 2006 | 07/17/13 | years<br>10 to<br>45<br>Years |



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|------------------------------------|--------------------------|----------------------------|-----------------------|---------------------------|---|----------------------------|--------------------------|----------------------------|--|----------------------------|----------|----------------------|------------------|
|                                    | Land and<br>Improvements | Buildings,<br>Improvements | Improvements/<br>Land | Improvements/<br>building | Land and<br>Improvements  | Buildings,<br>Improvements | Land and<br>Improvements | Buildings,<br>Improvements | Land and<br>Improvements                 | Buildings,<br>Improvements |          |                      |                  |
| Scottsville,<br>KY                 | (c)                      | 544                        | 840                   | —                         | —   | 544                        | 840                      | 1,384                      | (327 )                                   | 1999                       | 05/31/06 | 15 to<br>30<br>years |                  |
| Sheboygan,<br>WI                   | (b)                      | 2,973                      | 4,340                 | —                         | —   | 2,973                      | 4,340                    | 7,313                      | (1,563)                                  | 1993                       | 05/31/06 | 15 to<br>30<br>years |                  |
| Shreveport,<br>LA                  | (a)                      | 374                        | 490                   | —                         | —   | 374                        | 490                      | 864                        | (51 )                                    | 2001                       | 07/17/13 | 10 to<br>31<br>Years |                  |
| Sioux Falls,<br>SD                 | (b)                      | 4,907                      | 4,023                 | —                         | —   | 4,907                      | 4,023                    | 8,930                      | (1,796)                                  | 1987                       | 05/31/06 | 15 to<br>20<br>years |                  |
| Smithville,<br>TN                  | (c)                      | 570                        | 733                   | (15 )                     | —   | 555                        | 733                      | 1,288                      | (321 )                                   | 2000                       | 05/31/06 | 15 to<br>30<br>years |                  |
| Somerville,<br>TN                  | (c)                      | 345                        | 537                   | —                         | —   | 345                        | 537                      | 882                        | (234 )                                   | 2000                       | 05/31/06 | 15 to<br>30<br>years |                  |
| Spencer, IN                        |                          | 1,325                      | 971                   | 2,483                     | —   | —                          | 971                      | 2,483                      | 3,454                                    | (237 )                     | 1987     | 07/17/13             | 4 to 24<br>Years |
| Spokane,<br>WA                     | (b)                      | 1,014                      | 3,005                 | —                         | —   | 1,014                      | 3,005                    | 4,019                      | (1,133)                                  | 1987                       | 05/31/06 | 15 to<br>20<br>years |                  |
| Spokane,<br>WA                     | (b)                      | 3,437                      | 5,047                 | —                         | —   | 3,437                      | 5,047                    | 8,484                      | (1,627)                                  | 1995                       | 05/31/06 | 15 to<br>30<br>years |                  |
| St. Cloud,<br>MN                   | (b)                      | 3,749                      | 4,884                 | —                         | —   | 3,749                      | 4,884                    | 8,633                      | (2,105)                                  | 1985                       | 05/31/06 | 15 to<br>20<br>years |                  |
| St. Cloud,<br>MN                   | (b)                      | 5,033                      | 6,589                 | —                         | —   | 5,033                      | 6,589                    | 11,622                     | (2,065)                                  | 1991                       | 05/31/06 | 15 to<br>30<br>years |                  |
| St. Croix, VI                      |                          | 4,035                      | 2,132                 | 5,992                     | —   | —                          | 2,132                    | 5,992                      | 8,124                                    | (321 )                     | 2005     | 07/17/13             | 8 to 37<br>Years |
| Stevens<br>Point, WI               | (b)                      | 1,383                      | 5,401                 | —                         | —   | 1,383                      | 5,401                    | 6,784                      | (2,062)                                  | 1985                       | 05/31/06 | 15 to<br>20<br>years |                  |
| Sturgis, SD                        | (c)                      | 402                        | 717                   | —                         | —   | 402                        | 717                      | 1,119                      | (343 )                                   | 1984                       | 05/31/06 | 15 to<br>20<br>years |                  |
| Sullivan, IL                       | (c)                      | 557                        | 879                   | —                         | —   | 557                        | 879                      | 1,436                      | (349 )                                   | 1999                       | 05/31/06 | 15 to<br>30          |                  |

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|                      |     |       |       |   |   |       |       |       |         |      |          |                            |
|----------------------|-----|-------|-------|---|---|-------|-------|-------|---------|------|----------|----------------------------|
| Sweetwater, TX       | (a) | 415   | 1,097 | — | — | 415   | 1,097 | 1,512 | (53 )   | 2006 | 07/17/13 | 47 years<br>10 to 47 Years |
| Thermopolis, WY      | (a) | 589   | 1,600 | — | — | 589   | 1,600 | 2,189 | (313 )  | 2007 | 12/11/07 | 47 years<br>12 to 47 years |
| Tuscola, IL          | (c) | 724   | 897   | — | — | 724   | 897   | 1,621 | (386 )  | 2000 | 05/31/06 | 30 years<br>15 to 30 years |
| Union Gap, WA        | (b) | 481   | 4,079 | — | — | 481   | 4,079 | 4,560 | (1,763) | 1991 | 05/31/06 | 20 years<br>15 to 20 years |
| Vermillion, SD       | (c) | 756   | 993   | — | — | 756   | 993   | 1,749 | (477 )  | 1984 | 05/31/06 | 20 years<br>15 to 20 years |
| Wahpeton, ND         | (c) | 1,202 | 1,418 | — | — | 1,202 | 1,418 | 2,620 | (713 )  | 1971 | 05/31/06 | 20 years<br>15 to 20 years |
| Walla Walla, WA      | (b) | 2,283 | 1,955 | — | — | 2,283 | 1,955 | 4,238 | (683 )  | 1989 | 05/31/06 | 30 years<br>15 to 30 years |
| Washington, IA       | (c) | 719   | 865   | — | — | 719   | 865   | 1,584 | (444 )  | 1973 | 05/31/06 | 20 years<br>15 to 20 years |
| Washington, IL       | (b) | 1,195 | 1,441 | — | — | 1,195 | 1,441 | 2,636 | (362 )  | 1989 | 07/17/13 | 2 to 10 Years              |
| Watertown, SD        | (b) | 3,064 | 3,519 | — | — | 3,064 | 3,519 | 6,583 | (1,153) | 1985 | 05/31/06 | 30 years<br>15 to 30 years |
| Watertown, WI        | (b) | 3,124 | 4,436 | — | — | 3,124 | 4,436 | 7,560 | (1,895) | 1972 | 05/31/06 | 20 years<br>15 to 20 years |
| Waukon, IA           | (c) | 604   | 971   | — | — | 604   | 971   | 1,575 | (378 )  | 1998 | 05/31/06 | 30 years<br>15 to 30 years |
| West Bountiful, UT   | (b) | 2,952 | 3,897 | — | — | 2,952 | 3,897 | 6,849 | (1,271) | 1991 | 05/31/06 | 30 years<br>15 to 30 years |
| West Jordan, UT      | (b) | 2,848 | 3,969 | — | — | 2,848 | 3,969 | 6,817 | (1,327) | 1988 | 05/31/06 | 30 years<br>15 to 30 years |
| West Valley City, UT | (b) | 2,780 | 4,005 | — | — | 2,780 | 4,005 | 6,785 | (1,366) | 1989 | 05/31/06 | 30 years<br>15 to 30 years |
| Western Grove, AR    | (b) | 391   | 595   | — | — | 391   | 595   | 986   | (2 )    | 2014 | 12/15/14 | 40 Years<br>14 to 40 Years |
| Whiteville, NC       | (b) | 1,119 | 1,676 | — | — | 1,119 | 1,676 | 2,795 | (232 )  | 1988 | 07/17/13 | 7 to 30 Years              |
| Wichita, KS          | (a) | 236   | 741   | — | — | 236   | 741   | 977   | (34 )   | 2005 | 07/17/13 |                            |

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|                  |     |       |       |   |   |       |       |       |         |      |          |  |
|------------------|-----|-------|-------|---|---|-------|-------|-------|---------|------|----------|--|
| Wilburton,<br>OK | (b) | 522   | 887   | — | — | 522   | 887   | 1,409 | (3 )    | 2014 | 12/15/14 | 10 to<br>42<br>Years<br>14 to<br>40<br>Years |
| Wilton, NY       | (a) | 1,348 | 2,165 | — | — | 1,348 | 2,165 | 3,513 | (220 )  | 1987 | 07/17/13 | 8 to 27<br>Years                             |
| Winona, MN       | (b) | 3,413 | 4,436 | — | — | 3,413 | 4,436 | 7,849 | (2,030) | 1986 | 05/31/06 | 15 to<br>20<br>years                         |

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| Encumbrances<br>Description<br>(i) | Initial Cost to Company  |                            |                       |                           | Cost Capitalized Subsequent to Acquisition including impairment |                            |                          |                            | Gross Amount at<br>December 31, 2014 (h) |                            | Total    | Final<br>Accum       |                  |
|------------------------------------|--------------------------|----------------------------|-----------------------|---------------------------|---|----------------------------|--------------------------|----------------------------|--|----------------------------|----------|----------------------|------------------|
|                                    | Land and<br>Improvements | Buildings,<br>Improvements | Improvements/<br>Land | Improvements/<br>building | Land and<br>Improvements  | Buildings,<br>Improvements | Land and<br>Improvements | Buildings,<br>Improvements | Land and<br>Improvements                 | Buildings,<br>Improvements |          |                      |                  |
| Wisconsin<br>Rapids, WI            | (b)                      | 3,689                      | 4,806                 | —                         | —   | 3,689                      | 4,806                    | 8,495                      | (2,051)                                  | 1969                       | 05/31/06 | 15 to<br>20<br>years |                  |
| Woodsfield,<br>OH                  | (c)                      | 691                        | 1,009                 | —                         | —   | 691                        | 1,009                    | 1,700                      | (408)                                    | 2000                       | 05/31/06 | 15 to<br>30<br>years |                  |
| Worthington,<br>MN                 | (b)                      | 2,861                      | 3,767                 | —                         | —   | 2,861                      | 3,767                    | 6,628                      | (1,233)                                  | 1984                       | 05/31/06 | 15 to<br>30<br>years |                  |
| Yakima, WA                         | (b)                      | 2,789                      | 5,033                 | —                         | —   | 2,789                      | 5,033                    | 7,822                      | (1,600)                                  | 1988                       | 05/31/06 | 15 to<br>30<br>years |                  |
| Restaurants - Casual Dining        |                          |                            |                       |                           |   |                            |                          |                            |  |                            |          |                      |                  |
| Addison, IL                        |                          | 5,600                      | 4,690                 | 6,692                     | —   | —                          | 4,690                    | 6,692                      | 11,382                                   | (671)                      | 2006     | 07/17/13             | 7 to 24<br>Years |
| Addison, TX                        | (a)                      | 1,615                      | 2,476                 | —                         | —   | 1,615                      | 2,476                    | 4,091                      | (777)                                    | 1998                       | 09/30/04 | 15 to<br>30<br>years |                  |
| Adrian, MI                         | (b)                      | 652                        | 1,233                 | —                         | —   | 652                        | 1,233                    | 1,885                      | —  | 1991                       | 12/23/14 | 15 to<br>30<br>Years |                  |
| Albany, GA                         | (a)                      | 1,073                      | 1,719                 | —                         | —   | 1,073                      | 1,719                    | 2,792                      | (110)                                    | 2003                       | 07/17/13 | 12 to<br>33<br>Years |                  |
| Albany, GA                         | (b)                      | 744                        | 1,340                 | —                         | —   | 744                        | 1,340                    | 2,084                      | —  | 1971                       | 12/23/14 | 15 to<br>30<br>Years |                  |
| Albany, OR                         | (c)                      | 913                        | 1,951                 | —                         | —   | 913                        | 1,951                    | 2,864                      | (103)                                    | 2005                       | 07/17/13 | 12 to<br>35<br>Years |                  |
| Albuquerque,<br>NM                 | (a)                      | 1,473                      | 2,947                 | —                         | —   | 1,473                      | 2,947                    | 4,420                      | (236)                                    | 2011                       | 07/17/13 | 10 to<br>33<br>Years |                  |
| Albuquerque,<br>NM                 | (a)                      | 120                        | 1,336                 | —                         | —   | 120                        | 1,336                    | 1,456                      | (330)                                    | 1999                       | 12/30/04 | 30 to<br>30<br>years |                  |
| Albuquerque,<br>NM                 | (a)                      | 1,036                      | 1,655                 | —                         | —   | 1,036                      | 1,655                    | 2,691                      | (578)                                    | 1994                       | 12/30/04 | 15 to<br>30<br>years |                  |

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|                      |     |       |       |   |     |       |       |       |        |      |          |                      |
|----------------------|-----|-------|-------|---|-----|-------|-------|-------|--------|------|----------|----------------------|
| Alcoa, TN            | (a) | 228   | 219   | — | —   | 228   | 219   | 447   | (88 )  | 1982 | 11/02/07 | 15 to<br>30<br>years |
| Alcoa, TN            | (a) | 483   | 318   | — | —   | 483   | 318   | 801   | (132 ) | 1978 | 11/02/07 | 15 to<br>30<br>years |
| Alexandria,<br>VA    | (a) | 1,024 | 202   | — | 12  | 1,024 | 214   | 1,238 | (114 ) | 1979 | 12/19/06 | 15 to<br>20<br>years |
| Alvin, TX            | (a) | 256   | 585   | — | —   | 256   | 585   | 841   | (465 ) | 1997 | 12/30/04 | 10 to<br>15<br>years |
| Appleton,<br>WI      | (a) | 727   | 1,329 | — | 9   | 727   | 1,338 | 2,065 | (499 ) | 1993 | 12/29/06 | 8 to 30<br>years     |
| Ardmore,<br>OK       | (a) | 1,332 | 1,466 | — | —   | 1,332 | 1,466 | 2,798 | (591 ) | 1986 | 02/26/07 | 14 to<br>30<br>years |
| Arkansas<br>city, KS | (a) | 239   | 975   | — | —   | 239   | 975   | 1,214 | (25 )  | 1987 | 06/04/14 | 15 to<br>30<br>Years |
| Arlington,<br>TX     | (a) | 2,064 | 2,043 | — | —   | 2,064 | 2,043 | 4,107 | (632 ) | 1995 | 09/30/04 | 15 to<br>30<br>years |
| Ashland, OH          | (a) | 294   | 642   | — | —   | 294   | 642   | 936   | (69 )  | 1971 | 03/18/13 | 13 to<br>20<br>Years |
| Ashtabula,<br>OH     | (a) | 865   | 244   | — | —   | 865   | 244   | 1,109 | (126 ) | 1975 | 02/06/07 | 15 to<br>30<br>years |
| Athens, TN           | (a) | 197   | 341   | — | 176 | 197   | 517   | 714   | (168 ) | 1977 | 11/02/07 | 15 to<br>30<br>years |
| Augusta, GA          | (c) | 1,494 | 2,019 | — | —   | 1,494 | 2,019 | 3,513 | (97 )  | 2005 | 07/17/13 | 13 to<br>40<br>Years |
| Aurora, CO           | (c) | 1,017 | 1,743 | — | —   | 1,017 | 1,743 | 2,760 | (88 )  | 1998 | 07/17/13 | 13 to<br>35<br>Years |
| Aurora, CO           | (c) | 1,521 | 1,498 | — | —   | 1,521 | 1,498 | 3,019 | (93 )  | 1992 | 07/17/13 | 9 to 32<br>Years     |
| Aurora, CO           | (b) | 1,151 | 1,742 | — | —   | 1,151 | 1,742 | 2,893 | —      | 1974 | 12/23/14 | 15 to<br>40<br>Years |
| Austell, GA          | (a) | 838   | 216   | — | —   | 838   | 216   | 1,054 | (172 ) | 1962 | 02/28/06 | 15 to<br>20<br>years |
| Austintown,<br>OH    | (a) | 1,106 | 450   | — | —   | 1,106 | 450   | 1,556 | (181 ) | 1991 | 02/06/07 | 15 to<br>30<br>years |
| Avon, IN             | (b) | 899   | 615   | — | —   | 899   | 615   | 1,514 | (6 )   | 2014 | 10/31/14 | 14 to<br>30          |

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|                     |     |       |       |   |   |       |       |       |       |      |          |                               |
|---------------------|-----|-------|-------|---|---|-------|-------|-------|-------|------|----------|-------------------------------|
| Battle Creek,<br>MI | (a) | 423   | 560   | — | — | 423   | 560   | 983   | (28 ) | 1997 | 12/24/13 | Years<br>15 to<br>30<br>Years |
| Beachwood,<br>OH    | (b) | 1,080 | 1,773 | — | — | 1,080 | 1,773 | 2,853 | —     | 1977 | 12/23/14 | Years<br>15 to<br>40<br>Years |

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| Encumbrances<br>Description<br>(i) | Initial Cost to Company  |                            |                       | Cost Capitalized Subsequent to Acquisition including impairment |                          |                            | Gross Amount at<br>December 31, 2014 (h) |       | Total  | Final<br>Accum |          |                      |
|------------------------------------|--------------------------|----------------------------|-----------------------|---|--------------------------|----------------------------|--|-------|--------|----------------|----------|----------------------|
|                                    | Land and<br>Improvements | Buildings,<br>Improvements | Improvements/<br>Land | Improvements/<br>building                                       | Land and<br>Improvements | Buildings,<br>Improvements | Year                                     | Year  |        |                |          |                      |
| Beaumont,<br>TX                    | (a)                      | 1,435                      | 1,541                 | —   | —                        | 1,435                      | 1,541                                    | 2,976 | (539 ) | 1997           | 06/29/07 | 15 to<br>40<br>years |
| Beebe, AR                          | (b)                      | 211                        | 107                   | —   | —                        | 211                        | 107                                      | 318   | (9 )   | 1986           | 03/31/14 | 1 to 20<br>Years     |
| Bellflower,<br>CA                  | (a)                      | 1,284                      | 1,636                 | —   | —                        | 1,284                      | 1,636                                    | 2,920 | —      | 1970           | 12/19/14 | 15 to<br>30<br>Years |
| Bellflower,<br>CA                  | (a)                      | 1,273                      | 1,501                 | —   | —                        | 1,273                      | 1,501                                    | 2,774 | —      | 1981           | 12/19/14 | 15 to<br>50<br>Years |
| Berkley, MI                        | (b)                      | 390                        | 540                   | —   | —                        | 390                        | 540                                      | 930   | (5 )   | 1927           | 10/31/14 | 14 to<br>30<br>Years |
| Bessemer,<br>AL                    | (a)                      | 622                        | 983                   | —   | 64                       | 622                        | 1,047                                    | 1,669 | (83 )  | 2002           | 03/29/13 | 8 to 29<br>Years     |
| Birch Run,<br>MI                   | (b)                      | 1,852                      | 1,290                 | —   | —                        | 1,852                      | 1,290                                    | 3,142 | —      | 2014           | 12/24/14 | 14 to<br>30<br>Years |
| Birmingham,<br>AL                  | (a)                      | 321                        | 740                   | —   | 50                       | 321                        | 790                                      | 1,111 | (62 )  | 1977           | 03/29/13 | 8 to 29<br>Years     |
| Birmingham,<br>AL                  | (a)                      | 512                        | 983                   | —   | 65                       | 512                        | 1,048                                    | 1,560 | (84 )  | 2002           | 03/29/13 | 8 to 29<br>Years     |
| Blakely, GA                        | (a)                      | 288                        | 744                   | —   | —                        | 288                        | 744                                      | 1,032 | (370 ) | 1987           | 06/25/04 | 15 to<br>20<br>years |
| Bloomington,<br>IL                 | (a)                      | 393                        | 629                   | —   | —                        | 393                        | 629                                      | 1,022 | (28 )  | 1986           | 12/24/13 | 15 to<br>30<br>Years |
| Bloomington,<br>IL                 | (b)                      | 662                        | 1,029                 | —   | —                        | 662                        | 1,029                                    | 1,691 | —      | 1975           | 12/23/14 | 15 to<br>30<br>Years |
| Boise, ID                          | (a)                      | 809                        | 601                   | (400 )  | (259 )                   | 409                        | 342                                      | 751   | (191 ) | 1998           | 06/25/04 | 15 to<br>30<br>years |
| Bowie, MD                          | (a)                      | 333                        | 173                   | —   | 200                      | 333                        | 373                                      | 706   | (146 ) | 1983           | 11/27/06 | 15 to<br>20<br>years |
| Bowie, MD                          | (a)                      | 1,501                      | 615                   | —   | —                        | 1,501                      | 615                                      | 2,116 | (234 ) | 2004           | 12/31/07 | 15 to<br>40<br>years |
|                                    | (a)                      | 934                        | 3,134                 | —   | —                        | 934                        | 3,134                                    | 4,068 | (173 ) | 1997           | 07/17/13 |                      |

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|                   |     |       |       |    |       |       |       |       |        |      |          |                |
|-------------------|-----|-------|-------|----|-------|-------|-------|-------|--------|------|----------|----------------|
| Bowling Green, KY |     |       |       |    |       |       |       |       |        |      |          | 10 to 34 Years |
| Bradford, PA      | (a) | 368   | 255   | —  | —     | 368   | 255   | 623   | (119 ) | 1977 | 02/06/07 | 30 years       |
| Bradley, IL       | (b) | 1,610 | 1,783 | —  | —     | 1,610 | 1,783 | 3,393 | —      | 1991 | 12/23/14 | 30 Years       |
| Brandon, FL       | (b) | 1,358 | 614   | —  | —     | 1,358 | 614   | 1,972 | (9 )   | 2004 | 11/05/14 | 14 to 20 Years |
| Branson, MO       | (a) | 1,497 | 1,684 | —  | —     | 1,497 | 1,684 | 3,181 | (632 ) | 1994 | 09/23/05 | 15 to 30 years |
| Bridgeton, MO     | (a) | 314   | 1,160 | —  | —     | 314   | 1,160 | 1,474 | (45 )  | 1994 | 12/24/13 | 30 Years       |
| Broken Arrow, OK  | (a) | 1,081 | 226   | —  | —     | 1,081 | 226   | 1,307 | (9 )   | 2006 | 12/24/13 | 15 to 40 Years |
| Broken Arrow, OK  | (a) | 1,636 | 1,620 | —  | —     | 1,636 | 1,620 | 3,256 | (34 )  | 2006 | 07/21/14 | 14 to 30 Years |
| Brooklyn, OH      | (b) | 1,226 | 672   | —  | —     | 1,226 | 672   | 1,898 | (247 ) | 2001 | 02/06/07 | 10 to 25 years |
| Bryan, TX         | (a) | 739   | 700   | —  | —     | 739   | 700   | 1,439 | (346 ) | 1988 | 12/30/04 | 15 to 20 years |
| Burlington, IA    | (a) | 304   | 588   | —  | —     | 304   | 588   | 892   | (223 ) | 1996 | 09/23/05 | 30 years       |
| Burlington, IA    | (a) | 318   | 484   | —  | —     | 318   | 484   | 802   | (189 ) | 2006 | 09/23/05 | 15 to 30 years |
| Burr Ridge, IL    | (a) | 759   | 977   | 16 | 1,584 | 775   | 2,561 | 3,336 | (713 ) | 1997 | 06/25/04 | 15 to 30 years |
| Calera, AL        | (a) | 560   | 912   | —  | 84    | 560   | 996   | 1,556 | (85 )  | 2008 | 03/29/13 | 8 to 29 Years  |
| Canfield, OH      | (a) | 449   | 644   | —  | —     | 449   | 644   | 1,093 | (229 ) | 1973 | 02/06/07 | 15 to 30 years |
| Canton, MI        | (a) | 2,071 | 1,224 | —  | —     | 2,071 | 1,224 | 3,295 | (532 ) | 1996 | 06/25/04 | 15 to 30 years |
| Canton, OH        | (a) | 1,325 | 781   | —  | —     | 1,325 | 781   | 2,106 | (269 ) | 1989 | 02/06/07 | 30 years       |
| Carmel, IN        | (b) | 851   | 646   | —  | —     | 851   | 646   | 1,497 | (6 )   | 2014 | 10/31/14 |                |



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|                     |     |     |     |   |   |     |     |       |        |      |          |  |
|---------------------|-----|-----|-----|---|---|-----|-----|-------|--------|------|----------|--|
| Carrollton,<br>GA   | (a) | 985 | 725 | — | — | 985 | 725 | 1,710 | (54 )  | 1995 | 07/17/13 | 14 to<br>30<br>Years<br>11 to<br>33<br>Years |
| Carrollton,<br>GA   | (a) | 508 | 603 | — | — | 508 | 603 | 1,111 | (184 ) | 2000 | 02/28/06 | 15 to<br>40<br>years                         |
| Cartersville,<br>GA | (a) | 581 | 730 | — | — | 581 | 730 | 1,311 | (270 ) | 1997 | 02/28/06 | 15 to<br>30<br>years                         |
| Cartersville,<br>GA | (a) | 439 | 451 | — | — | 439 | 451 | 890   | (199 ) | 1990 | 02/28/06 | 15 to<br>30<br>years                         |
| Casper, WY          | (a) | 54  | 762 | — | — | 54  | 762 | 816   | (216 ) | 1969 | 12/29/06 | 15 to<br>30<br>years                         |

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|------------------------------------|-----|--------------------------|----------------------------|-----------------------|---------------------------|---|----------------------------|--------------------------|----------------------------|--|----------------------------|-------|------------------|
|                                    |     | Land and<br>Improvements | Buildings,<br>Improvements | Improvements/<br>Land | Improvements/<br>building | Land and<br>Improvements  | Buildings,<br>Improvements | Land and<br>Improvements | Buildings,<br>Improvements | Land and<br>Improvements                 | Buildings,<br>Improvements |       |                  |
| Cedar Hill,<br>TX                  | (a) | 620                      | 501                        | —                     | —                         | 620   | 501                        | 1,121                    | (216 )                     | 2005                                     | 12/29/06                   | 30    | 15 to<br>years   |
| Chanhasen,<br>MN                   | (a) | 1,439                    | 784                        | —                     | —                         | 1,439   | 784                        | 2,223                    | (31 )                      | 1953                                     | 05/22/14                   | 30    | 15 to<br>Years   |
| Charleston,<br>IL                  | (a) | 272                      | 220                        | —                     | —                         | 272   | 220                        | 492                      | (183 )                     | 1986                                     | 09/23/05                   | 15    | 10 to<br>years   |
| Charleston,<br>SC                  | (a) | 860                      | 1,018                      | —                     | —                         | 860   | 1,018                      | 1,878                    | (141 )                     | 1988                                     | 07/17/13                   | 15    | 8 to 15<br>Years |
| Charleston,<br>SC                  | (b) | 1,620                    | 866                        | —                     | —                         | 1,620   | 866                        | 2,486                    | —                          | 1984                                     | 12/23/14                   | 30    | 15 to<br>Years   |
| Chatsworth,<br>GA                  | (a) | 213                      | 558                        | —                     | —                         | 213   | 558                        | 771                      | (182 )                     | 1979                                     | 11/02/07                   | 30    | 15 to<br>years   |
| Chesapeake,<br>VA                  | (a) | 1,046                    | 334                        | —                     | 75                        | 1,046   | 409                        | 1,455                    | (284 )                     | 1995                                     | 06/25/04                   | 25    | 10 to<br>years   |
| Cheyenne,<br>WY                    | (a) | 277                      | 2,041                      | —                     | —                         | 277   | 2,041                      | 2,318                    | (799 )                     | 1928                                     | 12/29/06                   | 20    | 15 to<br>years   |
| Chicago, IL                        | (a) | 1,675                    | 1,112                      | —                     | —                         | 1,675   | 1,112                      | 2,787                    | (370 )                     | 1999                                     | 12/29/06                   | 30    | 15 to<br>years   |
| Cincinnati,<br>OH                  | (a) | 1,614                    | 4,134                      | —                     | —                         | 1,614   | 4,134                      | 5,748                    | (126 )                     | 2012                                     | 01/15/14                   | 40    | 9 to 40<br>Years |
| Claremont,<br>CA                   | (a) | 2,764                    | 2,919                      | —                     | —                         | 2,764   | 2,919                      | 5,683                    | —                          | 2011                                     | 12/19/14                   | 40    | 15 to<br>Years   |
| Clarion, PA                        | (a) | 426                      | 653                        | —                     | —                         | 426   | 653                        | 1,079                    | (240 )                     | 1976                                     | 02/06/07                   | 30    | 15 to<br>years   |
| Clear Lake,<br>IA                  | (a) | 294                      | 292                        | —                     | —                         | 294   | 292                        | 586                      | (136 )                     | 1980                                     | 05/24/05                   | 20    | 15 to<br>years   |
| Clearwater,<br>FL                  | (a) | 2,226                    | 858                        | —                     | —                         | 2,226   | 858                        | 3,084                    | (293 )                     | 2004                                     | 12/31/07                   | 40    | 15 to<br>years   |
| Cleveland,<br>OH                   | (a) | 875                      | 138                        | —                     | —                         | 875   | 138                        | 1,013                    | (9 )                       | 1995                                     | 12/24/13                   | 30    | 15 to<br>30      |

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|                      |     |       |       |        |        |       |       |       |        |      |          |                |
|----------------------|-----|-------|-------|--------|--------|-------|-------|-------|--------|------|----------|----------------|
| Clinton Township, MI | (b) | 1,377 | 911   | —      | —      | 1,377 | 911   | 2,288 | (8 )   | 2003 | 11/05/14 | Years 14 to 30 |
| Clinton, MD          | (a) | 300   | 193   | —      | 200    | 300   | 393   | 693   | (121 ) | 1980 | 11/27/06 | Years 15 to 20 |
| Clinton, TN          | (a) | 417   | 293   | —      | —      | 417   | 293   | 710   | (134 ) | 1994 | 11/02/07 | years 15 to 30 |
| Clovis, NM           | (c) | 861   | 2,172 | —      | —      | 861   | 2,172 | 3,033 | (111 ) | 2005 | 07/17/13 | years 13 to 40 |
| Colby, KS            | (a) | 269   | 567   | —      | —      | 269   | 567   | 836   | (16 )  | 1989 | 06/04/14 | Years 15 to 30 |
| Colonial Heights, VA | (a) | 1,948 | —     | 37     | 1,963  | 1,985 | 1,963 | 3,948 | (26 )  | 1989 | 10/25/13 | 0 to 0 Years   |
| Colonie, NY          | (a) | 1,321 | 991   | (350 ) | (261 ) | 971   | 730   | 1,701 | (320 ) | 1994 | 12/31/07 | 15 to 40 years |
| Colorado Springs, CO | (c) | 937   | 1,120 | —      | —      | 937   | 1,120 | 2,057 | (89 )  | 1998 | 07/17/13 | 8 to 25 Years  |
| Colorado Springs, CO | (b) | 1,335 | 1,233 | —      | —      | 1,335 | 1,233 | 2,568 | —      | 1982 | 12/23/14 | 15 to 30 Years |
| Colorado Springs, CO | (a) | 674   | 519   | —      | —      | 674   | 519   | 1,193 | (60 )  | 1989 | 11/19/12 | 6 to 30 years  |
| Columbia Heights, MN | (a) | 289   | 131   | —      | —      | 289   | 131   | 420   | (67 )  | 1977 | 05/24/05 | 15 to 20 years |
| Columbus, GA         | (c) | 1,199 | 1,911 | —      | —      | 1,199 | 1,911 | 3,110 | (95 )  | 2006 | 07/17/13 | 13 to 40 Years |
| Columbus, GA         | (c) | 2,102 | 1,717 | —      | —      | 2,102 | 1,717 | 3,819 | (78 )  | 2005 | 07/17/13 | 13 to 40 Years |
| Columbus, GA         | (b) | 876   | 1,243 | —      | —      | 876   | 1,243 | 2,119 | —      | 2003 | 12/23/14 | 15 to 30 Years |
| Columbus, OH         | (b) | 1,528 | 1,742 | —      | —      | 1,528 | 1,742 | 3,270 | —      | 2003 | 12/23/14 | 15 to 30 Years |
| Conroe, TX           | (a) | 942   | 3,274 | —      | —      | 942   | 3,274 | 4,216 | (186 ) | 1993 | 07/17/13 | 11 to 32 Years |
| Corry, PA            | (a) | 411   | 279   | —      | —      | 411   | 279   | 690   | (144 ) | 1977 | 02/06/07 | 15 to 30 years |
|                      | (a) | 890   | 1,220 | —      | —      | 890   | 1,220 | 2,110 | (116 ) | 1999 | 07/17/13 |                |

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|                       |     |       |     |   |   |       |     |       |        |      |          |                      |
|-----------------------|-----|-------|-----|---|---|-------|-----|-------|--------|------|----------|----------------------|
| Corydon,<br>IN        |     |       |     |   |   |       |     |       |        |      |          | 7 to 21<br>Years     |
| Council<br>Bluffs, IA | (b) | 1,070 | 703 | — | — | 1,070 | 703 | 1,773 | —      | 1995 | 12/23/14 | 15 to<br>30<br>Years |
| Creston, IA           | (a) | 103   | 180 | — | — | 103   | 180 | 283   | (158 ) | 1974 | 12/15/05 | 10 to<br>15<br>years |

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| Encumbrances<br>Description<br>(i) | Initial Cost to Company  |                            |                       | Cost Capitalized Subsequent to Acquisition including impairment |                          |                            |                          |                            | Gross Amount at<br>December 31, 2014 (h) |                            | Total    | Final<br>Accum       |  |
|------------------------------------|--------------------------|----------------------------|-----------------------|---|--------------------------|----------------------------|--------------------------|----------------------------|--|----------------------------|----------|----------------------|--|
|                                    | Land and<br>Improvements | Buildings,<br>Improvements | Improvements/<br>Land | Improvements/<br>building                                       | Land and<br>Improvements | Buildings,<br>Improvements | Land and<br>Improvements | Buildings,<br>Improvements | Land and<br>Improvements                 | Buildings,<br>Improvements |          |                      |  |
| Crossville,<br>TN                  | (a)                      | 220                        | 288                   | —   | 176                      | 220                        | 464                      | 684                        | (155 )                                   | 1978                       | 11/02/07 | 15 to<br>30<br>years |  |
| Culpeper, VA                       | (a)                      | 367                        | 169                   | —   | —                        | 367                        | 169                      | 536                        | (91 )                                    | 1977                       | 12/19/06 | 15 to<br>20<br>years |  |
| Dallas, TX                         | (a)                      | 2,965                      | 9,066                 | —   | —                        | 2,965                      | 9,066                    | 12,031                     | (415 )                                   | 1998                       | 07/17/13 | 11 to<br>35<br>Years |  |
| Dallas, TX                         | (b)                      | 1,447                      | 1,090                 | —   | —                        | 1,447                      | 1,090                    | 2,537                      | —  | 1995                       | 12/23/14 | 15 to<br>30<br>Years |  |
| Dallas, TX                         | (a)                      | 1,053                      | 412                   | —   | —                        | 1,053                      | 412                      | 1,465                      | (201 )                                   | 1976                       | 09/30/04 | 15 to<br>20<br>years |  |
| Dallas, TX                         | (a)                      | 1,366                      | 1,699                 | —   | —                        | 1,366                      | 1,699                    | 3,065                      | (506 )                                   | 1997                       | 09/30/04 | 15 to<br>30<br>years |  |
| Danville, VA                       | (b)                      | 469                        | 1,263                 | —   | —                        | 469                        | 1,263                    | 1,732                      | —  | 1995                       | 12/23/14 | 15 to<br>40<br>Years |  |
| Danville, VA                       | (a)                      | 957                        | 2,813                 | —   | —                        | 957                        | 2,813                    | 3,770                      | (120 )                                   | 2009                       | 08/21/13 | 15 to<br>40<br>Years |  |
| Dawsonville,<br>GA                 | (a)                      | 925                        | 828                   | —   | —                        | 925                        | 828                      | 1,753                      | (67 )                                    | 2005                       | 07/17/13 | 7 to 27<br>Years     |  |
| Dayton, OH                         | (a)                      | 1,026                      | 907                   | —   | —                        | 1,026                      | 907                      | 1,933                      | (335 )                                   | 2002                       | 12/31/07 | 15 to<br>40<br>years |  |
| Dayton, TN                         | (a)                      | 308                        | 291                   | —   | 176                      | 308                        | 467                      | 775                        | (154 )                                   | 1979                       | 11/02/07 | 15 to<br>30<br>years |  |
| De Witt, IA                        | (a)                      | 248                        | 333                   | —   | —                        | 248                        | 333                      | 581                        | (188 )                                   | 1984                       | 09/23/05 | 15 to<br>20<br>years |  |
| Decatur, AL                        | (a)                      | 1,157                      | 1,725                 | —   | —                        | 1,157                      | 1,725                    | 2,882                      | (125 )                                   | 2004                       | 07/17/13 | 10 to<br>30<br>Years |  |
| Decorah, IA                        | (a)                      | 207                        | 91                    | —   | —                        | 207                        | 91                       | 298                        | (88 )                                    | 1985                       | 09/23/05 | 10 to<br>15<br>years |  |
| DeKalb, IL                         | (a)                      | 1,423                      | 1,552                 | —   | —                        | 1,423                      | 1,552                    | 2,975                      | (558 )                                   | 1996                       | 12/29/06 |                      |  |

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|                  |     |       |       |   |   |       |       |       |        |      |          |                |
|------------------|-----|-------|-------|---|---|-------|-------|-------|--------|------|----------|----------------|
| Des Moines, IA   | (a) | 137   | 196   | — | — | 137   | 196   | 333   | (103 ) | 1966 | 09/23/05 | 15 to 30 years |
| Dickinson, ND    | (a) | 616   | 1,301 | — | — | 616   | 1,301 | 1,917 | (330 ) | 2003 | 12/29/06 | 15 to 40 years |
| Dodge City, KS   | (a) | 249   | 587   | — | — | 249   | 587   | 836   | (14 )  | 1985 | 06/04/14 | 15 to 30 Years |
| Dothan, AL       | (a) | 924   | 1,235 | — | — | 924   | 1,235 | 2,159 | (112 ) | 1998 | 07/17/13 | 9 to 24 Years  |
| Douglasville, GA | (a) | 712   | 669   | — | — | 712   | 669   | 1,381 | (196 ) | 2003 | 02/28/06 | 15 to 40 years |
| Douglasville, GA | (a) | 764   | 941   | — | — | 764   | 941   | 1,705 | (305 ) | 1990 | 02/28/06 | 15 to 30 years |
| Douglasville, GA | (a) | 127   | —     | — | — | 127   | —     | 127   | —      | (g)  | 11/14/14 | 0 to 0 Years   |
| Downey, CA       | (a) | 2,329 | 2,526 | — | — | 2,329 | 2,526 | 4,855 | —      | 1993 | 12/19/14 | 15 to 40 Years |
| Dubuque, IA      | (a) | 479   | 298   | — | — | 479   | 298   | 777   | (289 ) | 1970 | 09/23/05 | 10 to 15 years |
| Duluth, MN       | (a) | 74    | 423   | — | — | 74    | 423   | 497   | (106 ) | 1915 | 05/24/05 | 15 to 30 years |
| Durham, NC       | (b) | 1,477 | 1,661 | — | — | 1,477 | 1,661 | 3,138 | —      | 1978 | 12/23/14 | 15 to 30 Years |
| Dyersville, IA   | (a) | 267   | 513   | — | — | 267   | 513   | 780   | (281 ) | 1983 | 09/23/05 | 14 to 20 years |
| Eagen, MN        | (a) | 724   | 1,230 | — | — | 724   | 1,230 | 1,954 | (30 )  | 1996 | 05/22/14 | 15 to 30 Years |
| Eagle Pass, TX   | (a) | 976   | 2,385 | — | — | 976   | 2,385 | 3,361 | (588 ) | 2001 | 04/01/05 | 15 to 40 years |
| Edinboro, PA     | (a) | 384   | 350   | — | — | 384   | 350   | 734   | (159 ) | 1973 | 02/06/07 | 15 to 30 years |
| Edinburg, TX     | (a) | 1,091 | 2,217 | — | — | 1,091 | 2,217 | 3,308 | (556 ) | 2000 | 04/01/05 | 15 to 40 years |
| Effingham, IL    | (a) | 357   | 228   | — | — | 357   | 228   | 585   | (220 ) | 1973 | 09/23/05 | 10 to 15       |

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|                  |     |     |       |   |   |     |       |       |        |      |          |                            |
|------------------|-----|-----|-------|---|---|-----|-------|-------|--------|------|----------|----------------------------|
| El Paso, TX      | (a) | 609 | 1,810 | — | — | 609 | 1,810 | 2,419 | (446 ) | 1999 | 04/29/05 | 40 years<br>15 to          |
| Elizabethton, TN | (a) | 727 | 482   | — | — | 727 | 482   | 1,209 | (24 )  | 2006 | 12/24/13 | 40 years<br>15 to          |
| Elk River, MN    | (a) | 314 | 255   | — | — | 314 | 255   | 569   | (96 )  | 1988 | 05/24/05 | 30 Years<br>15 to          |
| Emmitsburg, MD   | (a) | 141 | 182   | — | — | 141 | 182   | 323   | (82 )  | 1981 | 11/27/06 | 20 years<br>15 to          |
| Emporia, KS      | (a) | 657 | 219   | — | — | 657 | 219   | 876   | (7 )   | 1997 | 06/04/14 | 30 years<br>15 to          |
| Ephrata, PA      | (a) | 685 | 231   | — | — | 685 | 231   | 916   | (149 ) | 1978 | 01/30/06 | 20 Years<br>15 to<br>years |

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| Encumbrances<br>Description<br>(i) | Initial Cost to Company  |                            |                       |                           | Cost Capitalized Subsequent to Acquisition including impairment |                            |                          |                            | Gross Amount at<br>December 31, 2014 (h) |                | Total    | Final<br>Accum |                  |
|------------------------------------|--------------------------|----------------------------|-----------------------|---------------------------|---|----------------------------|--------------------------|----------------------------|--|----------------|----------|----------------|------------------|
|                                    | Land and<br>Improvements | Buildings,<br>Improvements | Improvements/<br>Land | Improvements/<br>building | Land and<br>Improvements  | Buildings,<br>Improvements | Land and<br>Improvements | Buildings,<br>Improvements | Year                                     | Month/Day/Year |          |                |                  |
| Erie, PA                           | (a)                      | 575                        | 740                   | —                         | —   | 575                        | 740                      | 1,315                      | (249 )                                   | 1974           | 02/06/07 | 30             | 15 to<br>years   |
| Erie, PA                           | (a)                      | 463                        | 565                   | —                         | —   | 463                        | 565                      | 1,028                      | (204 )                                   | 1973           | 02/06/07 | 30             | 15 to<br>years   |
| Erie, PA                           | (a)                      | 855                        | 147                   | —                         | —   | 855                        | 147                      | 1,002                      | (109 )                                   | 1973           | 02/06/07 | 30             | 15 to<br>years   |
| Evansville, IN                     | (a)                      | 270                        | 231                   | —                         | —   | 270                        | 231                      | 501                        | (57 )                                    | 1999           | 06/25/04 | 30             | 30 to<br>years   |
| Fairborn, OH                       | (a)                      | 923                        | 468                   | —                         | —   | 923                        | 468                      | 1,391                      | (212 )                                   | 1998           | 06/25/04 | 30             | 15 to<br>years   |
| Fairfax, VA                        | 1,117                    | 1,644                      | 1,308                 | —                         | —   | 1,644                      | 1,308                    | 2,952                      | (100 )                                   | 1998           | 07/17/13 | 30             | 12 to<br>Years   |
| Fairview<br>Heights, IL            | (a)                      | 1,020                      | 826                   | —                         | —   | 1,020                      | 826                      | 1,846                      | (366 )                                   | 1972           | 12/31/07 | 30             | 15 to<br>years   |
| Findlay, OH                        | (b)                      | 958                        | 1,029                 | —                         | —   | 958                        | 1,029                    | 1,987                      | —  | 1991           | 12/23/14 | 30             | 15 to<br>Years   |
| Florence, AL                       | (a)                      | 794                        | 1,742                 | —                         | —   | 794                        | 1,742                    | 2,536                      | (121 )                                   | 1994           | 07/17/13 | 30             | 8 to 27<br>Years |
| Floyd, GA                          | (a)                      | 973                        | 415                   | —                         | —   | 973                        | 415                      | 1,388                      | (141 )                                   | 1993           | 02/28/06 | 30             | 15 to<br>years   |
| Forest City, IA                    | (a)                      | 251                        | 244                   | —                         | —   | 251                        | 244                      | 495                        | (160 )                                   | 1985           | 05/24/05 | 20             | 15 to<br>years   |
| Fort Smith, AR                     | (a)                      | 1,503                      | 1,323                 | —                         | —   | 1,503                      | 1,323                    | 2,826                      | (688 )                                   | 1993           | 09/23/05 | 20             | 15 to<br>years   |
| Fort Walton<br>Beach, FL           | (b)                      | 1,375                      | 1,365                 | —                         | —   | 1,375                      | 1,365                    | 2,740                      | —  | 1989           | 12/23/14 | 30             | 15 to<br>Years   |
| Fort Wayne,<br>IN                  | (a)                      | 989                        | 2,057                 | —                         | —   | 989                        | 2,057                    | 3,046                      | (584 )                                   | 2001           | 11/10/05 | 30             | 15 to<br>years   |
|                                    | (a)                      | 825                        | 561                   | —                         | —   | 825                        | 561                      | 1,386                      | (256 )                                   | 1995           | 09/24/04 |                |                  |



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|                    |       |       |       |        |        |       |       |       |        |      |          |                |
|--------------------|-------|-------|-------|--------|--------|-------|-------|-------|--------|------|----------|----------------|
| Fountain Hills, AZ |       |       |       |        |        |       |       |       |        |      |          | 15 to 30 years |
| Fountain, CO       | (c)   | 861   | 2,226 | —      | —      | 861   | 2,226 | 3,087 | (103 ) | 2005 | 07/17/13 | 38 Years       |
| Frederick, MD      | (a)   | 440   | 236   | —      | 5      | 440   | 241   | 681   | (108 ) | 1977 | 11/27/06 | 15 to 20 years |
| Fredericksburg, TX | 1,504 | 511   | 1,516 | —      | —      | 511   | 1,516 | 2,027 | (93 )  | 1985 | 07/17/13 | 11 to 30 Years |
| Fredonia, NY       | (a)   | 262   | 312   | —      | —      | 262   | 312   | 574   | (311 ) | 1973 | 12/29/06 | 10 to 15 years |
| Ft Wayne, IN       | (a)   | 1,110 | 817   | —      | —      | 1,110 | 817   | 1,927 | (336 ) | 2003 | 12/31/07 | 15 to 40 years |
| Ft. Myers, FL      | (b)   | 2,417 | 707   | (43 )  | (12 )  | 2,374 | 695   | 3,069 | (292 ) | 1994 | 12/31/07 | 15 to 40 years |
| Gadsden, AL        | (a)   | 626   | 1,439 | (229 ) | (506 ) | 397   | 933   | 1,330 | (236 ) | 2007 | 12/21/07 | 10 to 50 years |
| Gallpolis, OH      | (a)   | 375   | 1,295 | —      | —      | 375   | 1,295 | 1,670 | (65 )  | 1997 | 10/25/13 | 15 to 30 Years |
| Gallup, NM         | (c)   | 937   | 2,277 | —      | —      | 937   | 2,277 | 3,214 | (111 ) | 2004 | 07/17/13 | 13 to 40 Years |
| Garden City, GA    | (c)   | 1,184 | 1,465 | —      | —      | 1,184 | 1,465 | 2,649 | (76 )  | 1998 | 07/17/13 | 9 to 40 Years  |
| Garden City, KS    | (a)   | 246   | 924   | —      | —      | 246   | 924   | 1,170 | (37 )  | 1984 | 12/24/13 | 15 to 30 Years |
| Gardendale, AL     | (a)   | 438   | 841   | —      | 57     | 438   | 898   | 1,336 | (71 )  | 1996 | 03/29/13 | 8 to 29 Years  |
| Gaylord, MI        | (b)   | 1,003 | 1,478 | —      | —      | 1,003 | 1,478 | 2,481 | (14 )  | 2014 | 11/05/14 | 14 to 30 Years |
| Geneva, AL         | (a)   | 522   | 570   | —      | —      | 522   | 570   | 1,092 | (490 ) | 1990 | 06/25/04 | 10 to 15 years |
| Geneva, NY         | (a)   | 177   | 139   | —      | —      | 177   | 139   | 316   | (128 ) | 1975 | 12/21/07 | 8 to 13 years  |
| Gilbert, AZ        | (a)   | 643   | 1,669 | —      | —      | 643   | 1,669 | 2,312 | (186 ) | 2006 | 10/28/11 | 14 to 39 years |
| Glendale, AZ       | (a)   | 1,480 | 1,329 | —      | —      | 1,480 | 1,329 | 2,809 | (417 ) | 1996 | 06/25/04 | 15 to 30 years |

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|                    |     |       |       |   |   |       |       |       |        |      |          |                      |
|--------------------|-----|-------|-------|---|---|-------|-------|-------|--------|------|----------|----------------------|
| Glendale, AZ       | (a) | 1,236 | 272   | — | — | 1,236 | 272   | 1,508 | (192 ) | 1995 | 06/25/04 | 15 to<br>20<br>years |
| Golden, CO         | (a) | 649   | 334   | — | — | 649   | 334   | 983   | (18 )  | 1997 | 12/24/13 | 15 to<br>30<br>Years |
| Grand Junction, CO | (c) | 1,363 | 1,990 | — | — | 1,363 | 1,990 | 3,353 | (100 ) | 1995 | 07/17/13 | 10 to<br>40<br>Years |
| Grand Rapids, MI   | (b) | 986   | 524   | — | — | 986   | 524   | 1,510 | (6 )   | 1985 | 10/31/14 | 14 to<br>30<br>Years |
| Grandview, OH      | (a) | 2,164 | 1,165 | — | — | 2,164 | 1,165 | 3,329 | (127 ) | 1998 | 07/17/13 | 9 to 23<br>Years     |

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|------------------------------------|--------------------------|----------------------------|-----------------------|---------------------------|---|----------------------------|--------------------------|----------------------------|--|----------------------------|----------|----------------|----------------|
|                                    | Land and<br>Improvements | Buildings,<br>Improvements | Improvements/<br>Land | Improvements/<br>building | Land and<br>Improvements  | Buildings,<br>Improvements | Land and<br>Improvements | Buildings,<br>Improvements | Land and<br>Improvements                 | Buildings,<br>Improvements |          |                |                |
| Greensboro,<br>NC                  | (a)                      | 1,009                      | 444                   | —                         | —   | 1,009                      | 444                      | 1,453                      | (236 )                                   | 2003                       | 12/31/07 | 40             | 15 to<br>years |
| Grove City,<br>PA                  | (a)                      | 531                        | 495                   | —                         | —   | 531                        | 495                      | 1,026                      | (194 )                                   | 1976                       | 02/06/07 | 30             | 15 to<br>years |
| Gurnee, IL                         | (a)                      | 586                        | 619                   | —                         | —   | 586                        | 619                      | 1,205                      | (302 )                                   | 1995                       | 06/25/04 | 20             | 15 to<br>years |
| Hagerstown,<br>MD                  | (a)                      | 546                        | 342                   | —                         | 68  | 546                        | 410                      | 956                        | (164 )                                   | 1975                       | 11/27/06 | 20             | 15 to<br>years |
| Hamilton, NY                       | (a)                      | 145                        | 152                   | —                         | —   | 145                        | 152                      | 297                        | (90 )                                    | 1982                       | 12/21/07 | 18             | 13 to<br>years |
| Hammond, IN                        | (b)                      | 976                        | 1,080                 | —                         | —   | 976                        | 1,080                    | 2,056                      | —  | 2014                       | 12/24/14 | 30             | 14 to<br>Years |
| Harriman, TN                       | (a)                      | 314                        | 143                   | —                         | 176   | 314                        | 319                      | 633                        | (121 )                                   | 1979                       | 11/02/07 | 30             | 15 to<br>years |
| Harrisburg,<br>PA                  | (a)                      | 762                        | 241                   | —                         | 176   | 762                        | 417                      | 1,179                      | (212 )                                   | 1977                       | 01/30/06 | 20             | 15 to<br>years |
| Harrisburg,<br>PA                  | (a)                      | 611                        | 239                   | —                         | —   | 611                        | 239                      | 850                        | (201 )                                   | 1978                       | 01/30/06 | 20             | 15 to<br>years |
| Harrisburg,<br>PA                  | (a)                      | 423                        | 307                   | —                         | —   | 423                        | 307                      | 730                        | (135 )                                   | 1973                       | 01/30/06 | 20             | 15 to<br>years |
| Hermitage,<br>PA                   | (b)                      | 604                        | 717                   | —                         | —   | 604                        | 717                      | 1,321                      | (263 )                                   | 1978                       | 02/06/07 | 25             | 10 to<br>years |
| Hibbing, MN                        | (a)                      | 242                        | 298                   | —                         | —   | 242                        | 298                      | 540                        | (100 )                                   | 1979                       | 05/24/05 | 30             | 15 to<br>years |
| Hickory, NC                        | (a)                      | 1,105                      | 851                   | —                         | —   | 1,105                      | 851                      | 1,956                      | (518 )                                   | 1995                       | 12/29/06 | 28             | 13 to<br>years |
| Hilliard, OH                       | (a)                      | 1,149                      | 1,291                 | —                         | —   | 1,149                      | 1,291                    | 2,440                      | (476 )                                   | 1997                       | 09/24/04 | 30             | 15 to<br>years |

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|                        |     |       |       |       |   |       |       |       |        |      |          |                           |
|------------------------|-----|-------|-------|-------|---|-------|-------|-------|--------|------|----------|---------------------------|
| Hiram, GA              | (a) | 813   | 716   | —     | — | 813   | 716   | 1,529 | (80 )  | 1999 | 07/17/13 | 6 to 21<br>Years<br>15 to |
| Hiram, GA              | (a) | 1,006 | 1,142 | —     | — | 1,006 | 1,142 | 2,148 | (417 ) | 1987 | 02/28/06 | 30<br>years<br>15 to      |
| Hodgkins, IL           | (a) | 1,230 | 2,048 | —     | — | 1,230 | 2,048 | 3,278 | (641 ) | 1993 | 12/29/06 | 30<br>years<br>15 to      |
| Homewood,<br>AL        | (a) | 583   | 839   | —     | — | 583   | 839   | 1,422 | (42 )  | 2002 | 12/05/13 | 30<br>Years<br>10 to      |
| Hornell, NY            | (a) | 306   | 344   | —     | — | 306   | 344   | 650   | (339 ) | 1978 | 12/29/06 | 15<br>years<br>15 to      |
| Houston, TX            | (a) | 1,098 | 439   | —     | — | 1,098 | 439   | 1,537 | (272 ) | 1995 | 06/25/04 | 40<br>years<br>15 to      |
| Houston, TX            | (a) | 1,156 | 352   | (22 ) | — | 1,134 | 352   | 1,486 | (225 ) | 1995 | 06/25/04 | 30<br>years<br>10 to      |
| Houston, TX            | (a) | 585   | 561   | —     | — | 585   | 561   | 1,146 | (464 ) | 1979 | 12/30/04 | 15<br>years<br>15 to      |
| Houston, TX            | (a) | 2,844 | 1,620 | —     | — | 2,844 | 1,620 | 4,464 | (596 ) | 1994 | 06/29/07 | 30<br>years<br>15 to      |
| Houston, TX            | (a) | 2,348 | 1,348 | —     | — | 2,348 | 1,348 | 3,696 | (543 ) | 1997 | 06/29/07 | 30<br>years<br>15 to      |
| Huntington<br>Park, CA | (a) | 1,822 | 1,211 | —     | — | 1,822 | 1,211 | 3,033 | —      | 1957 | 12/19/14 | 30<br>Years<br>15 to      |
| Hutchinson,<br>KS      | (a) | 895   | 856   | —     | — | 895   | 856   | 1,751 | (24 )  | 1995 | 06/04/14 | 30<br>Years<br>15 to      |
| Hyattsville,<br>MD     | (a) | 702   | 245   | —     | — | 702   | 245   | 947   | (131 ) | 1985 | 11/27/06 | 20<br>years<br>10 to      |
| Independence,<br>IA    | (a) | 223   | 473   | —     | — | 223   | 473   | 696   | (408 ) | 1976 | 09/23/05 | 15<br>years<br>15 to      |
| Independence,<br>MO    | (a) | 1,450 | 1,967 | —     | — | 1,450 | 1,967 | 3,417 | (528 ) | 2002 | 06/29/07 | 40<br>years<br>15 to      |
| Indiana, PA            | (a) | 331   | 323   | —     | — | 331   | 323   | 654   | (142 ) | 1982 | 02/06/07 | 30<br>years<br>14 to      |
| Indianapolis,<br>IN    | (b) | 590   | 633   | —     | — | 590   | 633   | 1,223 | (7 )   | 2014 | 10/31/14 | 30<br>Years               |
|                        | (b) | 703   | 1,223 | —     | — | 703   | 1,223 | 1,926 | —      | 1974 | 12/23/14 |                           |

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|                     |       |       |       |   |   |       |       |       |        |      |          |                      |
|---------------------|-------|-------|-------|---|---|-------|-------|-------|--------|------|----------|----------------------|
| Indianapolis,<br>IN |       |       |       |   |   |       |       |       |        |      |          | 15 to<br>30<br>Years |
| Indianapolis,<br>IN | (b)   | 418   | 1,223 | — | — | 418   | 1,223 | 1,641 | —      | 1992 | 12/23/14 | 15 to<br>30<br>Years |
| Indianapolis,<br>IN | (a)   | 1,971 | 2,295 | — | — | 1,971 | 2,295 | 4,266 | (508 ) | 2003 | 11/10/05 | 15 to<br>40<br>years |
| Jackson, MI         | (a)   | 599   | 354   | — | — | 599   | 354   | 953   | (20 )  | 1997 | 12/24/13 | 15 to<br>30<br>Years |
| Jacksonville,<br>FL | (b)   | 1,355 | 1,345 | — | — | 1,355 | 1,345 | 2,700 | —      | 2003 | 12/23/14 | 15 to<br>30<br>Years |
| Johnson City,<br>TN | 1,933 | 1,331 | 2,304 | — | — | 1,331 | 2,304 | 3,635 | (158 ) | 1996 | 07/17/13 | 12 to<br>30<br>Years |

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| Encumbrances<br>Description<br>(i) |     | Initial Cost to Company  |                            |                       |                           | Cost Capitalized Subsequent to Acquisition including impairment |                            |                          |                            | Gross Amount at<br>December 31, 2014 (h) |          | Total                | Final<br>Accum |
|------------------------------------|-----|--------------------------|----------------------------|-----------------------|---------------------------|---|----------------------------|--------------------------|----------------------------|--|----------|----------------------|----------------|
|                                    |     | Land and<br>Improvements | Buildings,<br>Improvements | Improvements/<br>Land | Improvements/<br>building | Land and<br>Improvements  | Buildings,<br>Improvements | Land and<br>Improvements | Buildings,<br>Improvements |  |          |                      |                |
| Johnstown,<br>PA                   | (a) | 865                      | 938                        | —                     | —                         | 865   | 938                        | 1,803                    | (134 )                     | 1998                                     | 07/17/13 | 8 to 20<br>Years     |                |
| Joliet, IL                         | (a) | 1,994                    | 1,207                      | —                     | —                         | 1,994   | 1,207                      | 3,201                    | (494 )                     | 1996                                     | 12/29/06 | 15 to<br>30<br>years |                |
| Kansas<br>City, KS                 | (a) | 796                      | 609                        | —                     | —                         | 796   | 609                        | 1,405                    | (27 )                      | 2006                                     | 12/24/13 | 15 to<br>40<br>Years |                |
| Kennesaw,<br>GA                    | (a) | 907                      | 499                        | —                     | —                         | 907   | 499                        | 1,406                    | (190 )                     | 2001                                     | 02/28/06 | 15 to<br>40<br>years |                |
| Kimball,<br>TN                     | (a) | 367                      | 283                        | —                     | 176                       | 367   | 459                        | 826                      | (156 )                     | 1987                                     | 11/02/07 | 15 to<br>30<br>years |                |
| Kingwood,<br>TX                    | (a) | 936                      | 387                        | —                     | —                         | 936   | 387                        | 1,323                    | (237 )                     | 1994                                     | 06/25/04 | 15 to<br>30<br>years |                |
| Knoxville,<br>TN                   | (a) | 296                      | 343                        | —                     | 176                       | 296   | 519                        | 815                      | (161 )                     | 1978                                     | 11/02/07 | 15 to<br>30<br>years |                |
| Knoxville,<br>TN                   | (a) | 172                      | 700                        | —                     | —                         | 172   | 700                        | 872                      | (196 )                     | 1991                                     | 11/02/07 | 15 to<br>30<br>years |                |
| LaFayette,<br>GA                   | (a) | 246                      | 434                        | —                     | 176                       | 246   | 610                        | 856                      | (188 )                     | 1991                                     | 11/02/07 | 15 to<br>30<br>years |                |
| Lake<br>Charles, LA                | (a) | 1,619                    | 1,349                      | —                     | —                         | 1,619   | 1,349                      | 2,968                    | (125 )                     | 1987                                     | 07/17/13 | 10 to<br>24<br>Years |                |
| Lakeville,<br>MN                   | (a) | 342                      | 439                        | —                     | —                         | 342   | 439                        | 781                      | (138 )                     | 1988                                     | 05/24/05 | 15 to<br>30<br>years |                |
| Lancaster,<br>PA                   | (a) | 308                      | 161                        | —                     | —                         | 308   | 161                        | 469                      | (91 )                      | 1977                                     | 07/25/06 | 15 to<br>30<br>years |                |
| Lander,<br>WY                      | (a) | 57                       | 1,010                      | —                     | —                         | 57  | 1,010                      | 1,067                    | (402 )                     | 1883                                     | 12/29/06 | 15 to<br>20<br>years |                |
| Lanham,<br>MD                      | (a) | 302                      | 193                        | —                     | 200                       | 302   | 393                        | 695                      | (123 )                     | 1980                                     | 11/27/06 | 15 to<br>20<br>years |                |
|                                    | (a) | 478                      | 209                        | —                     | —                         | 478   | 209                        | 687                      | (5 )                       | 1972                                     | 06/04/14 |                      |                |

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|                  |     |       |       |   |     |       |       |       |       |      |          |  |                |
|------------------|-----|-------|-------|---|-----|-------|-------|-------|-------|------|----------|--|----------------|
| Lawrence, KS     |     |       |       |   |     |       |       |       |       |      |          |  | 15 to 30 Years |
| Lebanon, PA      | (a) | 616   | 316   | — | 176 | 616   | 492   | 1,108 | (220) | 1980 | 01/30/06 |  | 20 years       |
| Leeds, AL        | (a) | 907   | 926   | — | 31  | 907   | 957   | 1,864 | (565) | 2003 | 09/26/06 |  | 9 to 40 years  |
| Lewis Center, OH | (a) | 626   | 560   | — | —   | 626   | 560   | 1,186 | (216) | 1998 | 06/25/04 |  | 15 to 30 years |
| Lewiston, ID     | (b) | 1,080 | 866   | — | —   | 1,080 | 866   | 1,946 | —     | 1996 | 12/23/14 |  | 15 to 30 Years |
| Lexington, KY    | (a) | 1,267 | 944   | — | —   | 1,267 | 944   | 2,211 | (467) | 1996 | 02/26/07 |  | 14 to 30 years |
| Lexington, NC    | (a) | 910   | 1,059 | — | —   | 910   | 1,059 | 1,969 | (63)  | 1998 | 10/25/13 |  | 15 to 30 Years |
| Little Rock, AR  | (a) | 886   | —     | — | —   | 886   | —     | 886   | —     | 2013 | 06/26/14 |  | 14 to 14 Years |
| Little Rock, AR  | (a) | 699   | 1,700 | — | —   | 699   | 1,700 | 2,399 | (740) | 1972 | 02/26/07 |  | 14 to 20 years |
| Littleton, CO    | (c) | 696   | 1,943 | — | —   | 696   | 1,943 | 2,639 | (91)  | 1990 | 07/17/13 |  | 11 to 40 Years |
| Littleton, CO    | (a) | 501   | 629   | — | —   | 501   | 629   | 1,130 | (28)  | 1992 | 12/24/13 |  | 15 to 30 Years |
| Longview, WA     | (c) | 870   | 2,855 | — | —   | 870   | 2,855 | 3,725 | (126) | 2004 | 07/17/13 |  | 13 to 40 Years |
| Loveland, CO     | (c) | 602   | 1,913 | — | —   | 602   | 1,913 | 2,515 | (82)  | 1997 | 07/17/13 |  | 12 to 40 Years |
| Lufkin, TX       | (a) | 927   | 790   | — | —   | 927   | 790   | 1,717 | (543) | 1970 | 02/26/07 |  | 14 to 20 years |
| Lynchburg, VA    | (a) | 2,033 | 2,013 | — | —   | 2,033 | 2,013 | 4,046 | (124) | 2000 | 08/21/13 |  | 15 to 30 Years |
| Mableton, GA     | (a) | 454   | 826   | — | —   | 454   | 826   | 1,280 | (243) | 1987 | 02/28/06 |  | 15 to 30 years |
| Mableton, GA     | (a) | 634   | 578   | — | —   | 634   | 578   | 1,212 | (188) | 1981 | 02/28/06 |  | 15 to 30 years |
| Macon, GA        | (c) | 838   | 1,723 | — | —   | 838   | 1,723 | 2,561 | (83)  | 1998 | 07/17/13 |  |                |

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|                   |     |       |       |   |   |       |       |        |         |   |      |          |  |
|-------------------|-----|-------|-------|---|---|-------|-------|--------|---------|---|------|----------|--|
| Macon, GA         | (c) | 874   | 1,712 | — | — | 874   | 1,712 | 2,586  | (86)    | ) | 1998 | 07/17/13 | 13 to<br>40<br>Years<br>11 to<br>40<br>Years |
| Madill, OK        | (a) | 352   | 648   | — | — | 352   | 648   | 1,000  | (578)   | ) | 1972 | 06/25/04 | 10 to<br>15<br>years                         |
| Manchester,<br>IA | (a) | 351   | 495   | — | — | 351   | 495   | 846    | (426)   | ) | 1977 | 09/23/05 | 10 to<br>15<br>years                         |
| Manhattan,<br>KS  | (a) | 816   | 388   | — | — | 816   | 388   | 1,204  | (10)    | ) | 1991 | 06/04/14 | 15 to<br>30<br>Years                         |
| Mansfield,<br>TX  | (a) | 472   | 760   | — | — | 472   | 760   | 1,232  | (305)   | ) | 1991 | 12/29/06 | 15 to<br>30<br>years                         |
| Maquoketa,<br>IA  | (a) | 184   | 90    | — | — | 184   | 90    | 274    | (109)   | ) | 1973 | 09/23/05 | 10 to<br>15<br>years                         |
| Marietta,<br>GA   | (a) | 3,908 | 8,630 | — | — | 3,908 | 8,630 | 12,538 | (2,657) | ) | 1992 | 10/15/04 | 15 to<br>30<br>years                         |



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|------------------------------------|-----|--------------------------|----------------------------|-----------------------|---------------------------|---|----------------------------|--------------------------|----------------------------|--|----------|-------|----------------|
|                                    |     | Land and<br>Improvements | Buildings,<br>Improvements | Improvements/<br>Land | Improvements/<br>building | Land and<br>Improvements  | Buildings,<br>Improvements | Land and<br>Improvements | Buildings,<br>Improvements |  |          |       |                |
| Marietta, GA                       | (a) | 797                      | 428                        | —                     | —                         | 797   | 428                        | 1,225                    | (194 )                     | 1990                                     | 02/28/06 | 30    | 15 to<br>years |
| Mars, PA                           | (a) | 946                      | 2,221                      | —                     | —                         | 946   | 2,221                      | 3,167                    | (716 )                     | 1990                                     | 06/25/04 | 30    | 15 to<br>years |
| Mason, OH                          | (a) | 619                      | 599                        | —                     | —                         | 619   | 599                        | 1,218                    | (32 )                      | 1994                                     | 12/24/13 | 30    | 15 to<br>Years |
| Maumee, OH                         | (a) | 1,505                    | 1,817                      | (754 )                | (667 )                    | 751   | 1,150                      | 1,901                    | (570 )                     | 1997                                     | 09/24/04 | 30    | 15 to<br>years |
| Mayfield, KY                       | (a) | 307                      | 596                        | —                     | —                         | 307   | 596                        | 903                      | (265 )                     | 1997                                     | 06/25/04 | 30    | 15 to<br>years |
| McAllen, TX                        | (a) | 1,819                    | 1,188                      | —                     | —                         | 1,819   | 1,188                      | 3,007                    | (527 )                     | 1997                                     | 06/29/07 | 30    | 15 to<br>years |
| Meadville, PA                      | (b) | 652                      | 1,284                      | —                     | —                         | 652   | 1,284                      | 1,936                    | —                          | 1991                                     | 12/23/14 | 30    | 15 to<br>Years |
| Meadville, PA                      | (a) | 981                      | 1,056                      | —                     | —                         | 981   | 1,056                      | 2,037                    | (342 )                     | 1983                                     | 02/06/07 | 30    | 15 to<br>years |
| Mechanicsburg,<br>PA               | (a) | 801                      | 481                        | —                     | —                         | 801   | 481                        | 1,282                    | (258 )                     | 1995                                     | 01/30/06 | 20    | 15 to<br>years |
| Melbourne, FL                      | (a) | 2,005                    | 794                        | —                     | —                         | 2,005   | 794                        | 2,799                    | (333 )                     | 1986                                     | 12/31/07 | 40    | 15 to<br>years |
| Mendota, MN                        | (a) | 536                      | 963                        | —                     | —                         | 536   | 963                        | 1,499                    | (24 )                      | 1995                                     | 05/22/14 | 30    | 15 to<br>Years |
| Mentor, OH                         | (a) | 873                      | 790                        | —                     | —                         | 873   | 790                        | 1,663                    | (300 )                     | 2003                                     | 12/31/07 | 40    | 15 to<br>years |
| Mesa, AZ                           | (a) | 1,318                    | 234                        | —                     | —                         | 1,318   | 234                        | 1,552                    | (186 )                     | 1995                                     | 06/25/04 | 20    | 15 to<br>years |
| Mesa, AZ                           | (a) | 676                      | 911                        | —                     | —                         | 676   | 911                        | 1,587                    | (124 )                     | 1978                                     | 10/28/11 | 39    | 14 to<br>years |

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|                        |     |       |       |        |          |       |       |       |        |      |          |                      |
|------------------------|-----|-------|-------|--------|----------|-------|-------|-------|--------|------|----------|----------------------|
| Mesa, AZ               | (b) | 422   | 1,002 | —      | —        | 422   | 1,002 | 1,424 | (56 )  | 1990 | 06/14/13 | 15 to<br>40<br>Years |
| Mesa, AZ               | (b) | 255   | 805   | —      | —        | 255   | 805   | 1,060 | (42 )  | 1986 | 06/14/13 | 15 to<br>40<br>Years |
| Metairie, LA           | (c) | 800   | 3,016 | —      | —        | 800   | 3,016 | 3,816 | (152 ) | 1972 | 07/17/13 | 10 to<br>30<br>Years |
| Middleburg Heights, OH | (a) | 1,456 | 793   | —      | —        | 1,456 | 793   | 2,249 | (274 ) | 1987 | 02/06/07 | 15 to<br>30<br>years |
| Midlothian, VA         | (a) | 823   | 1,151 | —      | 246      | 823   | 1,397 | 2,220 | (365 ) | 1994 | 11/28/06 | 15 to<br>30<br>years |
| Milwaukee, WI          | (a) | 867   | 1,867 | (525 ) | (1,045 ) | 342   | 822   | 1,164 | (477 ) | 2001 | 12/29/06 | 13 to<br>30<br>years |
| Monroe, MI             | (b) | 927   | 897   | —      | —        | 927   | 897   | 1,824 | —      | 1996 | 12/23/14 | 15 to<br>30<br>Years |
| Moody, AL              | (a) | 518   | 801   | —      | 57       | 518   | 858   | 1,376 | (71 )  | 1997 | 03/29/13 | 8 to 29<br>Years     |
| Morrow, GA             | (a) | 652   | 450   | —      | —        | 652   | 450   | 1,102 | (167 ) | 1995 | 02/28/06 | 15 to<br>30<br>years |
| Muskogee, OK           | (a) | 968   | 1,259 | —      | —        | 968   | 1,259 | 2,227 | (558 ) | 1984 | 02/26/07 | 14 to<br>30<br>years |
| New Boston, OH         | (a) | 599   | 1,498 | —      | —        | 599   | 1,498 | 2,097 | (72 )  | 1995 | 10/25/13 | 15 to<br>30<br>Years |
| New Cumberland, PA     | (a) | 634   | 278   | —      | 176      | 634   | 454   | 1,088 | (215 ) | 1990 | 01/30/06 | 15 to<br>20<br>years |
| Newport News, VA       | (b) | 1,184 | 311   | —      | —        | 1,184 | 311   | 1,495 | (226 ) | 1995 | 06/25/04 | 10 to<br>25<br>years |
| Newton, KS             | (a) | 175   | 661   | —      | —        | 175   | 661   | 836   | (15 )  | 1986 | 06/30/14 | 15 to<br>30<br>Years |
| Norcross, GA           | (a) | 678   | 402   | —      | —        | 678   | 402   | 1,080 | (189 ) | 1982 | 02/28/06 | 15 to<br>20<br>years |
| Norman, OK             | (a) | 1,466 | 2,294 | —      | —        | 1,466 | 2,294 | 3,760 | (829 ) | 1992 | 07/02/07 | 15 to<br>30<br>years |
| North Little Rock, AR  | (a) | 1,398 | 1,289 | —      | —        | 1,398 | 1,289 | 2,687 | (629 ) | 1993 | 09/23/05 | 15 to<br>20<br>years |
| Oak Ridge, TN          | (b) | 988   | 1,019 | —      | —        | 988   | 1,019 | 2,007 | —      | 1994 | 12/23/14 |                      |

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|                   |     |     |       |   |   |     |       |       |        |      |          |  |
|-------------------|-----|-----|-------|---|---|-----|-------|-------|--------|------|----------|--|
| Oklahoma City, OK | (a) | 481 | 2,315 | — | — | 481 | 2,315 | 2,796 | (84 )  | 1920 | 12/02/13 | 15 to<br>30<br>Years<br>30 to<br>30<br>Years |
| Oklahoma City, OK | (a) | 479 | 1,877 | — | — | 479 | 1,877 | 2,356 | (102 ) | 1904 | 12/02/13 | 20 to<br>20<br>Years                         |
| Olean, NY         | (a) | 355 | 663   | — | — | 355 | 663   | 1,018 | (237 ) | 1977 | 02/06/07 | 15 to<br>30<br>years                         |

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|------------------------------------|-----|--------------------------|----------------------------|-----------------------|---------------------------|---|----------------------------|--------------------------|----------------------------|--|----------|----------------|------------------|
|                                    |     | Land and<br>Improvements | Buildings,<br>Improvements | Improvements/<br>Land | Improvements/<br>building | Land and<br>Improvements  | Buildings,<br>Improvements | Land and<br>Improvements | Buildings,<br>Improvements |  |          |                |                  |
| Orange<br>City, FL                 | (a) | 409                      | 694                        | —                     | —                         | 409   | 694                        | 1,103                    | (346 )                     | 1984                                     | 09/24/04 | 20             | 11 to<br>years   |
| Orlando,<br>FL                     | (a) | 2,006                    | 571                        | —                     | —                         | 2,006   | 571                        | 2,577                    | (231 )                     | 2002                                     | 12/31/07 | 40             | 15 to<br>years   |
| Ottawa, KS                         | (a) | 348                      | 816                        | —                     | —                         | 348   | 816                        | 1,164                    | (21 )                      | 1987                                     | 06/04/14 | 30             | 15 to<br>Years   |
| Overland<br>Park, KS               | (a) | 2,549                    | 3,219                      | —                     | —                         | 2,549   | 3,219                      | 5,768                    | (87 )                      | 1983                                     | 05/15/14 | 30             | 15 to<br>Years   |
| Overland<br>Park, KS               | (a) | 953                      | 886                        | —                     | —                         | 953   | 886                        | 1,839                    | (71 )                      | 1989                                     | 08/22/13 | 20             | 30 to<br>Years   |
| Owensboro,<br>KY                   | (a) | 250                      | 502                        | —                     | —                         | 250   | 502                        | 752                      | (124 )                     | 2000                                     | 06/25/04 | 30             | 15 to<br>years   |
| Oxford, AL                         | (b) | 489                      | 1,212                      | —                     | —                         | 489   | 1,212                      | 1,701                    | —                          | 1991                                     | 12/23/14 | 30             | 14 to<br>Years   |
| Paducah,<br>KY                     | (a) | 1,508                    | 959                        | —                     | —                         | 1,508   | 959                        | 2,467                    | (467 )                     | 1984                                     | 02/26/07 | 30             | 10 to<br>years   |
| Pana, IL                           | (a) | 168                      | 128                        | —                     | —                         | 168   | 128                        | 296                      | (117 )                     | 1985                                     | 09/23/05 | 15             | 11 to<br>years   |
| Paris, TX                          |     | 1,790                    | 552                        | 1,821                 | —                         | 552   | 1,821                      | 2,373                    | (100 )                     | 1999                                     | 07/17/13 | 35             | 10 to<br>Years   |
| Pasadena,<br>TX                    | (a) | 847                      | 832                        | —                     | —                         | 847   | 832                        | 1,679                    | (687 )                     | 1973                                     | 12/30/04 | 15             | 10 to<br>years   |
| Pasadena,<br>TX                    | (a) | 810                      | 739                        | —                     | —                         | 810   | 739                        | 1,549                    | (621 )                     | 1977                                     | 12/30/04 | 15             | 8 to 29<br>Years |
| Pelham, AL                         | (a) | 605                      | 922                        | —                     | 57                        | 605   | 979                        | 1,584                    | (79 )                      | 1998                                     | 03/29/13 | 14 to<br>years |                  |
| Phoenix,<br>AZ                     | (a) | 787                      | 663                        | —                     | —                         | 787   | 663                        | 1,450                    | (121 )                     | 1964                                     | 10/28/11 | 29             |                  |
|                                    | (a) | 1,250                    | 1,409                      | —                     | —                         | 1,250   | 1,409                      | 2,659                    | (107 )                     | 1999                                     | 07/17/13 |                |                  |

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|                     |     |       |       |   |     |       |       |       |        |      |          |                |
|---------------------|-----|-------|-------|---|-----|-------|-------|-------|--------|------|----------|----------------|
| Picayune, MS        |     |       |       |   |     |       |       |       |        |      |          | 7 to 29 Years  |
| Pico Rivera, CA     | (a) | 2,785 | 3,126 | — | —   | 2,785 | 3,126 | 5,911 | —      | 2014 | 12/19/14 | 15 to 40 Years |
| Pittsburgh, PA      | (a) | 1,289 | 1,871 | — | —   | 1,289 | 1,871 | 3,160 | (592 ) | 1992 | 06/25/04 | 15 to 30 years |
| Pittsburgh, PA      | (a) | 1,481 | 676   | — | —   | 1,481 | 676   | 2,157 | (276 ) | 2006 | 12/31/07 | 15 to 40 years |
| Plano, TX           | (a) | 2,418 | 1,529 | — | —   | 2,418 | 1,529 | 3,947 | (478 ) | 1998 | 06/29/07 | 15 to 40 years |
| Port Richey, FL     | (b) | 774   | 1,579 | — | —   | 774   | 1,579 | 2,353 | —      | 1994 | 12/23/14 | 15 to 30 Years |
| Powell, TN          | (a) | 252   | 377   | — | 176 | 252   | 553   | 805   | (179 ) | 1982 | 11/02/07 | 15 to 30 years |
| Princeton, WV       | (a) | 948   | 2,212 | — | —   | 948   | 2,212 | 3,160 | (173 ) | 2001 | 07/17/13 | 11 to 25 Years |
| Queen Creek, AZ     | (b) | 609   | 1,159 | — | —   | 609   | 1,159 | 1,768 | (72 )  | 2004 | 06/14/13 | 15 to 40 Years |
| Rapid City, SD      | (a) | 878   | 1,657 | — | —   | 878   | 1,657 | 2,535 | (649 ) | 1902 | 12/29/06 | 15 to 20 years |
| Rawlins, WY         | (a) | 25    | 406   | — | —   | 25    | 406   | 431   | (171 ) | 1958 | 12/29/06 | 15 to 20 years |
| Redding, CA         | (b) | 1,406 | 1,854 | — | —   | 1,406 | 1,854 | 3,260 | —      | 1991 | 12/23/14 | 15 to 30 Years |
| Reston, VA          | (a) | 1,033 | 193   | — | —   | 1,033 | 193   | 1,226 | (110 ) | 1977 | 11/27/06 | 15 to 20 years |
| Richmond, VA        | (a) | 1,253 | 1,410 | — | 29  | 1,253 | 1,439 | 2,692 | (411 ) | 1977 | 11/28/06 | 15 to 30 years |
| Ringgold, GA        | (a) | 387   | 374   | — | —   | 387   | 374   | 761   | (138 ) | 1990 | 11/02/07 | 15 to 30 years |
| Rio Grande City, TX | (a) | 634   | 1,364 | — | —   | 634   | 1,364 | 1,998 | (372 ) | 1999 | 04/01/05 | 15 to 40 years |
| Riverside, CA       | (a) | 1,988 | 1,211 | — | —   | 1,988 | 1,211 | 3,199 | —      | 2002 | 12/19/14 | 15 to 30 Years |
|                     | (a) | 1,362 | 1,836 | — | —   | 1,362 | 1,836 | 3,198 | (96 )  | 1996 | 08/21/13 |                |

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|                       |     |       |       |   |     |       |       |       |        |      |          |  |                      |
|-----------------------|-----|-------|-------|---|-----|-------|-------|-------|--------|------|----------|--|----------------------|
| Roanoke,<br>VA        |     |       |       |   |     |       |       |       |        |      |          |  | 15 to<br>30<br>Years |
| Rock Falls,<br>IL     | (a) | 314   | 631   | — | —   | 314   | 631   | 945   | (231 ) | 1995 | 09/23/05 |  | 15 to<br>30<br>years |
| Salem, IL             | (a) | 271   | 218   | — | —   | 271   | 218   | 489   | (89 )  | 2000 | 07/28/04 |  | 15 to<br>30<br>years |
| Salina, KS            | (b) | 764   | 1,100 | — | —   | 764   | 1,100 | 1,864 | —      | 1994 | 12/23/14 |  | 15 to<br>30<br>Years |
| San<br>Antonio,<br>TX | (a) | 1,204 | —     | — | 519 | 1,204 | 519   | 1,723 | (13 )  | (g)  | 09/26/13 |  | 12 to<br>12<br>Years |
| Santa Ana,<br>CA      | (a) | 2,112 | 1,501 | — | —   | 2,112 | 1,501 | 3,613 | —      | 1976 | 12/19/14 |  | 15 to<br>30<br>Years |
| Santa Fe,<br>NM       | (c) | 2,120 | 2,033 | — | —   | 2,120 | 2,033 | 4,153 | (98 )  | 1997 | 07/17/13 |  | 13 to<br>40<br>Years |

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| Encumbrances<br>Description<br>(i) |     | Initial Cost to Company |                         |                    | Cost Capitalized Subsequent to Acquisition including impairment |                       |                         | Gross Amount at December 31, 2014 (h) |        | Total | Final Accum |                |
|------------------------------------|-----|-------------------------|-------------------------|--------------------|---|-----------------------|-------------------------|---------------------------------------|--------|-------|-------------|----------------|
|                                    |     | Land and Improvements   | Buildings, Improvements | Improvements/ Land | Improvements/ building  | Land and Improvements | Buildings, Improvements |                                       |        |       |             |                |
| Sarasota, FL                       | (a) | 2,758                   | 412                     | —                  | —   | 2,758                 | 412                     | 3,170                                 | (56 )  | 2000  | 07/17/13    | 12 to 25 Years |
| Sauk Centre, MN                    | (a) | 219                     | 138                     | —                  | —   | 219                   | 138                     | 357                                   | (82 )  | 1979  | 05/24/05    | 15 to 20 years |
| Sauk Rapids, MN                    | (a) | 240                     | 126                     | —                  | —   | 240                   | 126                     | 366                                   | (67 )  | 1978  | 05/24/05    | 15 to 20 years |
| Savannah, GA                       | (c) | 1,112                   | 1,727                   | —                  | —   | 1,112                 | 1,727                   | 2,839                                 | (86 )  | 1993  | 07/17/13    | 13 to 40 Years |
| Shawnee, OK                        | (a) | 621                     | 1,399                   | —                  | —   | 621                   | 1,399                   | 2,020                                 | (56 )  | 1993  | 12/30/13    | 15 to 30 Years |
| Shelbyville, IN                    | (b) | 549                     | 752                     | —                  | —   | 549                   | 752                     | 1,301                                 | (201 ) | 2006  | 12/21/07    | 15 to 50 years |
| Sherman, TX                        | (a) | 1,013                   | 1,286                   | —                  | —   | 1,013                 | 1,286                   | 2,299                                 | (610 ) | 1994  | 02/26/07    | 14 to 30 years |
| Shreveport, LA                     | (a) | 759                     | 964                     | —                  | —   | 759                   | 964                     | 1,723                                 | (446 ) | 1964  | 02/26/07    | 14 to 20 years |
| Silver Spring, MD                  | (a) | 1,008                   | 251                     | —                  | —   | 1,008                 | 251                     | 1,259                                 | (144 ) | 1983  | 11/27/06    | 15 to 20 years |
| Sioux Falls, SD                    | (a) | 639                     | 206                     | —                  | —   | 639                   | 206                     | 845                                   | (10 )  | 1994  | 12/24/13    | 15 to 30 Years |
| Soddy Daisy, TN                    | (a) | 316                     | 405                     | —                  | —   | 316                   | 405                     | 721                                   | (151 ) | 1989  | 11/02/07    | 15 to 30 years |
| Springfield, IL                    | (a) | 1,115                   | 772                     | —                  | —   | 1,115                 | 772                     | 1,887                                 | (283 ) | 1996  | 12/31/07    | 15 to 40 years |
| Springfield, MO                    | (a) | 1,655                   | 1,467                   | —                  | —   | 1,655                 | 1,467                   | 3,122                                 | (609 ) | 1993  | 09/23/05    | 15 to 30 years |
| Stillwater, OK                     | (a) | 647                     | 687                     | —                  | —   | 647                   | 687                     | 1,334                                 | (19 )  | 1991  | 06/04/14    | 15 to 30 Years |

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|                 |      |       |       |   |    |       |       |       |        |      |          |                |
|-----------------|------|-------|-------|---|----|-------|-------|-------|--------|------|----------|----------------|
| Stillwater, OK  | (b)  | 611   | 1,447 | — | —  | 611   | 1,447 | 2,058 | —      | 1995 | 12/23/14 | 15 to 30 Years |
| Sweetwater, TN  | (a)  | 231   | 307   | — | —  | 231   | 307   | 538   | (121 ) | 1979 | 11/02/07 | 15 to 30 years |
| Syracuse, NY    | (b)  | 734   | 1,518 | — | —  | 734   | 1,518 | 2,252 | —      | 1981 | 12/23/14 | 15 to 30 Years |
| Taylorville, IL | (a)  | 154   | 352   | — | —  | 154   | 352   | 506   | (281 ) | 1980 | 09/23/05 | 10 to 15 years |
| Thornton, CO    | (a)  | 943   | 128   | — | —  | 943   | 128   | 1,071 | (7 )   | 1996 | 12/24/13 | 15 to 30 Years |
| Thurmont, MD    | (a)  | 857   | 307   | — | 68 | 857   | 375   | 1,232 | (163 ) | 1985 | 11/27/06 | 15 to 20 years |
| Tifton, GA      | (b)  | 642   | 1,009 | — | —  | 642   | 1,009 | 1,651 | —      | 1995 | 12/23/14 | 15 to 40 Years |
| Tilton, NH      | (c ) | 1,565 | —     | — | —  | 1,565 | —     | 1,565 | —      | (g)  | 07/17/13 | 23 to 23 Years |
| Tipton, IA      | (a)  | 240   | 408   | — | —  | 240   | 408   | 648   | (382 ) | 1991 | 09/23/05 | 10 to 15 years |
| Titusville, PA  | (a)  | 247   | 438   | — | —  | 247   | 438   | 685   | (161 ) | 1976 | 02/06/07 | 11 to 26 years |
| Topeka, KS      | (a)  | 1,224 | 905   | — | —  | 1,224 | 905   | 2,129 | (30 )  | 1988 | 06/04/14 | 15 to 30 Years |
| Torrance, CA    | (a)  | 3,509 | 2,754 | — | —  | 3,509 | 2,754 | 6,263 | —      | 1998 | 12/19/14 | 15 to 40 Years |
| Trenton, GA     | (a)  | 300   | 227   | — | —  | 300   | 227   | 527   | (111 ) | 1991 | 11/02/07 | 15 to 30 years |
| Trussville, AL  | (c ) | 1,222 | 1,770 | — | —  | 1,222 | 1,770 | 2,992 | (99 )  | 2007 | 07/17/13 | 12 to 38 Years |
| Trussville, AL  | (a)  | 796   | 256   | — | —  | 796   | 256   | 1,052 | (17 )  | 1998 | 12/24/13 | 15 to 30 Years |
| Trussville, AL  | (a)  | 909   | 892   | — | 57 | 909   | 949   | 1,858 | (86 )  | 2000 | 03/29/13 | 8 to 29 Years  |
| Tullahoma, TN   | (b)  | 520   | 886   | — | —  | 520   | 886   | 1,406 | —      | 1996 | 12/23/14 | 15 to 40 Years |
| Tulsa, OK       | (a)  | 1,465 | 1,728 | — | —  | 1,465 | 1,728 | 3,193 | (34 )  | 2013 | 07/21/14 |                |



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|                 |     |       |       |   |   |       |       |       |        |      |          |                |
|-----------------|-----|-------|-------|---|---|-------|-------|-------|--------|------|----------|----------------|
| Tulsa, OK       | (a) | 983   | 1,232 | — | — | 983   | 1,232 | 2,215 | (515 ) | 1976 | 02/26/07 | 14 to 30 Years |
| Tulsa, OK       | (a) | 1,540 | 1,997 | — | — | 1,540 | 1,997 | 3,537 | (572 ) | 2002 | 07/02/07 | 14 to 40 years |
| Tupelo, MS      | (a) | 1,131 | 1,175 | — | — | 1,131 | 1,175 | 2,306 | (101 ) | 1995 | 07/17/13 | 15 to 26 Years |
| Two Harbors, MN | (a) | 136   | 248   | — | — | 136   | 248   | 384   | (68 )  | 1984 | 05/24/05 | 7 to 30 years  |
| Union Gap, WA   | (c) | 522   | 2,218 | — | — | 522   | 2,218 | 2,740 | (91 )  | 2004 | 07/17/13 | 13 to 40 Years |

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| Encumbrances<br>Description<br>(i) | Initial Cost to Company  |                            |                       |                           | Cost Capitalized Subsequent to Acquisition including impairment |                            |                          |                            | Gross Amount at<br>December 31, 2014 (h) |                            | Total    | Final<br>Accum       |  |
|------------------------------------|--------------------------|----------------------------|-----------------------|---------------------------|---|----------------------------|--------------------------|----------------------------|--|----------------------------|----------|----------------------|--|
|                                    | Land and<br>Improvements | Buildings,<br>Improvements | Improvements/<br>Land | Improvements/<br>building | Land and<br>Improvements  | Buildings,<br>Improvements | Land and<br>Improvements | Buildings,<br>Improvements | Land and<br>Improvements                 | Buildings,<br>Improvements |          |                      |  |
| Upper<br>Marlboro,<br>MD           | (a)                      | 290                        | 172                   | —                         | —   | 290                        | 172                      | 462                        | (108 )                                   | 1983                       | 11/27/06 | 15 to<br>20<br>years |  |
| Vandalia, IL                       | (a)                      | 409                        | 202                   | —                         | —   | 409                        | 202                      | 611                        | (261 )                                   | 1977                       | 09/23/05 | 10 to<br>15<br>years |  |
| Villa Rica,<br>GA                  | (a)                      | 807                        | 629                   | —                         | —   | 807                        | 629                      | 1,436                      | (250 )                                   | 1999                       | 02/28/06 | 15 to<br>30<br>years |  |
| Vinton, IA                         | (a)                      | 121                        | 114                   | —                         | —   | 121                        | 114                      | 235                        | (132 )                                   | 1978                       | 09/23/05 | 10 to<br>15<br>years |  |
| Walkersville,<br>MD                | (a)                      | 381                        | 238                   | —                         | 68  | 381                        | 306                      | 687                        | (118 )                                   | 1985                       | 11/27/06 | 15 to<br>20<br>years |  |
| Walla Walla,<br>WA                 | (c)                      | 665                        | 2,072                 | —                         | —   | 665                        | 2,072                    | 2,737                      | (115 )                                   | 2005                       | 07/17/13 | 11 to<br>35<br>Years |  |
| Warner<br>Robins, GA               | (c)                      | 1,228                      | 1,714                 | —                         | —   | 1,228                      | 1,714                    | 2,942                      | (88 )                                    | 1994                       | 07/17/13 | 11 to<br>40<br>Years |  |
| Warren, OH                         | (a)                      | 973                        | 640                   | —                         | —   | 973                        | 640                      | 1,613                      | (231 )                                   | 1999                       | 02/06/07 | 15 to<br>30<br>years |  |
| Warren, PA                         | (a)                      | 383                        | 427                   | —                         | —   | 383                        | 427                      | 810                        | (185 )                                   | 1970                       | 02/06/07 | 15 to<br>30<br>years |  |
| Warrenton,<br>VA                   | (a)                      | 378                        | 254                   | —                         | —   | 378                        | 254                      | 632                        | (134 )                                   | 1985                       | 12/19/06 | 15 to<br>20<br>years |  |
| Warwick, RI                        | (a)                      | 1,593                      | 1,314                 | —                         | —   | 1,593                      | 1,314                    | 2,907                      | (421 )                                   | 1990                       | 12/31/07 | 15 to<br>40<br>years |  |
| Weslaco, TX                        | (a)                      | 900                        | 2,306                 | —                         | —   | 900                        | 2,306                    | 3,206                      | (572 )                                   | 2001                       | 04/01/05 | 15 to<br>40<br>years |  |
| Whittier, CA                       | (a)                      | 1,439                      | 1,874                 | —                         | —   | 1,439                      | 1,874                    | 3,313                      | —  | 1991                       | 12/19/14 | 15 to<br>40<br>Years |  |
| Wichita<br>Falls, TX               | (a)                      | 851                        | 1,077                 | —                         | —   | 851                        | 1,077                    | 1,928                      | (692 )                                   | 1976                       | 02/26/07 | 14 to<br>20<br>years |  |

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|                             |     |       |       |   |   |       |       |       |       |      |          |                |
|-----------------------------|-----|-------|-------|---|---|-------|-------|-------|-------|------|----------|----------------|
| Winfield, KS                | (a) | 239   | 866   | — | — | 239   | 866   | 1,105 | (23)  | 1998 | 06/04/14 | 15 to 30 Years |
| Woodbury, MN                | (a) | 3,165 | 1,707 | — | — | 3,165 | 1,707 | 4,872 | (54)  | 1995 | 05/22/14 | 15 to 30 Years |
| Woodbury, MN                | (a) | 555   | 411   | — | — | 555   | 411   | 966   | (134) | 1987 | 05/24/05 | 15 to 30 years |
| Youngstown, OH              | (a) | 1,560 | 557   | — | — | 1,560 | 557   | 2,117 | (211) | 1985 | 02/06/07 | 15 to 30 years |
| Yukon, OK                   | (a) | 555   | 373   | — | — | 555   | 373   | 928   | (186) | 2003 | 09/30/04 | 15 to 30 years |
| Restaurants - Quick Service |     |       |       |   |   |       |       |       |       |      |          |                |
| Aberdeen, VA                | (a) | 564   | 338   | — | — | 564   | 338   | 902   | (20)  | 1994 | 09/17/13 | 15 to 30 Years |
| Abilene, TX                 | (c) | 198   | 311   | — | — | 198   | 311   | 509   | (25)  | 1975 | 07/17/13 | 10 to 26 Years |
| Adairsville, GA             | (a) | 557   | 318   | — | — | 557   | 318   | 875   | (139) | 1986 | 09/29/06 | 15 to 20 years |
| Akron, OH                   | (a) | 247   | 198   | — | — | 247   | 198   | 445   | (108) | 1971 | 05/25/05 | 15 to 20 years |
| Akron, OH                   | (a) | 218   | 273   | — | — | 218   | 273   | 491   | (130) | 1976 | 05/25/05 | 15 to 20 years |
| Akron, OH                   | (a) | 310   | 394   | — | — | 310   | 394   | 704   | (183) | 1982 | 05/25/05 | 15 to 20 years |
| Alamo, TX                   | (c) | 1,745 | 715   | — | — | 1,745 | 715   | 2,460 | (36)  | 1984 | 07/17/13 | 9 to 35 Years  |
| Albermarle, NC              | (a) | 639   | 310   | — | — | 639   | 310   | 949   | (19)  | 1993 | 09/17/13 | 15 to 30 Years |
| Albuquerque, NM             | (c) | 265   | 575   | — | — | 265   | 575   | 840   | (50)  | 1980 | 07/17/13 | 11 to 26 Years |
| Albuquerque, NM             | (c) | 466   | 591   | — | — | 466   | 591   | 1,057 | (39)  | 1976 | 07/17/13 | 11 to 35 Years |
| Albuquerque, NM             | (c) | 267   | 439   | — | — | 267   | 439   | 706   | (43)  | 1975 | 07/17/13 | 11 to 25 Years |
| Albuquerque, NM             | (c) | 293   | 300   | — | — | 293   | 300   | 593   | (37)  | 1976 | 07/17/13 | 11 to 25 Years |

|           |     |    |     |   |   |    |     |     |     |   |      |          |                           |
|-----------|-----|----|-----|---|---|----|-----|-----|-----|---|------|----------|---------------------------|
| Altus, OK | (c) | 70 | 413 | — | — | 70 | 413 | 483 | (31 | ) | 2007 | 07/17/13 | Years<br>7 to 25<br>Years |
|-----------|-----|----|-----|---|---|----|-----|-----|-----|---|------|----------|---------------------------|

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|------------------------------|-----|-------------------------|-------------------------|--------------------|------------------------|---|-------------------------|-------|--------|---------------------------------------|----------|----------------|-------------|
|                              |     | Land and Improvements   | Buildings, Improvements | Improvements/ Land | Improvements/ building | Land and Improvements   | Buildings, Improvements |       |        |                                       |          |                |             |
| Altus, OK                    | (a) | 103                     | 237                     | —                  | —                      | 103   | 237                     | 340   | (21 )  | 1980                                  | 07/17/13 | 4 to 28 Years  |             |
| Americus, GA                 | (c) | 282                     | 406                     | —                  | —                      | 282   | 406                     | 688   | (41 )  | 1978                                  | 07/17/13 | 11 to 23 Years |             |
| Anderson, IN                 | (a) | 363                     | 700                     | —                  | —                      | 363   | 700                     | 1,063 | (76 )  | 1995                                  | 07/17/13 | 8 to 17 Years  |             |
| Apopka, FL                   | (a) | 1,038                   | 482                     | —                  | —                      | 1,038   | 482                     | 1,520 | (458 ) | 1977                                  | 06/25/04 | 10 to 15 years |             |
| Apple Valley, MN             | (a) | 1,119                   | 1,055                   | —                  | —                      | 1,119   | 1,055                   | 2,174 | (369 ) | 1999                                  | 09/24/04 | 15 to 30 years |             |
| Arlington, TX                | (c) | 168                     | 188                     | —                  | —                      | 168   | 188                     | 356   | (25 )  | 1968                                  | 07/17/13 | 9 to 21 Years  |             |
| Artesia, NM                  | (a) | 435                     | 1,106                   | —                  | —                      | 435   | 1,106                   | 1,541 | (35 )  | 1984                                  | 04/16/14 | 15 to 30 Years |             |
| Athens, TN                   | (a) | 388                     | 748                     | —                  | —                      | 388   | 748                     | 1,136 | (277 ) | 1994                                  | 06/25/04 | 15 to 30 years |             |
| Atlanta, GA                  | (c) | 336                     | 346                     | —                  | —                      | 336   | 346                     | 682   | (42 )  | 1981                                  | 07/17/13 | 11 to 22 Years |             |
| Atlanta, GA                  | (c) | 554                     | 258                     | —                  | —                      | 554   | 258                     | 812   | (35 )  | 1980                                  | 07/17/13 | 11 to 23 Years |             |
| Atlanta, GA                  | (c) | 683                     | 5                       | —                  | —                      | 683   | 5                       | 688   | (20 )  | 1975                                  | 07/17/13 | 11 to 23 Years |             |
| Atlanta, GA                  | (c) | 394                     | 268                     | —                  | —                      | 394   | 268                     | 662   | (44 )  | 1975                                  | 07/17/13 | 11 to 21 Years |             |
| Atlanta, GA                  | (a) | 309                     | 867                     | —                  | —                      | 309   | 867                     | 1,176 | (37 )  | 1994                                  | 12/24/13 | 15 to 30 Years |             |
| Atlanta, GA                  | (a) | 513                     | 483                     | —                  | —                      | 513   | 483                     | 996   | (60 )  | 2002                                  | 02/02/12 | 15 to 30 years |             |
| Atlanta, GA                  | (a) | 488                     | 653                     | —                  | —                      | 488   | 653                     | 1,141 | (77 )  | 1995                                  | 02/02/12 | 15 to 30 years |             |

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|                   |      |     |     |   |   |     |     |       |        |      |          |                |
|-------------------|------|-----|-----|---|---|-----|-----|-------|--------|------|----------|----------------|
| Auburn, CA        | (a)  | 579 | 299 | — | — | 579 | 299 | 878   | (111 ) | 1992 | 12/29/06 | 15 to 30 years |
| Aurora, IL        | (a)  | 286 | 726 | — | — | 286 | 726 | 1,012 | (271 ) | 1998 | 12/29/06 | 15 to 30 years |
| Austin, TX        | (c ) | 699 | 417 | — | — | 699 | 417 | 1,116 | (35 )  | 1975 | 07/17/13 | 11 to 29 Years |
| Austin, TX        | (c ) | 531 | 794 | — | — | 531 | 794 | 1,325 | (44 )  | 1967 | 07/17/13 | 11 to 32 Years |
| Austin, TX        | (c ) | 904 | 477 | — | — | 904 | 477 | 1,381 | (28 )  | 1976 | 07/17/13 | 11 to 35 Years |
| Austin, TX        | (c ) | 418 | 872 | — | — | 418 | 872 | 1,290 | (45 )  | 1986 | 07/17/13 | 11 to 35 Years |
| Austin, TX        | (c ) | 689 | 634 | — | — | 689 | 634 | 1,323 | (45 )  | 2003 | 07/17/13 | 11 to 35 Years |
| Balch Springs, TX | (c ) | 329 | 576 | — | — | 329 | 576 | 905   | (47 )  | 1986 | 07/17/13 | 11 to 31 Years |
| Bartlett, TN      | (a)  | 411 | —   | — | — | 411 | —   | 411   | —      | (f)  | 10/30/13 | 12 to 12 Years |
| Bartonville, IL   | (a)  | 410 | 856 | — | — | 410 | 856 | 1,266 | (89 )  | 1980 | 12/21/12 | 15 to 30 years |
| Baton Rouge, LA   | (a)  | 565 | 286 | — | — | 565 | 286 | 851   | (179 ) | 1979 | 06/25/04 | 15 to 20 years |
| Baton Rouge, LA   | (a)  | 391 | 599 | — | — | 391 | 599 | 990   | (279 ) | 1991 | 06/25/04 | 15 to 20 years |
| Baton Rouge, LA   | (a)  | 594 | 417 | — | — | 594 | 417 | 1,011 | (236 ) | 1984 | 09/24/04 | 15 to 20 years |
| Baton Rouge, LA   | (a)  | 747 | 558 | — | — | 747 | 558 | 1,305 | (316 ) | 1987 | 09/24/04 | 15 to 20 years |
| Baton Rouge, LA   | (a)  | 472 | 642 | — | — | 472 | 642 | 1,114 | (227 ) | 1983 | 09/24/04 | 15 to 30 years |
| Bay Minette, AL   | (b)  | 583 | 754 | — | — | 583 | 754 | 1,337 | (10 )  | 1996 | 09/22/14 | 15 to 30 Years |
| Beeville, TX      | (c ) | 120 | 488 | — | — | 120 | 488 | 608   | (39 )  | 1972 | 07/17/13 | 9 to 25 Years  |



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| Encumbrances<br>Description<br>(i) | Initial Cost to Company  |                            |                       |                           | Cost Capitalized Subsequent to Acquisition including impairment |                            |                          |                            | Gross Amount at<br>December 31, 2014 (h) |                            | Total    | Final<br>Accum       |
|------------------------------------|--------------------------|----------------------------|-----------------------|---------------------------|---|----------------------------|--------------------------|----------------------------|--|----------------------------|----------|----------------------|
|                                    | Land and<br>Improvements | Buildings,<br>Improvements | Improvements/<br>Land | Improvements/<br>building | Land and<br>Improvements  | Buildings,<br>Improvements | Land and<br>Improvements | Buildings,<br>Improvements | Land and<br>Improvements                 | Buildings,<br>Improvements |          |                      |
| Bellefontaine,<br>OH               | (a)                      | 388                        | 778                   | (12 )                     | —   | 376                        | 778                      | 1,154                      | (341 )                                   | 1989                       | 12/29/06 | 15 to<br>20<br>years |
| Bentonville,<br>AR                 | (a)                      | 635                        | 900                   | —                         | —   | 635                        | 900                      | 1,535                      | (312 )                                   | 2004                       | 07/07/05 | 15 to<br>30<br>years |
| Birmingham,<br>AL                  | (c)                      | 192                        | 656                   | —                         | —   | 192                        | 656                      | 848                        | (62 )                                    | 1981                       | 07/17/13 | 7 to 21<br>Years     |
| Birmingham,<br>AL                  | (c)                      | 120                        | 151                   | —                         | —   | 120                        | 151                      | 271                        | (23 )                                    | 1970                       | 07/17/13 | 6 to 21<br>Years     |
| Birmingham,<br>AL                  | (c)                      | 119                        | 158                   | —                         | —   | 119                        | 158                      | 277                        | (23 )                                    | 1970                       | 07/17/13 | 5 to 21<br>Years     |
| Birmingham,<br>AL                  | (c)                      | 107                        | 508                   | —                         | —   | 107                        | 508                      | 615                        | (46 )                                    | 1983                       | 07/17/13 | 7 to 21<br>Years     |
| Birmingham,<br>AL                  | (c)                      | 131                        | 526                   | —                         | —   | 131                        | 526                      | 657                        | (49 )                                    | 1984                       | 07/17/13 | 7 to 19<br>Years     |
| Bloomington,<br>IL                 | (a)                      | 426                        | 1,956                 | —                         | —   | 426                        | 1,956                    | 2,382                      | (553 )                                   | 1992                       | 12/29/06 | 15 to<br>30<br>years |
| Bloomsburg,<br>PA                  | (b)                      | 698                        | 823                   | —                         | —   | 698                        | 823                      | 1,521                      | (3 )                                     | 1993                       | 11/18/14 | 15 to<br>30<br>Years |
| Blue Springs,<br>MO                | (b)                      | 688                        | 119                   | 101                       | (119 )  | 789                        | —                        | 789                        | —  | 1994                       | 09/23/05 | 38 to<br>38<br>years |
| Bolingbrook,<br>IL                 | (a)                      | 762                        | 821                   | —                         | —   | 762                        | 821                      | 1,583                      | (385 )                                   | 1994                       | 09/23/05 | 15 to<br>20<br>years |
| Boone, NC                          | (a)                      | 750                        | 379                   | —                         | —   | 750                        | 379                      | 1,129                      | (167 )                                   | 2006                       | 12/29/06 | 15 to<br>30<br>years |
| Bowling<br>Green, KY               | (b)                      | 756                        | 205                   | —                         | —   | 756                        | 205                      | 961                        | (27 )                                    | 2007                       | 07/17/13 | 4 to 39<br>Years     |
| Brazil, IN                         | (a)                      | 391                        | 903                   | —                         | —   | 391                        | 903                      | 1,294                      | (59 )                                    | 1996                       | 07/17/13 | 8 to 33<br>Years     |
| Bristol, TN                        | (a)                      | 484                        | 134                   | —                         | —   | 484                        | 134                      | 618                        | (176 )                                   | 1991                       | 11/23/04 | 15 to<br>20<br>years |
| Bristol, TN                        | (a)                      | 474                        | 282                   | —                         | —   | 474                        | 282                      | 756                        | (71 )                                    | 1985                       | 12/21/12 | 10 to<br>15<br>years |
| Bristol, VA                        | (a)                      | 492                        | 366                   | —                         | —   | 492                        | 366                      | 858                        | (68 )                                    | 1982                       | 12/21/12 |                      |



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|                    |     |     |     |   |   |     |     |       |        |      |          |                      |
|--------------------|-----|-----|-----|---|---|-----|-----|-------|--------|------|----------|----------------------|
| Bristol, VA        | (a) | 369 | 564 | — | — | 369 | 564 | 933   | (76 )  | 1991 | 12/21/12 | 15 to<br>20<br>years |
| Brownsville,<br>TX | (c) | 795 | 556 | — | — | 795 | 556 | 1,351 | (30 )  | 1977 | 07/17/13 | 15 to<br>20<br>years |
| Brownsville,<br>TX | (c) | 667 | 785 | — | — | 667 | 785 | 1,452 | (41 )  | 1985 | 07/17/13 | 10 to<br>35<br>Years |
| Brownsville,<br>TX | (c) | 369 | 679 | — | — | 369 | 679 | 1,048 | (40 )  | 1972 | 07/17/13 | 10 to<br>35<br>Years |
| Brownsville,<br>TX | (c) | 267 | 652 | — | — | 267 | 652 | 919   | (34 )  | 2000 | 07/17/13 | 11 to<br>35<br>Years |
| Brownsville,<br>TX | (c) | 430 | 656 | — | — | 430 | 656 | 1,086 | (55 )  | 1985 | 07/17/13 | 10 to<br>29<br>Years |
| Brownsville,<br>TX | (c) | 571 | 930 | — | — | 571 | 930 | 1,501 | (58 )  | 2002 | 07/17/13 | 11 to<br>35<br>Years |
| Brunswick,<br>GA   | (a) | 774 | 614 | — | — | 774 | 614 | 1,388 | (292 ) | 1999 | 09/24/04 | 15 to<br>20<br>years |
| Bryan, TX          | (c) | 441 | 766 | — | — | 441 | 766 | 1,207 | (37 )  | 1972 | 07/17/13 | 10 to<br>35<br>Years |
| Buckhannon,<br>WV  | (a) | 438 | 529 | — | — | 438 | 529 | 967   | (71 )  | 1978 | 12/21/12 | 15 to<br>20<br>years |

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| Encumbrances Description (i) | Initial Cost to Company |                         |                   |                       | Cost Capitalized Subsequent to Acquisition including impairment |                         |     |       | Gross Amount at December 31, 2014 (h) |      | Total    | Final Accum |         |
|------------------------------|-------------------------|-------------------------|-------------------|-----------------------|---|-------------------------|-----|-------|---------------------------------------|------|----------|-------------|---------|
|                              | Land and Improvements   | Buildings, Improvements | Improvements/Land | Improvements/building | Land and Improvements   | Buildings, Improvements |     |       |                                       |      |          |             |         |
| Buffalo, NY                  | (a)                     | 737                     | 629               | —                     | —   | 737                     | 629 | 1,366 | (192 )                                | 1993 | 11/10/05 | 30 years    | 15 to   |
| Buffalo, NY                  | (a)                     | 821                     | 694               | —                     | —   | 821                     | 694 | 1,515 | (215 )                                | 1976 | 11/10/05 | 30 years    | 15 to   |
| Calhoun, GA                  | (a)                     | 503                     | 713               | —                     | —   | 503                     | 713 | 1,216 | (88 )                                 | 1988 | 02/02/12 | 30 years    | 15 to   |
| Canton, OH                   | (a)                     | 215                     | 483               | —                     | —   | 215                     | 483 | 698   | (197 )                                | 1974 | 05/25/05 | 20 years    | 15 to   |
| Carrollton, GA               | (a)                     | 613                     | 503               | —                     | —   | 613                     | 503 | 1,116 | (85 )                                 | 1988 | 02/02/12 | 20 years    | 13 to   |
| Carrollton, KY               | (a)                     | 229                     | 730               | —                     | —   | 229                     | 730 | 959   | (231 )                                | 1990 | 12/29/06 | 28 years    | 11 to   |
| Carrollton, TX               | (c)                     | 361                     | 415               | —                     | —   | 361                     | 415 | 776   | (41 )                                 | 1997 | 07/17/13 | 25 Years    | 3 to 26 |
| Chattanooga, TN              | (b)                     | 175                     | 271               | —                     | —   | 175                     | 271 | 446   | (24 )                                 | 2007 | 07/17/13 | Years       | 15 to   |
| Chattanooga, TN              | (a)                     | 482                     | 682               | —                     | —   | 482                     | 682 | 1,164 | (258 )                                | 1997 | 06/25/04 | 30 years    | 15 to   |
| Chattanooga, TN              | (a)                     | 600                     | 389               | —                     | —   | 600                     | 389 | 989   | (139 )                                | 1995 | 09/29/06 | 30 years    | 15 to   |
| Cheektowaga, NY              | (a)                     | 561                     | 549               | —                     | —   | 561                     | 549 | 1,110 | (182 )                                | 1985 | 11/10/05 | 30 years    | 15 to   |
| Chicago, IL                  | (a)                     | 313                     | 275               | —                     | —   | 313                     | 275 | 588   | (121 )                                | 1982 | 05/25/05 | 20 years    | 15 to   |
| Chicago, IL                  | (a)                     | 340                     | 220               | —                     | —   | 340                     | 220 | 560   | (113 )                                | 1975 | 05/25/05 | 20 years    | 15 to   |
| Chicago, IL                  | (a)                     | 242                     | 244               | —                     | —   | 242                     | 244 | 486   | (124 )                                | 1970 | 05/25/05 | 20 years    | 15 to   |
| Chicago, IL                  | (a)                     | 242                     | 256               | —                     | —   | 242                     | 256 | 498   | (119 )                                | 1974 | 05/25/05 | 20 years    |         |

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|                       |      |     |       |        |        |     |       |       |        |      |          |             |                      |
|-----------------------|------|-----|-------|--------|--------|-----|-------|-------|--------|------|----------|-------------|----------------------|
|                       |      |     |       |        |        |     |       |       |        |      |          |             | 15 to<br>20<br>years |
| Chicago, IL           | (a)  | 532 | 279   | —      | —      | 532 | 279   | 811   | (131 ) | 1982 | 05/25/05 | 20          | years                |
| Chicago, IL           | (a)  | 289 | 260   | —      | —      | 289 | 260   | 549   | (118 ) | 1982 | 05/25/05 | 20          | years                |
| Chicago, IL           | (a)  | 976 | 271   | —      | —      | 976 | 271   | 1,247 | (244 ) | 1987 | 09/23/05 | 15          | years                |
| Chickasha, OK         | (a)  | 511 | 811   | (126 ) | (165 ) | 385 | 646   | 1,031 | (364 ) | 1982 | 09/23/05 | 20          | years                |
| Christiansburg,<br>VA | (a)  | 666 | 168   | —      | —      | 666 | 168   | 834   | (220 ) | 1994 | 11/23/04 | 20          | years                |
| Cleburne, TX          | (c ) | 129 | 482   | —      | —      | 129 | 482   | 611   | (38 )  | 1997 | 07/17/13 | 9 to 25     | Years                |
| Cleveland, TN         | (a)  | 501 | 459   | —      | —      | 501 | 459   | 960   | (145 ) | 2004 | 12/29/06 | 40          | years                |
| Clovis, NM            | (a)  | 501 | 1,655 | —      | —      | 501 | 1,655 | 2,156 | (49 )  | 1998 | 04/16/14 | 30          | Years                |
| Collierville,<br>TN   | (a)  | 539 | —     | —      | —      | 539 | —     | 539   | —      | (f)  | 10/30/13 | 12          | Years                |
| Columbia, MO          | (a)  | 339 | 1,126 | —      | —      | 339 | 1,126 | 1,465 | (45 )  | 1985 | 12/24/13 | 30          | Years                |
| Columbus, GA          | (c ) | 640 | 403   | —      | —      | 640 | 403   | 1,043 | (42 )  | 1983 | 07/17/13 | 23          | Years                |
| Columbus, GA          | (c ) | 342 | 49    | —      | —      | 342 | 49    | 391   | (22 )  | 1978 | 07/17/13 | 9 to 23     | Years                |
| Columbus, OH          | (a)  | 268 | 354   | —      | —      | 268 | 354   | 622   | (171 ) | 1975 | 05/25/05 | 20          | years                |
| Columbus, OH          | (a)  | 294 | 262   | —      | —      | 294 | 262   | 556   | (139 ) | 1976 | 05/25/05 | 20          | years                |
| Commerce,<br>GA       | (a)  | 219 | 797   | —      | —      | 219 | 797   | 1,016 | (35 )  | 1980 | 12/24/13 | 30          | Years                |
| Concord, NC           | (a)  | 244 | 310   | —      | —      | 244 | 310   | 554   | (18 )  | 1993 | 09/17/13 | 30          | Years                |
| Concord, NC           | (a)  | 855 | 348   | —      | —      | 855 | 348   | 1,203 | (25 )  | 2004 | 09/17/13 | 15 to<br>30 |                      |

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|             |     |     |     |   |   |     |     |       |     |   |      |          |                               |
|-------------|-----|-----|-----|---|---|-----|-----|-------|-----|---|------|----------|-------------------------------|
| Conyers, GA | (a) | 463 | 557 | — | — | 463 | 557 | 1,020 | (52 | ) | 2008 | 02/02/12 | Years<br>15 to<br>40<br>years |
| Conyers, GA | (a) | 509 | 706 | — | — | 509 | 706 | 1,215 | (82 | ) | 1984 | 02/02/12 | Years<br>15 to<br>30<br>years |

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| Encumbrances<br>Description<br>(i) | Initial Cost to Company  |                            |                       |                           | Cost Capitalized Subsequent to Acquisition including impairment |                            |                          |                            | Gross Amount at<br>December 31, 2014 (h) |                            | Total    | Final<br>Accum       |
|------------------------------------|--------------------------|----------------------------|-----------------------|---------------------------|---|----------------------------|--------------------------|----------------------------|--|----------------------------|----------|----------------------|
|                                    | Land and<br>Improvements | Buildings,<br>Improvements | Improvements/<br>Land | Improvements/<br>building | Land and<br>Improvements  | Buildings,<br>Improvements | Land and<br>Improvements | Buildings,<br>Improvements | Land and<br>Improvements                 | Buildings,<br>Improvements |          |                      |
| Copperas<br>Cove, TX               | (c)                      | 186                        | 249                   | —                         | —   | 186                        | 249                      | 435                        | (22)                                     | ) 1973                     | 07/17/13 | 11 to<br>23<br>Years |
| Cordele, GA                        | (c)                      | 459                        | 181                   | —                         | —   | 459                        | 181                      | 640                        | (22)                                     | ) 1980                     | 07/17/13 | 11 to<br>35<br>Years |
| Council Bluffs,<br>IA              | (a)                      | 393                        | 484                   | —                         | —   | 393                        | 484                      | 877                        | (54)                                     | ) 2008                     | 10/03/11 | 15 to<br>40<br>years |
| Covington, GA                      | (a)                      | 526                        | 665                   | —                         | —   | 526                        | 665                      | 1,191                      | (78)                                     | ) 2001                     | 02/02/12 | 15 to<br>30<br>years |
| Covington, TN                      | (b)                      | 343                        | 152                   | —                         | —   | 343                        | 152                      | 495                        | (28)                                     | ) 2007                     | 07/17/13 | 3 to 24<br>Years     |
| Crawfordsville,<br>IN              | (a)                      | 557                        | 624                   | —                         | —   | 557                        | 624                      | 1,181                      | (230)                                    | ) 1998                     | 09/23/05 | 15 to<br>30<br>years |
| Creedmoor,<br>NC                   | (a)                      | 451                        | 367                   | —                         | —   | 451                        | 367                      | 818                        | (31)                                     | ) 2006                     | 09/17/13 | 15 to<br>30<br>Years |
| Crossville, TN                     | (a)                      | 353                        | 382                   | —                         | —   | 353                        | 382                      | 735                        | (92)                                     | ) 1977                     | 09/01/05 | 15 to<br>40<br>years |
| Cumming, GA                        | (a)                      | 408                        | 827                   | —                         | —   | 408                        | 827                      | 1,235                      | (38)                                     | ) 1988                     | 12/24/13 | 15 to<br>30<br>Years |
| Cumming, GA                        | (a)                      | 967                        | 844                   | —                         | —   | 967                        | 844                      | 1,811                      | (322)                                    | ) 1986                     | 09/24/04 | 15 to<br>30<br>years |
| Dallas, TX                         | (c)                      | 88                         | 215                   | —                         | —   | 88                         | 215                      | 303                        | (25)                                     | ) 1980                     | 07/17/13 | 9 to 21<br>Years     |
| Dallas, TX                         | (c)                      | 249                        | 431                   | —                         | —   | 249                        | 431                      | 680                        | (26)                                     | ) 1985                     | 07/17/13 | 9 to 33<br>Years     |
| Dallas, TX                         | (c)                      | 164                        | 431                   | —                         | —   | 164                        | 431                      | 595                        | (41)                                     | ) 1968                     | 07/17/13 | 10 to<br>21<br>Years |
| Dallas, TX                         | (c)                      | 174                        | 450                   | —                         | —   | 174                        | 450                      | 624                        | (34)                                     | ) 1969                     | 07/17/13 | 10 to<br>26<br>Years |
| Dallas, TX                         | (c)                      | 236                        | 339                   | —                         | —   | 236                        | 339                      | 575                        | (28)                                     | ) 1971                     | 07/17/13 | 10 to<br>23<br>Years |

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|                        |     |     |     |   |   |     |     |       |       |   |      |          |                      |
|------------------------|-----|-----|-----|---|---|-----|-----|-------|-------|---|------|----------|----------------------|
| Dallas, TX             | (c) | 315 | 209 | — | — | 315 | 209 | 524   | (20)  | ) | 1999 | 07/17/13 | 10 to<br>25<br>Years |
| Dallas, TX             | (c) | 392 | 501 | — | — | 392 | 501 | 893   | (35)  | ) | 1985 | 07/17/13 | 11 to<br>30<br>Years |
| Danville, IL           | (a) | 619 | 672 | — | — | 619 | 672 | 1,291 | (275) | ) | 1995 | 12/29/06 | 15 to<br>30<br>years |
| Daphne, AL             | (a) | 695 | 302 | — | — | 695 | 302 | 997   | (160) | ) | 1982 | 09/24/04 | 15 to<br>20<br>years |
| Davenport, IA          | (a) | 393 | 405 | — | — | 393 | 405 | 798   | (86)  | ) | 1989 | 10/03/11 | 15 to<br>20<br>years |
| Davenport, IA          | (a) | 291 | 633 | — | — | 291 | 633 | 924   | (90)  | ) | 1992 | 10/03/11 | 15 to<br>30<br>years |
| Davenport, IA          | (a) | 441 | 646 | — | — | 441 | 646 | 1,087 | (102) | ) | 2002 | 10/03/11 | 15 to<br>30<br>years |
| Dayton, OH             | (a) | 526 | 598 | — | — | 526 | 598 | 1,124 | (283) | ) | 1982 | 03/07/07 | 12 to<br>17<br>years |
| Decatur, GA            | (c) | 459 | 133 | — | — | 459 | 133 | 592   | (22)  | ) | 1974 | 07/17/13 | 11 to<br>21<br>Years |
| Decatur, GA            | (c) | 566 | 49  | — | — | 566 | 49  | 615   | (37)  | ) | 1979 | 07/17/13 | 3 to 11<br>Years     |
| Decatur, GA            | (c) | 554 | 49  | — | — | 554 | 49  | 603   | (20)  | ) | 1977 | 07/17/13 | 7 to 25<br>Years     |
| Decatur, GA            | (c) | 570 | 30  | — | — | 570 | 30  | 600   | (19)  | ) | 1981 | 07/17/13 | 7 to 25<br>Years     |
| Decatur, GA            | (a) | 677 | 539 | — | — | 677 | 539 | 1,216 | (65)  | ) | 1989 | 02/02/12 | 15 to<br>30<br>years |
| Decatur, IL            | (a) | 940 | 126 | — | — | 940 | 126 | 1,066 | (271) | ) | 1992 | 09/23/05 | 15 to<br>20<br>years |
| Deerfield<br>Beach, FL | (a) | 668 | 295 | — | — | 668 | 295 | 963   | (124) | ) | 1970 | 09/24/04 | 15 to<br>30<br>years |
| Denham<br>Springs, LA  | (a) | 419 | 594 | — | — | 419 | 594 | 1,013 | (286) | ) | 1983 | 09/24/04 | 15 to<br>20<br>years |
| Detroit, MI            | (a) | 425 | 200 | — | — | 425 | 200 | 625   | (109) | ) | 1977 | 05/25/05 | 15 to<br>20<br>years |
| Detroit, MI            | (a) | 351 | 209 | — | — | 351 | 209 | 560   | (111) | ) | 1977 | 05/25/05 | 15 to<br>20<br>years |

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|             |     |     |     |   |   |     |     |     |        |      |          |                      |
|-------------|-----|-----|-----|---|---|-----|-----|-----|--------|------|----------|----------------------|
| Detroit, MI | (a) | 426 | 223 | — | — | 426 | 223 | 649 | (122 ) | 1979 | 05/25/05 | 15 to<br>20<br>years |
|-------------|-----|-----|-----|---|---|-----|-----|-----|--------|------|----------|----------------------|

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| Encumbrances<br>Description<br>(i) | Initial Cost to Company  |                            |                       |                           | Cost Capitalized Subsequent to Acquisition including impairment |                            |                          |                            | Gross Amount at<br>December 31, 2014 (h) |                            | Total    | Final<br>Accum |                  |
|------------------------------------|--------------------------|----------------------------|-----------------------|---------------------------|---|----------------------------|--------------------------|----------------------------|--|----------------------------|----------|----------------|------------------|
|                                    | Land and<br>Improvements | Buildings,<br>Improvements | Improvements/<br>Land | Improvements/<br>building | Land and<br>Improvements  | Buildings,<br>Improvements | Land and<br>Improvements | Buildings,<br>Improvements | Land and<br>Improvements                 | Buildings,<br>Improvements |          |                |                  |
| Detroit, MI                        | (a)                      | 413                        | 235                   | —                         | —   | 413                        | 235                      | 648                        | (124 )                                   | 1977                       | 05/25/05 | 20             | 15 to<br>years   |
| Detroit, MI                        | (a)                      | 301                        | 219                   | —                         | —   | 301                        | 219                      | 520                        | (111 )                                   | 1972                       | 05/25/05 | 20             | 15 to<br>years   |
| Detroit, MI                        | (a)                      | 270                        | 305                   | —                         | —   | 270                        | 305                      | 575                        | (134 )                                   | 1976                       | 05/25/05 | 20             | 15 to<br>years   |
| Detroit, MI                        | (a)                      | 271                        | 157                   | —                         | —   | 271                        | 157                      | 428                        | (85 )                                    | 1978                       | 05/25/05 | 20             | 15 to<br>years   |
| Detroit, MI                        | (a)                      | 385                        | 258                   | —                         | —   | 385                        | 258                      | 643                        | (139 )                                   | 1979                       | 05/25/05 | 20             | 15 to<br>years   |
| Detroit, MI                        | (a)                      | 428                        | 189                   | —                         | —   | 428                        | 189                      | 617                        | (103 )                                   | 1979                       | 05/25/05 | 20             | 15 to<br>years   |
| Detroit, MI                        | (a)                      | 614                        | 688                   | —                         | —   | 614                        | 688                      | 1,302                      | (328 )                                   | 1987                       | 12/21/07 | 18             | 13 to<br>years   |
| D'Iberville,<br>MS                 | (b)                      | 597                        | 995                   | —                         | —   | 597                        | 995                      | 1,592                      | (18 )                                    | 2005                       | 07/14/14 | 30             | 15 to<br>Years   |
| Donna, TX                          | (c)                      | 1,091                      | 540                   | —                         | —   | 1,091                      | 540                      | 1,631                      | (33 )                                    | 1984                       | 07/17/13 | 35             | 10 to<br>Years   |
| Douglasville,<br>GA                | (a)                      | 452                        | 570                   | —                         | —   | 452                        | 570                      | 1,022                      | (64 )                                    | 1974                       | 02/02/12 | 30             | 15 to<br>years   |
| Durham, NC                         | (a)                      | 1,253                      | —                     | —                         | —   | 1,253                      | —                        | 1,253                      | —  | (f)                        | 07/17/13 | 26             | 26 to<br>Years   |
| Eagle Pass,<br>TX                  | (c)                      | 597                        | 385                   | —                         | —   | 597                        | 385                      | 982                        | (27 )                                    | 1977                       | 07/17/13 | 35             | 9 to 35<br>Years |
| East Aurora,<br>NY                 | (a)                      | 424                        | 584                   | —                         | —   | 424                        | 584                      | 1,008                      | (268 )                                   | 1982                       | 11/10/05 | 20             | 15 to<br>years   |
| East Ellijay,<br>GA                | (a)                      | 562                        | 354                   | —                         | —   | 562                        | 354                      | 916                        | (192 )                                   | 1984                       | 12/29/05 | 20             | 15 to<br>years   |
|                                    | (a)                      | 415                        | 471                   | —                         | —   | 415                        | 471                      | 886                        | (95 )                                    | 1982                       | 10/03/11 |                |                  |



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|                       |     |       |       |   |   |       |       |       |       |      |          |    |                      |
|-----------------------|-----|-------|-------|---|---|-------|-------|-------|-------|------|----------|----|----------------------|
| East Moline,<br>IL    |     |       |       |   |   |       |       |       |       |      |          |    | 15 to<br>20<br>years |
| East Point,<br>GA     | (c) | 429   | 245   | — | — | 429   | 245   | 674   | (40)  | 1977 | 07/17/13 | 21 | 11 to<br>Years       |
| East St.<br>Louis, IL | (a) | 117   | 334   | — | — | 117   | 334   | 451   | (112) | 1990 | 05/25/05 | 30 | 15 to<br>years       |
| Edinburg,<br>TX       | (c) | 624   | 888   | — | — | 624   | 888   | 1,512 | (48)  | 1985 | 07/17/13 | 35 | 11 to<br>Years       |
| Effingham,<br>IL      | (a) | 539   | 575   | — | — | 539   | 575   | 1,114 | (221) | 1985 | 09/23/05 | 30 | 15 to<br>years       |
| Elizabethton,<br>TN   | (a) | 655   | 129   | — | — | 655   | 129   | 784   | (178) | 1993 | 12/15/04 | 20 | 15 to<br>years       |
| Elizabethton,<br>TN   | (a) | 735   | 278   | — | — | 735   | 278   | 1,013 | (51)  | 1971 | 12/21/12 | 20 | 15 to<br>years       |
| Elmwood<br>Park, IL   | (a) | 650   | 380   | — | — | 650   | 380   | 1,030 | (179) | 1993 | 09/23/05 | 20 | 15 to<br>years       |
| Elsa, TX              | (c) | 1,159 | 141   | — | — | 1,159 | 141   | 1,300 | (17)  | 1984 | 07/17/13 | 35 | 11 to<br>Years       |
| Emporia, KS           | (a) | 508   | 1,175 | — | — | 508   | 1,175 | 1,683 | (51)  | 1969 | 12/24/13 | 30 | 15 to<br>Years       |
| Escanaba,<br>MI       | (a) | 772   | 767   | — | — | 772   | 767   | 1,539 | (369) | 1984 | 12/29/05 | 20 | 15 to<br>years       |
| Eureka, IL            | (a) | 307   | 338   | — | — | 307   | 338   | 645   | (95)  | 1980 | 12/21/12 | 15 | 10 to<br>years       |
| Eustis, FL            | (a) | 451   | 377   | — | — | 451   | 377   | 828   | (324) | 1969 | 12/30/04 | 15 | 10 to<br>years       |
| Fayetteville,<br>AR   | (a) | 1,019 | 1,150 | — | — | 1,019 | 1,150 | 2,169 | (24)  | 2014 | 06/23/14 | 40 | 15 to<br>Years       |
| Fayetteville,<br>NC   | (a) | 470   | 629   | — | — | 470   | 629   | 1,099 | (222) | 1999 | 09/29/06 | 30 | 15 to<br>years       |
| Fayetteville,<br>NC   | (a) | 489   | 612   | — | — | 489   | 612   | 1,101 | (204) | 1987 | 09/29/06 | 30 | 15 to<br>years       |
| Fayetteville,<br>NC   | (a) | 607   | 1,020 | — | — | 607   | 1,020 | 1,627 | (386) | 1996 | 09/29/06 | 30 | 15 to<br>years       |



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| Encumbrances<br>Description<br>(i) | Initial Cost to Company  |                            |                       |                           | Cost Capitalized Subsequent to Acquisition including impairment |                            |                          |                            | Gross Amount at<br>December 31, 2014 (h) |                            | Total    | Final<br>Accum       |  |
|------------------------------------|--------------------------|----------------------------|-----------------------|---------------------------|---|----------------------------|--------------------------|----------------------------|--|----------------------------|----------|----------------------|--|
|                                    | Land and<br>Improvements | Buildings,<br>Improvements | Improvements/<br>Land | Improvements/<br>building | Land and<br>Improvements  | Buildings,<br>Improvements | Land and<br>Improvements | Buildings,<br>Improvements | Land and<br>Improvements                 | Buildings,<br>Improvements |          |                      |  |
| Ferguson,<br>MO                    | (a)                      | 293                        | 212                   | —                         | —   | 293                        | 212                      | 505                        | (117 )                                   | 1974                       | 05/25/05 | 15 to<br>20<br>years |  |
| Flint, MI                          | (a)                      | 340                        | 258                   | —                         | —   | 340                        | 258                      | 598                        | (137 )                                   | 1979                       | 05/25/05 | 15 to<br>20<br>years |  |
| Florence,<br>KY                    | (a)                      | 524                        | 209                   | —                         | —   | 524                        | 209                      | 733                        | (131 )                                   | 1992                       | 09/24/04 | 15 to<br>30<br>years |  |
| Floresville,<br>TX                 | (c )                     | 109                        | 555                   | —                         | —   | 109                        | 555                      | 664                        | (42 )                                    | 1985                       | 07/17/13 | 9 to 25<br>Years     |  |
| Flowood,<br>MS                     | (b)                      | 338                        | 848                   | —                         | —   | 338                        | 848                      | 1,186                      | (15 )                                    | 1994                       | 07/31/14 | 15 to<br>30<br>Years |  |
| Forsyth, GA                        | (a)                      | 495                        | 1,007                 | —                         | —   | 495                        | 1,007                    | 1,502                      | (333 )                                   | 1984                       | 01/12/06 | 15 to<br>30<br>years |  |
| Forsythe,<br>GA                    | (a)                      | 249                        | 936                   | —                         | —   | 249                        | 936                      | 1,185                      | (41 )                                    | 1983                       | 12/24/13 | 15 to<br>30<br>Years |  |
| Fort<br>Lauderdale,<br>FL          | (a)                      | 601                        | 121                   | —                         | —   | 601                        | 121                      | 722                        | (158 )                                   | 1984                       | 09/24/04 | 10 to<br>15<br>years |  |
| Fort Pierce,<br>FL                 | (a)                      | 667                        | 184                   | —                         | —   | 667                        | 184                      | 851                        | (109 )                                   | 1999                       | 09/24/04 | 15 to<br>30<br>years |  |
| Fort Wayne,<br>IN                  | (a)                      | 660                        | 204                   | —                         | —   | 660                        | 204                      | 864                        | (223 )                                   | 1982                       | 09/23/05 | 10 to<br>15<br>years |  |
| Fort Worth,<br>TX                  | (c )                     | 157                        | 263                   | —                         | —   | 157                        | 263                      | 420                        | (30 )                                    | 1965                       | 07/17/13 | 11 to<br>20<br>Years |  |
| Fort Worth,<br>TX                  | (c )                     | 164                        | 573                   | —                         | —   | 164                        | 573                      | 737                        | (39 )                                    | 1965                       | 07/17/13 | 11 to<br>25<br>Years |  |
| Fort Worth,<br>TX                  | (c )                     | 200                        | 643                   | —                         | —   | 200                        | 643                      | 843                        | (42 )                                    | 1979                       | 07/17/13 | 11 to<br>30<br>Years |  |
| Fort Worth,<br>TX                  | (c )                     | 356                        | 572                   | —                         | —   | 356                        | 572                      | 928                        | (36 )                                    | 1970                       | 07/17/13 | 11 to<br>35<br>Years |  |
|                                    | (c )                     | 187                        | 539                   | —                         | —   | 187                        | 539                      | 726                        | (33 )                                    | 1984                       | 07/17/13 |                      |  |

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|                   |      |     |       |   |   |     |       |       |        |      |          |  |                |
|-------------------|------|-----|-------|---|---|-----|-------|-------|--------|------|----------|--|----------------|
| Fort Worth, TX    |      |     |       |   |   |     |       |       |        |      |          |  | 11 to 35 Years |
| Ft Madison, IA    | (a)  | 191 | 620   | — | — | 191 | 620   | 811   | (57 )  | 1980 | 12/21/12 |  | 15 to 30 years |
| Ft. Valley, GA    | (c ) | 353 | 379   | — | — | 353 | 379   | 732   | (44 )  | 1985 | 07/17/13 |  | 11 to 23 Years |
| Garland, TX       | (c ) | 141 | 455   | — | — | 141 | 455   | 596   | (34 )  | 1986 | 07/17/13 |  | 10 to 25 Years |
| Garner, NC        | (a)  | 600 | 765   | — | — | 600 | 765   | 1,365 | (281 ) | 1995 | 09/29/06 |  | 15 to 30 years |
| Gary, IN          | (a)  | 109 | 410   | — | — | 109 | 410   | 519   | (178 ) | 1980 | 05/25/05 |  | 15 to 20 years |
| Gary, IN          | (a)  | 210 | 318   | — | — | 210 | 318   | 528   | (171 ) | 1979 | 05/25/05 |  | 15 to 20 years |
| Gary, IN          | (a)  | 161 | 493   | — | — | 161 | 493   | 654   | (225 ) | 1973 | 05/25/05 |  | 15 to 20 years |
| Gilman, IL        | (a)  | 219 | 414   | — | — | 219 | 414   | 633   | (223 ) | 1998 | 09/23/05 |  | 15 to 20 years |
| Graceville, FL    | (a)  | 279 | 1,036 | — | — | 279 | 1,036 | 1,315 | (46 )  | 1985 | 12/24/13 |  | 15 to 30 Years |
| Grand Prairie, TX | (c ) | 335 | 527   | — | — | 335 | 527   | 862   | (32 )  | 1980 | 07/17/13 |  | 10 to 35 Years |
| Grand Prairie, TX | (c ) | 147 | 535   | — | — | 147 | 535   | 682   | (36 )  | 1985 | 07/17/13 |  | 11 to 30 Years |
| Greensboro, AL    | (c ) | 100 | 663   | — | — | 100 | 663   | 763   | (39 )  | 1986 | 07/17/13 |  | 7 to 35 Years  |
| Greenville, TN    | (a)  | 289 | 311   | — | — | 289 | 311   | 600   | (252 ) | 1972 | 09/01/05 |  | 10 to 15 years |
| Greenville, TN    | (a)  | 735 | 517   | — | — | 735 | 517   | 1,252 | (49 )  | 2010 | 03/29/13 |  | 15 to 30 Years |
| Greenville, TX    | (c ) | 325 | 441   | — | — | 325 | 441   | 766   | (25 )  | 1972 | 07/17/13 |  | 10 to 35 Years |
| Greenville, TX    | (a)  | 223 | 304   | — | — | 223 | 304   | 527   | (134 ) | 1985 | 12/29/05 |  | 15 to 20 years |
| Griffin, GA       | (c ) | 215 | 492   | — | — | 215 | 492   | 707   | (40 )  | 1978 | 07/17/13 |  |                |

|                    |     |     |     |   |   |     |     |       |       |      |          |  |
|--------------------|-----|-----|-----|---|---|-----|-----|-------|-------|------|----------|--|
| Griffin, GA        | (a) | 249 | 877 | — | — | 249 | 877 | 1,126 | (37 ) | 1979 | 12/24/13 | 11 to<br>25<br>Years<br>15 to<br>30<br>Years |
| Gulfport,<br>MS    | (c) | 540 | 429 | — | — | 540 | 429 | 969   | (23 ) | 1971 | 07/17/13 | 11 to<br>35<br>Years                         |
| Haltom<br>City, TX | (c) | 571 | 425 | — | — | 571 | 425 | 996   | (27 ) | 2007 | 07/17/13 | 11 to<br>35<br>Years                         |

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| Encumbrances<br>Description<br>(i) | Initial Cost to Company  |                            |                       |                           | Cost Capitalized Subsequent to Acquisition including impairment |                            |                          |                            | Gross Amount at<br>December 31, 2014 (h) |                            | Total    | Final<br>Accum |                |
|------------------------------------|--------------------------|----------------------------|-----------------------|---------------------------|---|----------------------------|--------------------------|----------------------------|--|----------------------------|----------|----------------|----------------|
|                                    | Land and<br>Improvements | Buildings,<br>Improvements | Improvements/<br>Land | Improvements/<br>building | Land and<br>Improvements  | Buildings,<br>Improvements | Land and<br>Improvements | Buildings,<br>Improvements | Land and<br>Improvements                 | Buildings,<br>Improvements |          |                |                |
| Hampton, GA                        | (a)                      | 568                        | 648                   | —                         | —   | 568                        | 648                      | 1,216                      | (76 )                                    | 2002                       | 02/02/12 | 30             | 15 to<br>years |
| Harlingen,<br>TX                   | (c )                     | 923                        | 753                   | —                         | —   | 923                        | 753                      | 1,676                      | (39 )                                    | 1985                       | 07/17/13 | 35             | 10 to<br>Years |
| Harlingen,<br>TX                   | (c )                     | 226                        | 519                   | —                         | —   | 226                        | 519                      | 745                        | (37 )                                    | 1973                       | 07/17/13 | 30             | 11 to<br>Years |
| Harriman, TN                       | (a)                      | 387                        | 502                   | —                         | —   | 387                        | 502                      | 889                        | (207 )                                   | 1976                       | 09/01/05 | 20             | 15 to<br>years |
| Harrisburg,<br>NC                  | (a)                      | 489                        | 291                   | —                         | —   | 489                        | 291                      | 780                        | (23 )                                    | 2004                       | 09/17/13 | 30             | 15 to<br>Years |
| Harrisonville,<br>MO               | (a)                      | 369                        | 1,195                 | —                         | —   | 369                        | 1,195                    | 1,564                      | (50 )                                    | 1981                       | 12/24/13 | 30             | 15 to<br>Years |
| Harvey, IL                         | (a)                      | 361                        | 269                   | (80 )                     | —   | 281                        | 269                      | 550                        | (310 )                                   | 1978                       | 05/25/05 | 20             | 15 to<br>years |
| Hattiesburg,<br>MS                 | (b)                      | 845                        | 995                   | —                         | —   | 845                        | 995                      | 1,840                      | (18 )                                    | 1999                       | 07/14/14 | 40             | 10 to<br>Years |
| Havana, IL                         | (a)                      | 439                        | 297                   | —                         | —   | 439                        | 297                      | 736                        | (92 )                                    | 1980                       | 12/21/12 | 15             | 15 to<br>years |
| Hawkinsville,<br>GA                | (a)                      | 169                        | 946                   | —                         | —   | 169                        | 946                      | 1,115                      | (40 )                                    | 1986                       | 12/24/13 | 30             | 7 to<br>Years  |
| Henderson,<br>KY                   | (a)                      | 656                        | 1,058                 | —                         | —   | 656                        | 1,058                    | 1,714                      | (56 )                                    | 1992                       | 07/17/13 | 35             | 15 to<br>Years |
| Hickory, NC                        | (a)                      | 292                        | 818                   | —                         | —   | 292                        | 818                      | 1,110                      | (226 )                                   | 2000                       | 09/29/06 | 40             | 10 to<br>years |
| Hidalgo, TX                        | (c )                     | 352                        | 1,043                 | —                         | —   | 352                        | 1,043                    | 1,395                      | (59 )                                    | 2001                       | 07/17/13 | 31             | 11 to<br>Years |
| Hobbs, NM                          | (c )                     | 706                        | 534                   | —                         | —   | 706                        | 534                      | 1,240                      | (38 )                                    | 1974                       | 07/17/13 | 35             | Years          |
|                                    | (a)                      | 116                        | —                     | —                         | —   | 116                        | —                        | 116                        | —  | (f)                        | 10/30/13 |                |                |

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|                   |      |       |       |   |   |       |       |       |        |      |          |  |                |
|-------------------|------|-------|-------|---|---|-------|-------|-------|--------|------|----------|--|----------------|
| Holly Springs, MS |      |       |       |   |   |       |       |       |        |      |          |  | 12 to 12 Years |
| Hope Mills, NC    | (a)  | 408   | 930   | — | — | 408   | 930   | 1,338 | (291 ) | 1990 | 09/29/06 |  | 30 years       |
| Horn Lake, MS     | (a)  | 231   | —     | — | — | 231   | —     | 231   | —      | (f)  | 10/30/13 |  | 12 to 12 Years |
| Houston, TX       | (a)  | 1,329 | —     | — | — | 1,329 | —     | 1,329 | —      | (f)  | 07/17/13 |  | 20 to 20 Years |
| Houston, TX       | (a)  | 592   | 302   | — | — | 592   | 302   | 894   | (140 ) | 1979 | 09/28/06 |  | 15 to 20 years |
| Hudson, NC        | (a)  | 794   | 616   | — | — | 794   | 616   | 1,410 | (220 ) | 1998 | 09/29/06 |  | 15 to 40 years |
| Independence, MO  | (a)  | 279   | 936   | — | — | 279   | 936   | 1,215 | (39 )  | 1979 | 12/24/13 |  | 15 to 30 Years |
| Independence, MO  | (a)  | 396   | 1,074 | — | — | 396   | 1,074 | 1,470 | (148 ) | 1984 | 10/03/11 |  | 15 to 30 years |
| Indianapolis, IN  | (a)  | 460   | 587   | — | — | 460   | 587   | 1,047 | (198 ) | 1998 | 09/24/04 |  | 15 to 30 years |
| Indianapolis, IN  | (a)  | 258   | 262   | — | — | 258   | 262   | 520   | (145 ) | 1970 | 05/25/05 |  | 15 to 20 years |
| Indianapolis, IN  | (a)  | 266   | 310   | — | — | 266   | 310   | 576   | (155 ) | 1971 | 05/25/05 |  | 15 to 20 years |
| Indianapolis, IN  | (a)  | 170   | 749   | — | — | 170   | 749   | 919   | (304 ) | 1983 | 05/25/05 |  | 15 to 20 years |
| Indianapolis, IN  | (a)  | 449   | 153   | — | — | 449   | 153   | 602   | (110 ) | 1968 | 05/25/05 |  | 15 to 20 years |
| Indianapolis, IN  | (a)  | 370   | 150   | — | — | 370   | 150   | 520   | (98 )  | 1970 | 05/25/05 |  | 15 to 20 years |
| Irving, TX        | (c ) | 463   | 338   | — | — | 463   | 338   | 801   | (20 )  | 1967 | 07/17/13 |  | 10 to 35 Years |
| Jackson, GA       | (a)  | 467   | 729   | — | — | 467   | 729   | 1,196 | (98 )  | 1992 | 02/02/12 |  | 15 to 30 years |
| Jackson, MS       | (c ) | 215   | 476   | — | — | 215   | 476   | 691   | (37 )  | 1977 | 07/17/13 |  | 11 to 25 Years |

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|             |     |     |     |   |   |     |     |       |      |   |      |          |                      |
|-------------|-----|-----|-----|---|---|-----|-----|-------|------|---|------|----------|----------------------|
| Jackson, MS | (c) | 996 | 610 | — | — | 996 | 610 | 1,606 | (40) | ) | 1978 | 07/17/13 | 11 to<br>35<br>Years |
| Jackson, MS | (c) | 195 | 582 | — | — | 195 | 582 | 777   | (37) | ) | 2000 | 07/17/13 | 11 to<br>30<br>Years |

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|------------------------------------|-----|--------------------------|----------------------------|-----------------------|---------------------------|---|----------------------------|--------------------------|----------------------------|--|----------|----------------------|----------------|
|                                    |     | Land and<br>Improvements | Buildings,<br>Improvements | Improvements/<br>Land | Improvements/<br>building | Land and<br>Improvements  | Buildings,<br>Improvements | Land and<br>Improvements | Buildings,<br>Improvements |  |          |                      |                |
| Jackson, MS                        | (c) | 447                      | 555                        | —                     | —                         | 447   | 555                        | 1,002                    | (40)                       | ) 1998                                   | 07/17/13 | 11 to<br>35<br>Years |                |
| Jacksonville,<br>FL                | (a) | 480                      | 631                        | —                     | —                         | 480   | 631                        | 1,111                    | (232)                      | ) 1998                                   | 09/24/04 | 15 to<br>30<br>years |                |
| Jacksonville,<br>FL                | (a) | 930                      | 910                        | —                     | —                         | 930   | 910                        | 1,840                    | (321)                      | ) 1986                                   | 09/24/04 | 15 to<br>30<br>years |                |
| Jacksonville,<br>FL                | (a) | 872                      | 509                        | —                     | —                         | 872   | 509                        | 1,381                    | (261)                      | ) 1984                                   | 09/24/04 | 15 to<br>20<br>years |                |
| Jacksonville,<br>FL                | (a) | 487                      | 871                        | —                     | —                         | 487   | 871                        | 1,358                    | (362)                      | ) 1985                                   | 12/30/04 | 15 to<br>20<br>years |                |
| Jacksonville,<br>FL                | (a) | 431                      | 802                        | —                     | —                         | 431   | 802                        | 1,233                    | (290)                      | ) 1979                                   | 03/31/04 | 9 to 30<br>years     |                |
| Jamestown,<br>NY                   | (a) | 508                      | 573                        | —                     | —                         | 508   | 573                        | 1,081                    | (267)                      | ) 1988                                   | 11/10/05 | 15 to<br>20<br>years |                |
| Johnson City,<br>TN                | (a) | 718                      | 450                        | —                     | —                         | 718   | 450                        | 1,168                    | (82)                       | ) 1983                                   | 12/21/12 | 15 to<br>20<br>years |                |
| Joliet, IL                         | (a) | 245                      | 193                        | —                     | —                         | 245   | 193                        | 438                      | (111)                      | ) 1985                                   | 05/25/05 | 15 to<br>20<br>years |                |
| Jonesborough,<br>TN                | (a) | 576                      | 329                        | —                     | —                         | 576   | 329                        | 905                      | (54)                       | ) 1987                                   | 12/21/12 | 15 to<br>20<br>years |                |
| Kannapolix,<br>NC                  | (a) | 244                      | 291                        | —                     | —                         | 244   | 291                        | 535                      | (21)                       | ) 2001                                   | 09/17/13 | 15 to<br>30<br>Years |                |
| Kansas City,<br>KS                 | (c) | 312                      | 574                        | —                     | —                         | 312   | 574                        | 886                      | (38)                       | ) 1996                                   | 07/17/13 | 10 to<br>30<br>Years |                |
| Kansas City,<br>KS                 | (a) | 349                      | 425                        | —                     | —                         | 349   | 425                        | 774                      | (60)                       | ) 1999                                   | 10/03/11 | 14 to<br>29<br>years |                |
| Kansas City,<br>KS                 | (a) | 594                      | 904                        | —                     | —                         | 594   | 904                        | 1,498                    | (132)                      | ) 1977                                   | 10/03/11 | 15 to<br>30<br>years |                |
|                                    | (c) | 348                      | 730                        | —                     | —                         | 348   | 730                        | 1,078                    | (42)                       | ) 1996                                   | 07/17/13 |                      |                |

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|                    |     |     |       |   |   |     |       |       |      |   |      |          |                      |
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| Kansas City,<br>MO |     |     |       |   |   |     |       |       |      |   |      |          | 10 to<br>35<br>Years |
| Kansas City,<br>MO | (c) | 462 | 673   | — | — | 462 | 673   | 1,135 | (40) | ) | 1996 | 07/17/13 | 10 to<br>35<br>Years |
| Kansas City,<br>MO | (c) | 135 | 616   | — | — | 135 | 616   | 751   | (44) | ) | 1996 | 07/17/13 | 10 to<br>25<br>Years |
| Kansas City,<br>MO | (c) | 310 | 580   | — | — | 310 | 580   | 890   | (38) | ) | 1996 | 07/17/13 | 10 to<br>31<br>Years |
| Kansas City,<br>MO | (c) | 189 | 837   | — | — | 189 | 837   | 1,026 | (60) | ) | 1996 | 07/17/13 | 9 to 25<br>Years     |
| Kansas City,<br>MO | (a) | 538 | 936   | — | — | 538 | 936   | 1,474 | (42) | ) | 2014 | 09/19/14 | 15 to<br>30<br>Years |
| Kansas<br>City, MO | (a) | 289 | 1,066 | — | — | 289 | 1,066 | 1,355 | (45) | ) | 1980 | 12/24/13 | 15 to<br>30<br>Years |
| Kansas<br>City, MO | (b) | 772 | —     | — | — | 772 | —     | 772   | —    |   | 2014 | 09/19/14 | 0 to 0<br>Years      |
| Kansas<br>City, MO | (a) | 245 | 447   | — | — | 245 | 447   | 692   | (58) | ) | 1985 | 10/03/11 | 14 to<br>29<br>years |
| Kansas<br>City, MO | (a) | 334 | 654   | — | — | 334 | 654   | 988   | (97) | ) | 1985 | 10/03/11 | 15 to<br>30<br>years |
| Kennesaw,<br>GA    | (a) | 487 | 334   | — | — | 487 | 334   | 821   | (56) | ) | 1991 | 02/02/12 | 15 to<br>20<br>years |
| Kilgore,<br>TX     | (c) | 140 | 415   | — | — | 140 | 415   | 555   | (40) | ) | 1985 | 07/17/13 | 11 to<br>21<br>Years |

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| Encumbrances Description (i) |     | Initial Cost to Company |                         |                    |                        | Cost Capitalized Subsequent to Acquisition including impairment |                         |       |       | Gross Amount at December 31, 2014 (h) |          | Total          | Final Accum |
|------------------------------|-----|-------------------------|-------------------------|--------------------|------------------------|---|-------------------------|-------|-------|---------------------------------------|----------|----------------|-------------|
|                              |     | Land and Improvements   | Buildings, Improvements | Improvements/ Land | Improvements/ building | Land and Improvements   | Buildings, Improvements |       |       |                                       |          |                |             |
| Killeen, TX                  | (c) | 289                     | 513                     | —                  | —                      | 289   | 513                     | 802   | (30)  | 1974                                  | 07/17/13 | 9 to 35 Years  |             |
| Kingsport, TN                | (b) | 307                     | 766                     | —                  | —                      | 307   | 766                     | 1,073 | (47)  | 2008                                  | 07/17/13 | 4 to 32 Years  |             |
| Kingsport, TN                | (a) | 592                     | 200                     | —                  | —                      | 592   | 200                     | 792   | (255) | 1992                                  | 11/23/04 | 15 to 20 years |             |
| Kingsport, TN                | (a) | 384                     | 877                     | —                  | —                      | 384   | 877                     | 1,261 | (84)  | 1992                                  | 12/21/12 | 15 to 30 years |             |
| Kingston, PA                 | (b) | 521                     | 635                     | —                  | —                      | 521   | 635                     | 1,156 | (2)   | 1978                                  | 11/18/14 | 15 to 30 Years |             |
| Kingsville, TX               | (c) | 263                     | 461                     | —                  | —                      | 263   | 461                     | 724   | (28)  | 1977                                  | 07/17/13 | 9 to 35 Years  |             |
| Kingwood, WV                 | (a) | 618                     | 677                     | —                  | —                      | 618   | 677                     | 1,295 | (92)  | 1979                                  | 12/21/12 | 15 to 20 years |             |
| Kirby, TX                    | (c) | 224                     | 262                     | —                  | —                      | 224   | 262                     | 486   | (28)  | 1985                                  | 07/17/13 | 9 to 21 Years  |             |
| Knoxville, TN                | (a) | 635                     | 227                     | —                  | —                      | 635   | 227                     | 862   | (225) | 1995                                  | 11/23/04 | 15 to 20 years |             |
| Knoxville, TN                | (a) | 547                     | 230                     | —                  | —                      | 547   | 230                     | 777   | (282) | 1987                                  | 11/23/04 | 10 to 15 years |             |
| Knoxville, TN                | (a) | 332                     | 185                     | —                  | —                      | 332   | 185                     | 517   | (94)  | 1977                                  | 09/01/05 | 15 to 20 years |             |
| Knoxville, TN                | (a) | 561                     | 305                     | —                  | —                      | 561   | 305                     | 866   | (133) | 1975                                  | 09/01/05 | 15 to 20 years |             |
| La Feria, TX                 | (c) | 369                     | 941                     | —                  | —                      | 369   | 941                     | 1,310 | (49)  | 2003                                  | 07/17/13 | 11 to 35 Years |             |
| La Mesa, CA                  | (a) | 1,312                   | 360                     | —                  | —                      | 1,312   | 360                     | 1,672 | (328) | 1984                                  | 07/28/04 | 10 to 15 years |             |
| La Vista, NE                 | (a) | 499                     | 664                     | —                  | —                      | 499   | 664                     | 1,163 | (89)  | 1992                                  | 10/03/11 | 15 to 30 years |             |
|                              | (a) | 300                     | 779                     | —                  | —                      | 300   | 779                     | 1,079 | (36)  | 1972                                  | 10/30/13 |                |             |

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|                         |     |       |       |    |      |       |       |       |       |   |      |          |                      |
|-------------------------|-----|-------|-------|----|------|-------|-------|-------|-------|---|------|----------|----------------------|
| Lafayette,<br>LA        |     |       |       |    |      |       |       |       |       |   |      |          | 15 to<br>30<br>Years |
| LaGrange,<br>GA         | (c) | 555   | 44    | —  | —    | 555   | 44    | 599   | (56)  | ) | 1978 | 07/17/13 | 7 to 30<br>Years     |
| Laredo,<br>TX           | (c) | 272   | 713   | —  | —    | 272   | 713   | 985   | (35)  | ) | 1966 | 07/17/13 | 11 to<br>35<br>Years |
| Laredo,<br>TX           | (c) | 727   | 698   | —  | —    | 727   | 698   | 1,425 | (37)  | ) | 1968 | 07/17/13 | 11 to<br>35<br>Years |
| Lauderdale<br>Lakes, FL | (a) | 411   | 346   | —  | —    | 411   | 346   | 757   | (118) | ) | 1998 | 12/29/06 | 15 to<br>30<br>years |
| Laurel,<br>MS           | (c) | 690   | 290   | —  | —    | 690   | 290   | 980   | (31)  | ) | 1971 | 07/17/13 | 11 to<br>24<br>Years |
| Laurel,<br>MS           | (b) | 543   | 754   | —  | —    | 543   | 754   | 1,297 | (10)  | ) | 1993 | 09/22/14 | 15 to<br>30<br>Years |
| Lees<br>Summit,<br>MO   | (a) | 319   | 906   | —  | —    | 319   | 906   | 1,225 | (40)  | ) | 1985 | 12/24/13 | 15 to<br>30<br>Years |
| Lees<br>Summit,<br>MO   | (a) | 590   | 69    | 55 | (69) | )     | 645   | —     | 645   | — | 1995 | 09/23/05 | 20 to<br>20<br>years |
| Lewisville,<br>TX       | (c) | 913   | 470   | —  | —    | 913   | 470   | 1,383 | (35)  | ) | 1976 | 07/17/13 | 8 to 35<br>Years     |
| Lexington,<br>KY        | (a) | 636   | 362   | —  | —    | 636   | 362   | 998   | (312) | ) | 1978 | 12/30/04 | 10 to<br>15<br>years |
| Lexington,<br>KY        | (a) | 713   | 451   | —  | —    | 713   | 451   | 1,164 | (390) | ) | 1976 | 01/26/05 | 10 to<br>15<br>years |
| Lillington,<br>NC       | (a) | 419   | 687   | —  | —    | 419   | 687   | 1,106 | (196) | ) | 1992 | 09/29/06 | 15 to<br>40<br>years |
| Lincoln,<br>IL          | (a) | 203   | 616   | —  | —    | 203   | 616   | 819   | (283) | ) | 1990 | 09/23/05 | 15 to<br>20<br>years |
| Little<br>Rock, AR      | (c) | 99    | 500   | —  | —    | 99    | 500   | 599   | (32)  | ) | 1970 | 07/17/13 | 8 to 30<br>Years     |
| Little<br>Rock, AR      | (c) | 332   | 432   | —  | —    | 332   | 432   | 764   | (25)  | ) | 1971 | 07/17/13 | 9 to 35<br>Years     |
| Little<br>Rock, AR      | (c) | 263   | 492   | —  | —    | 263   | 492   | 755   | (30)  | ) | 1975 | 07/17/13 | 9 to 35<br>Years     |
| Little<br>Rock, AR      | (a) | 917   | 847   | —  | —    | 917   | 847   | 1,764 | (306) | ) | 2004 | 07/07/05 | 15 to<br>30<br>years |
| Lone Tree,<br>CO        | (a) | 1,717 | 1,117 | —  | —    | 1,717 | 1,117 | 2,834 | (466) | ) | 2000 | 09/25/07 | 13 to<br>38          |

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|                   |     |       |     |   |   |       |     |       |        |      |          |                           |
|-------------------|-----|-------|-----|---|---|-------|-----|-------|--------|------|----------|---------------------------|
| Longview,<br>TX   | (c) | 149   | 552 | — | — | 149   | 552 | 701   | (34 )  | 1985 | 07/17/13 | years<br>9 to 35<br>Years |
| Louisville,<br>KY | (a) | 334   | 251 | — | — | 334   | 251 | 585   | (113 ) | 1991 | 09/24/04 | 15 to<br>20<br>years      |
| Louisville,<br>KY | (a) | 1,010 | 577 | — | — | 1,010 | 577 | 1,587 | (217 ) | 1994 | 11/10/05 | 15 to<br>30<br>years      |
| Louisville,<br>KY | (a) | 854   | 514 | — | — | 854   | 514 | 1,368 | (196 ) | 1994 | 11/10/05 | 15 to<br>30<br>years      |

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| Encumbrances<br>Description<br>(i) | Initial Cost to Company  |                            |                       |                           | Cost Capitalized Subsequent to Acquisition including impairment |                            |                          |                            | Gross Amount at<br>December 31, 2014 (h) |          | Total                | Final<br>Accum |
|------------------------------------|--------------------------|----------------------------|-----------------------|---------------------------|---|----------------------------|--------------------------|----------------------------|--|----------|----------------------|----------------|
|                                    | Land and<br>Improvements | Buildings,<br>Improvements | Improvements/<br>Land | Improvements/<br>building | Land and<br>Improvements  | Buildings,<br>Improvements | Land and<br>Improvements | Buildings,<br>Improvements |  |          |                      |                |
| Lubbock, TX (c)                    | 79                       | 341                        | —                     | —                         | 79  | 341                        | 420                      | (28 )                      | 1986                                     | 07/17/13 | 9 to 27<br>Years     |                |
| Lubbock, TX (c)                    | 325                      | 794                        | —                     | —                         | 325   | 794                        | 1,119                    | (47 )                      | 2004                                     | 07/17/13 | 11 to<br>34<br>Years |                |
| Lubbock, TX (a)                    | 687                      | 856                        | —                     | —                         | 687   | 856                        | 1,543                    | (308 )                     | 2003                                     | 07/07/05 | 15 to<br>30<br>years |                |
| Macon, GA (c)                      | 291                      | 628                        | —                     | —                         | 291   | 628                        | 919                      | (35 )                      | 1983                                     | 07/17/13 | 10 to<br>35<br>Years |                |
| Macon, GA (c)                      | 195                      | 347                        | —                     | —                         | 195   | 347                        | 542                      | (31 )                      | 1976                                     | 07/17/13 | 9 to 25<br>Years     |                |
| Macon, GA (c)                      | 185                      | 553                        | —                     | —                         | 185   | 553                        | 738                      | (37 )                      | 1980                                     | 07/17/13 | 11 to<br>30<br>Years |                |
| Madison, GA (a)                    | 892                      | 739                        | —                     | —                         | 892   | 739                        | 1,631                    | (259 )                     | 1989                                     | 01/12/06 | 15 to<br>40<br>years |                |
| Madisonville,<br>KY (a)            | 1,198                    | 819                        | —                     | —                         | 1,198   | 819                        | 2,017                    | (302 )                     | 1990                                     | 09/24/04 | 15 to<br>30<br>years |                |
| Mansfield,<br>PA (a)               | 225                      | 327                        | —                     | —                         | 225   | 327                        | 552                      | (145 )                     | 1972                                     | 05/25/05 | 15 to<br>20<br>years |                |
| Mansfield,<br>TX (b)               | 760                      | 700                        | —                     | —                         | 760   | 700                        | 1,460                    | (4 )                       | 2002                                     | 11/18/14 | 15 to<br>30<br>Years |                |
| Maple<br>Grove, MN (a)             | 1,852                    | 1,096                      | —                     | —                         | 1,852   | 1,096                      | 2,948                    | (442 )                     | 1997                                     | 09/24/04 | 15 to<br>30<br>years |                |
| Maplewood,<br>MO (a)               | 180                      | 225                        | —                     | —                         | 180   | 225                        | 405                      | (109 )                     | 1980                                     | 05/25/05 | 15 to<br>20<br>years |                |
| Marietta, GA (c)                   | 350                      | 173                        | —                     | —                         | 350   | 173                        | 523                      | (27 )                      | 1976                                     | 07/17/13 | 11 to<br>21<br>Years |                |
| Marion, IN (a)                     | 503                      | 153                        | —                     | —                         | 503   | 153                        | 656                      | (105 )                     | 1990                                     | 09/24/04 | 15 to<br>20<br>years |                |
| Marlin, TX (c)                     | 81                       | 327                        | —                     | —                         | 81  | 327                        | 408                      | (30 )                      | 1985                                     | 07/17/13 | 8 to 25<br>Years     |                |

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|                  |     |     |       |   |   |     |       |       |        |      |          |                |
|------------------|-----|-----|-------|---|---|-----|-------|-------|--------|------|----------|----------------|
| Martinsburg, WV  | (a) | 887 | 992   | — | — | 887 | 992   | 1,879 | (348 ) | 1999 | 12/29/05 | 15 to 30 years |
| Martinsville, IN | (a) | 940 | 1,128 | — | — | 940 | 1,128 | 2,068 | (68 )  | 1986 | 07/17/13 | 4 to 35 Years  |
| Maryville, TN    | (b) | 421 | 380   | — | — | 421 | 380   | 801   | (35 )  | 2007 | 07/17/13 | 4 to 26 Years  |
| Maryville, TN    | (a) | 810 | 306   | — | — | 810 | 306   | 1,116 | (212 ) | 1993 | 11/23/04 | 15 to 20 years |
| Mayfield, KY     | (a) | 316 | 603   | — | — | 316 | 603   | 919   | (239 ) | 1986 | 09/29/06 | 12 to 27 years |
| McAllen, TX      | (c) | 747 | 408   | — | — | 747 | 408   | 1,155 | (24 )  | 1992 | 07/17/13 | 10 to 35 Years |
| McAllen, TX      | (c) | 601 | 539   | — | — | 601 | 539   | 1,140 | (33 )  | 1985 | 07/17/13 | 11 to 35 Years |
| McDonough, GA    | (a) | 179 | 807   | — | — | 179 | 807   | 986   | (34 )  | 1989 | 12/24/13 | 15 to 30 Years |
| McDonough, GA    | (a) | 418 | 847   | — | — | 418 | 847   | 1,265 | (40 )  | 1995 | 12/24/13 | 15 to 30 Years |
| McDonough, GA    | (a) | 938 | 697   | — | — | 938 | 697   | 1,635 | (280 ) | 1985 | 09/24/04 | 15 to 30 years |
| Mebane, NC       | (a) | 846 | 682   | — | — | 846 | 682   | 1,528 | (228 ) | 1993 | 09/29/06 | 15 to 30 years |
| Memphis, TN      | (b) | 208 | 302   | — | — | 208 | 302   | 510   | (27 )  | 2007 | 07/17/13 | 3 to 24 Years  |
| Memphis, TN      | (c) | 103 | 120   | — | — | 103 | 120   | 223   | (20 )  | 1976 | 07/17/13 | 6 to 21 Years  |
| Memphis, TN      | (c) | 128 | 232   | — | — | 128 | 232   | 360   | (25 )  | 1999 | 07/17/13 | 8 to 20 Years  |
| Memphis, TN      | (c) | 156 | 351   | — | — | 156 | 351   | 507   | (31 )  | 1971 | 07/17/13 | 7 to 25 Years  |
| Memphis, TN      | (c) | 288 | 278   | — | — | 288 | 278   | 566   | (37 )  | 1976 | 07/17/13 | 6 to 20 Years  |
| Memphis, TN      | (c) | 206 | 471   | — | — | 206 | 471   | 677   | (37 )  | 1979 | 07/17/13 | 10 to 25 Years |
| Memphis, TN      | (c) | 163 | 295   | — | — | 163 | 295   | 458   | (27 )  | 1979 | 07/17/13 | 10 to 25 Years |
| Memphis, TN      | (c) | 212 | 245   | — | — | 212 | 245   | 457   | (31 )  | 1971 | 07/17/13 | 7 to 25 Years  |
| Memphis, TN      | (c) | 119 | 261   | — | — | 119 | 261   | 380   | (25 )  | 1980 | 07/17/13 | 8 to 20 Years  |

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|                |     |     |     |   |   |     |     |       |     |     |      |          |                      |
|----------------|-----|-----|-----|---|---|-----|-----|-------|-----|-----|------|----------|----------------------|
| Memphis,<br>TN | (c) | 180 | 316 | — | — | 180 | 316 | 496   | (32 | )   | 1971 | 07/17/13 | 7 to 21<br>Years     |
| Memphis,<br>TN | (c) | 264 | 592 | — | — | 264 | 592 | 856   | (37 | )   | 1971 | 07/17/13 | 11 to<br>35<br>Years |
| Memphis,<br>TN | (c) | 426 | 608 | — | — | 426 | 608 | 1,034 | (41 | )   | 1971 | 07/17/13 | 11 to<br>32<br>Years |
| Memphis,<br>TN | (a) | 320 | —   | — | — | 320 | —   | 320   | —   | (g) |      | 10/30/13 | 12 to<br>12<br>Years |

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|------------------------------------|--------------------------|----------------------------|-----------------------|---------------------------|---|----------------------------|--------------------------|----------------------------|--|----------------------------|----------|----------------------|--|
|                                    | Land and<br>Improvements | Buildings,<br>Improvements | Improvements/<br>Land | Improvements/<br>building | Land and<br>Improvements  | Buildings,<br>Improvements | Land and<br>Improvements | Buildings,<br>Improvements | Land and<br>Improvements                 | Buildings,<br>Improvements |          |                      |  |
| Mercedes,<br>TX                    | (c)                      | 535                        | 575                   | —                         | —   | 535                        | 575                      | 1,110                      | (34 )                                    | 1982                       | 07/17/13 | 11 to<br>35<br>Years |  |
| Mesquite,<br>TX                    | (c)                      | 234                        | 459                   | —                         | —   | 234                        | 459                      | 693                        | (37 )                                    | 2001                       | 07/17/13 | 11 to<br>28<br>Years |  |
| Miami, FL                          | (a)                      | 602                        | 14                    | —                         | —   | 602                        | 14                       | 616                        | (144 )                                   | 1978                       | 09/24/04 | 10 to<br>15<br>years |  |
| Miami, FL                          | (a)                      | 596                        | 105                   | —                         | —   | 596                        | 105                      | 701                        | (121 )                                   | 1978                       | 09/24/04 | 10 to<br>15<br>years |  |
| Midland, TX                        | (c)                      | 195                        | 432                   | —                         | —   | 195                        | 432                      | 627                        | (25 )                                    | 1972                       | 07/17/13 | 9 to 35<br>Years     |  |
| Midwest<br>City, OK                | (c)                      | 318                        | 623                   | —                         | —   | 318                        | 623                      | 941                        | (36 )                                    | 1985                       | 07/17/13 | 9 to 35<br>Years     |  |
| Milan, IL                          | (a)                      | 161                        | 533                   | —                         | —   | 161                        | 533                      | 694                        | (66 )                                    | 1997                       | 10/03/11 | 15 to<br>30<br>years |  |
| Mission, TX                        | (c)                      | 577                        | 598                   | —                         | —   | 577                        | 598                      | 1,175                      | (35 )                                    | 1981                       | 07/17/13 | 9 to 35<br>Years     |  |
| Mobile, AL                         | (a)                      | 587                        | 487                   | —                         | —   | 587                        | 487                      | 1,074                      | (216 )                                   | 1985                       | 09/24/04 | 15 to<br>20<br>years |  |
| Moline, IL                         | (a)                      | 424                        | 520                   | —                         | —   | 424                        | 520                      | 944                        | (65 )                                    | 2009                       | 10/03/11 | 15 to<br>40<br>years |  |
| Moncks<br>Corner, SC               | (a)                      | 573                        | 466                   | —                         | —   | 573                        | 466                      | 1,039                      | (262 )                                   | 1998                       | 09/24/04 | 15 to<br>20<br>years |  |
| Monroe, GA                         | (a)                      | 618                        | 787                   | —                         | —   | 618                        | 787                      | 1,405                      | (38 )                                    | 1977                       | 12/24/13 | 15 to<br>30<br>Years |  |
| Montgomery,<br>AL                  | (c)                      | 288                        | 623                   | —                         | —   | 288                        | 623                      | 911                        | (35 )                                    | 1998                       | 07/17/13 | 9 to 35<br>Years     |  |
| Montgomery,<br>AL                  | (c)                      | 177                        | 516                   | —                         | —   | 177                        | 516                      | 693                        | (54 )                                    | 1984                       | 07/17/13 | 9 to 21<br>Years     |  |
| Montgomery,<br>AL                  | (c)                      | 247                        | 376                   | —                         | —   | 247                        | 376                      | 623                        | (40 )                                    | 1999                       | 07/17/13 | 10 to<br>24<br>Years |  |
| Montgomery,<br>AL                  | (c)                      | 455                        | 579                   | —                         | —   | 455                        | 579                      | 1,034                      | (42 )                                    | 1972                       | 07/17/13 | 11 to<br>33<br>Years |  |

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|                    |     |     |       |   |   |     |       |       |        |      |          |                |
|--------------------|-----|-----|-------|---|---|-----|-------|-------|--------|------|----------|----------------|
| Montgomery, AL     | (c) | 313 | 601   | — | — | 313 | 601   | 914   | (55 )  | 1999 | 07/17/13 | Years 10 to 27 |
| Mooreville, IN     | (a) | 560 | 549   | — | — | 560 | 549   | 1,109 | (293 ) | 1998 | 09/23/05 | Years 15 to 20 |
| Morristown, TN     | (a) | 588 | 781   | — | — | 588 | 781   | 1,369 | (239 ) | 1987 | 09/01/05 | years 15 to 30 |
| Morristown, TN     | (a) | 436 | 290   | — | — | 436 | 290   | 726   | (141 ) | 1976 | 09/01/05 | years 15 to 20 |
| Morrow, GA         | (a) | 530 | 568   | — | — | 530 | 568   | 1,098 | (59 )  | 2006 | 02/02/12 | years 15 to 40 |
| Moultrie, GA       | (a) | 359 | 827   | — | — | 359 | 827   | 1,186 | (35 )  | 1997 | 12/24/13 | years 15 to 30 |
| Moultrie, GA       | (a) | 437 | 563   | — | — | 437 | 563   | 1,000 | (49 )  | 2012 | 03/29/13 | Years 15 to 30 |
| Mount Carmel, TN   | (a) | 499 | 536   | — | — | 499 | 536   | 1,035 | (65 )  | 1988 | 12/21/12 | Years 15 to 30 |
| Mount Pleasant, MI | (a) | 485 | 642   | — | — | 485 | 642   | 1,127 | (220 ) | 1997 | 12/29/05 | years 15 to 30 |
| Mount Pleasant, MI | (a) | 657 | 854   | — | — | 657 | 854   | 1,511 | (272 ) | 2010 | 12/29/06 | years 13 to 38 |
| Nappanee, IN       | (a) | 301 | 413   | — | — | 301 | 413   | 714   | (217 ) | 2005 | 12/21/07 | years 15 to 20 |
| Nashville, TN      | (a) | 264 | —     | — | — | 264 | —     | 264   | —      | (g)  | 10/30/13 | years 12 to 12 |
| Nashville, TN      | (a) | 538 | —     | — | — | 538 | —     | 538   | —      | (g)  | 10/30/13 | Years 12 to 12 |
| New Albany, IN     | (a) | 497 | 278   | — | — | 497 | 278   | 775   | (135 ) | 1992 | 09/24/04 | Years 15 to 30 |
| New Braunfels, TX  | (c) | 302 | 526   | — | — | 302 | 526   | 828   | (40 )  | 1973 | 07/17/13 | years 10 to 27 |
| New Castle, PA     | (a) | 573 | 1,042 | — | — | 573 | 1,042 | 1,615 | (92 )  | 1999 | 07/17/13 | Years 7 to 25  |
| New Orleans, LA    | (a) | 312 | 240   | — | — | 312 | 240   | 552   | (116 ) | 1991 | 09/24/04 | Years 15 to 30 |

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|                   |     |       |     |   |   |       |     |       |        |      |          |                |
|-------------------|-----|-------|-----|---|---|-------|-----|-------|--------|------|----------|----------------|
| Niagara Falls, NY | (a) | 1,359 | 551 | — | — | 1,359 | 551 | 1,910 | (217 ) | 1979 | 11/10/05 | 15 to 30 years |
| Nogales, AZ       | (c) | 207   | 448 | — | — | 207   | 448 | 655   | (36 )  | 1976 | 07/17/13 | 11 to 25 Years |

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| Encumbrances<br>Description<br>(i) |     | Initial Cost to Company  |                            |                       |                           | Cost Capitalized Subsequent to Acquisition including impairment |                            |       |       | Gross Amount at<br>December 31, 2014 (h) |          | Total                | Final<br>Accum |
|------------------------------------|-----|--------------------------|----------------------------|-----------------------|---------------------------|---|----------------------------|-------|-------|--|----------|----------------------|----------------|
|                                    |     | Land and<br>Improvements | Buildings,<br>Improvements | Improvements/<br>Land | Improvements/<br>building | Land and<br>Improvements  | Buildings,<br>Improvements |       |       |  |          |                      |                |
| Norfolk,<br>VA                     | (c) | 373                      | 517                        | —                     | —                         | 373   | 517                        | 890   | (54)  | ) 1988                                   | 07/17/13 | 7 to 21<br>Years     |                |
| Norfolk,<br>VA                     | (c) | 354                      | 192                        | —                     | —                         | 354   | 192                        | 546   | (27)  | ) 1988                                   | 07/17/13 | 9 to 20<br>Years     |                |
| Normal, IL                         | (a) | 394                      | 240                        | —                     | —                         | 394   | 240                        | 634   | (61)  | ) 1980                                   | 12/21/12 | 10 to<br>15<br>years |                |
| Normandy,<br>MO                    | (a) | 265                      | 329                        | (6)                   | ) —                       | 259   | 329                        | 588   | (160) | ) 1978                                   | 05/25/05 | 15 to<br>20<br>years |                |
| North<br>Canton, OH                | (a) | 484                      | 497                        | (14)                  | ) —                       | 470   | 497                        | 967   | (241) | ) 1989                                   | 12/29/06 | 20<br>years          |                |
| North Little<br>Rock, AR           | (c) | 128                      | 351                        | —                     | —                         | 128   | 351                        | 479   | (27)  | ) 1999                                   | 07/17/13 | 10 to<br>28<br>Years |                |
| Oak Ridge,<br>TN                   | (a) | 419                      | 634                        | —                     | —                         | 419   | 634                        | 1,053 | (226) | ) 1995                                   | 06/25/04 | 15 to<br>30<br>years |                |
| Oak Ridge,<br>TN                   | (a) | 669                      | 548                        | —                     | —                         | 669   | 548                        | 1,217 | (163) | ) 1976                                   | 09/01/05 | 15 to<br>30<br>years |                |
| Odessa, TX                         | (c) | 597                      | 443                        | —                     | —                         | 597   | 443                        | 1,040 | (30)  | ) 1979                                   | 07/17/13 | 10 to<br>35<br>Years |                |
| Odessa, TX                         | (c) | 670                      | 563                        | —                     | —                         | 670   | 563                        | 1,233 | (35)  | ) 1972                                   | 07/17/13 | 10 to<br>35<br>Years |                |
| Oklahoma<br>City, OK               | (c) | 223                      | 469                        | —                     | —                         | 223   | 469                        | 692   | (46)  | ) 1998                                   | 07/17/13 | 8 to 22<br>Years     |                |
| Oklahoma<br>City, OK               | (c) | 200                      | 428                        | —                     | —                         | 200   | 428                        | 628   | (35)  | ) 1971                                   | 07/17/13 | 9 to 25<br>Years     |                |
| Oklahoma<br>City, OK               | (a) | 541                      | 843                        | (398)                 | ) (614)                   | 143   | 229                        | 372   | (40)  | ) 2007                                   | 07/17/13 | 4 to 33<br>Years     |                |
| Omaha, NE                          | (a) | 476                      | 408                        | —                     | —                         | 476   | 408                        | 884   | (53)  | ) 1994                                   | 10/03/11 | 15 to<br>30<br>years |                |
| Omaha, NE                          | (a) | 539                      | 380                        | —                     | —                         | 539   | 380                        | 919   | (38)  | ) 2006                                   | 10/03/11 | 15 to<br>40<br>years |                |
| Opelousas,<br>LA                   | (a) | 419                      | 659                        | —                     | —                         | 419   | 659                        | 1,078 | (33)  | ) 1981                                   | 10/30/13 | 15 to<br>30          |                |

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|                      |      |       |     |       |    |       |     |       |        |      |          |                               |
|----------------------|------|-------|-----|-------|----|-------|-----|-------|--------|------|----------|-------------------------------|
| Orlando, FL          | (a)  | 1,249 | 729 | —     | —  | 1,249 | 729 | 1,978 | (392 ) | 1985 | 06/25/04 | Years<br>15 to<br>20<br>years |
| Orlando, FL          | (a)  | 642   | 178 | —     | —  | 642   | 178 | 820   | (186 ) | 1967 | 12/30/04 | 15<br>years<br>10 to          |
| Oshkosh,<br>WI       | (a)  | 765   | 829 | (40 ) | —  | 725   | 829 | 1,554 | (434 ) | 1984 | 12/29/05 | 15 to<br>20<br>years          |
| Overland,<br>MO      | (a)  | 278   | 494 | —     | —  | 278   | 494 | 772   | (217 ) | 1972 | 05/25/05 | 15 to<br>20<br>years          |
| Palatine, IL         | (a)  | 772   | 505 | —     | —  | 772   | 505 | 1,277 | (250 ) | 1972 | 09/29/06 | 15 to<br>20<br>years          |
| Parkersburg,<br>WV   | (a)  | 416   | 658 | —     | 75 | 416   | 733 | 1,149 | (368 ) | 1986 | 03/07/07 | 4 to 20<br>years              |
| Parkersburg,<br>WV   | (a)  | 457   | 309 | —     | —  | 457   | 309 | 766   | (82 )  | 1999 | 12/21/12 | 10 to<br>15<br>years          |
| Parma<br>Heights, OH | (a)  | 598   | 535 | —     | —  | 598   | 535 | 1,133 | (162 ) | 2004 | 06/12/08 | 13 to<br>38<br>years          |
| Paxton, IL           | (a)  | 324   | 658 | —     | —  | 324   | 658 | 982   | (359 ) | 1986 | 12/29/05 | 15 to<br>20<br>years          |
| Pearson,<br>GA       | (a)  | 159   | 817 | —     | —  | 159   | 817 | 976   | (35 )  | 1994 | 12/24/13 | 30<br>Years<br>10 to          |
| Pensacola,<br>FL     | (a)  | 860   | 291 | —     | —  | 860   | 291 | 1,151 | (309 ) | 1977 | 07/28/04 | 15<br>years<br>15 to          |
| Peoria, IL           | (a)  | 154   | 320 | —     | —  | 154   | 320 | 474   | (155 ) | 1976 | 05/25/05 | 20<br>years<br>10 to          |
| Peoria, IL           | (a)  | 383   | 270 | —     | —  | 383   | 270 | 653   | (70 )  | 1980 | 12/21/12 | 15<br>years<br>15 to          |
| Peoria, IL           | (a)  | 282   | 435 | —     | —  | 282   | 435 | 717   | (61 )  | 1980 | 12/21/12 | 20<br>years<br>10 to          |
| Pharr, TX            | (c ) | 694   | 441 | —     | —  | 694   | 441 | 1,135 | (37 )  | 1997 | 07/17/13 | 26<br>Years                   |
| Phenix City,<br>AL   | (c ) | 493   | 497 | —     | —  | 493   | 497 | 990   | (26 )  | 1978 | 07/17/13 | 8 to 35<br>Years              |
| Philippi,<br>WV      | (a)  | 405   | 232 | —     | —  | 405   | 232 | 637   | (67 )  | 1986 | 12/21/12 | 10 to<br>15<br>years          |
|                      | (c ) | 523   | 97  | —     | —  | 523   | 97  | 620   | (19 )  | 1976 | 07/17/13 |                               |

|                |     |     |     |   |   |     |     |     |     |   |      |          |    |                  |
|----------------|-----|-----|-----|---|---|-----|-----|-----|-----|---|------|----------|----|------------------|
| Phoenix,<br>AZ |     |     |     |   |   |     |     |     |     |   |      |          |    | 9 to 16<br>Years |
| Phoenix,<br>AZ | (c) | 321 | 276 | — | — | 321 | 276 | 597 | (31 | ) | 1975 | 07/17/13 | 20 | 10 to<br>Years   |

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| Encumbrances<br>Description<br>(i) |     | Initial Cost to Company  |                            |                       | Cost Capitalized Subsequent to Acquisition including impairment |                          |                            | Gross Amount at<br>December 31, 2014 (h) |        | Total | Final<br>Accum |                      |
|------------------------------------|-----|--------------------------|----------------------------|-----------------------|---|--------------------------|----------------------------|--|--------|-------|----------------|----------------------|
|                                    |     | Land and<br>Improvements | Buildings,<br>Improvements | Improvements/<br>Land | Improvements/<br>building                                       | Land and<br>Improvements | Buildings,<br>Improvements | Years                                    | Years  |       |                |                      |
| Phoenix, AZ                        | (c) | 384                      | 528                        | —                     | —   | 384                      | 528                        | 912                                      | (37 )  | 1974  | 07/17/13       | 11 to<br>27<br>Years |
| Phoenix, AZ                        | (c) | 368                      | 267                        | —                     | —   | 368                      | 267                        | 635                                      | (23 )  | 1974  | 07/17/13       | 11 to<br>23<br>Years |
| Phoenix, AZ                        | (c) | 415                      | 403                        | —                     | —   | 415                      | 403                        | 818                                      | (29 )  | 1975  | 07/17/13       | 8 to 27<br>Years     |
| Phoenix, AZ                        | (c) | 599                      | 412                        | —                     | —   | 599                      | 412                        | 1,011                                    | (28 )  | 1980  | 07/17/13       | 10 to<br>35<br>Years |
| Phoenix, AZ                        | (c) | 400                      | 120                        | —                     | —   | 400                      | 120                        | 520                                      | (21 )  | 1977  | 07/17/13       | 11 to<br>13<br>Years |
| Pine Bluff,<br>AR                  | (c) | 854                      | 431                        | —                     | —   | 854                      | 431                        | 1,285                                    | (24 )  | 1971  | 07/17/13       | 7 to 35<br>Years     |
| Pineville, LA                      | (a) | 558                      | 1,044                      | —                     | —   | 558                      | 1,044                      | 1,602                                    | (354 ) | 1996  | 06/25/04       | 11 to<br>30<br>years |
| Pleasanton,<br>TX                  | (c) | 230                      | 1,052                      | —                     | —   | 230                      | 1,052                      | 1,282                                    | (57 )  | 1985  | 07/17/13       | 11 to<br>35<br>Years |
| Ponca City,<br>OK                  | (b) | 93                       | 249                        | —                     | —   | 93                       | 249                        | 342                                      | (22 )  | 2007  | 07/17/13       | 4 to 28<br>Years     |
| Port Allen,<br>LA                  | (a) | 521                      | 575                        | —                     | —   | 521                      | 575                        | 1,096                                    | (245 ) | 1997  | 09/24/04       | 15 to<br>30<br>years |
| Port Isabel,<br>TX                 | (c) | 348                      | 672                        | —                     | —   | 348                      | 672                        | 1,020                                    | (42 )  | 2004  | 07/17/13       | 11 to<br>31<br>Years |
| Port Lavaca,<br>TX                 | (c) | 339                      | 594                        | —                     | —   | 339                      | 594                        | 933                                      | (40 )  | 1985  | 07/17/13       | 11 to<br>28<br>Years |
| Portales, NM                       | (a) | 388                      | 1,012                      | —                     | —   | 388                      | 1,012                      | 1,400                                    | (31 )  | 1993  | 04/16/14       | 15 to<br>30<br>Years |
| Portsmouth,<br>VA                  | (c) | 574                      | 419                        | —                     | —   | 574                      | 419                        | 993                                      | (39 )  | 1988  | 07/17/13       | 10 to<br>25<br>Years |
| Powell, TN                         | (b) | 411                      | 353                        | —                     | —   | 411                      | 353                        | 764                                      | (34 )  | 2007  | 07/17/13       | 4 to 26<br>Years     |
| Princeton, IN                      | (a) | 340                      | 906                        | —                     | —   | 340                      | 906                        | 1,246                                    | (109 ) | 1992  | 07/17/13       |                      |

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|                    |     |       |       |    |       |       |       |       |        |      |          |  |
|--------------------|-----|-------|-------|----|-------|-------|-------|-------|--------|------|----------|--|
| Pulaski, VA        | (a) | 444   | 236   | —  | —     | 444   | 236   | 680   | (232 ) | 1994 | 11/23/04 | 7 to 15<br>Years<br>15 to<br>20<br>years |
| Quincy, FL         | (a) | 1,015 | 416   | —  | —     | 1,015 | 416   | 1,431 | (336 ) | 1989 | 09/24/04 | 15 to<br>20<br>years                     |
| Quitman, GA        | (a) | 259   | 936   | —  | —     | 259   | 936   | 1,195 | (39 )  | 1985 | 12/24/13 | 15 to<br>30<br>Years                     |
| Radford, VA        | (a) | 499   | 248   | —  | —     | 499   | 248   | 747   | (273 ) | 1995 | 11/23/04 | 15 to<br>20<br>years                     |
| Raleigh, NC        | (a) | 639   | 320   | —  | —     | 639   | 320   | 959   | (30 )  | 2008 | 09/17/13 | 15 to<br>30<br>Years                     |
| Raymondville, TX   | (c) | 660   | 455   | —  | —     | 660   | 455   | 1,115 | (33 )  | 1984 | 07/17/13 | 9 to 35<br>Years                         |
| Red Bank, TN       | (a) | 610   | 557   | —  | —     | 610   | 557   | 1,167 | (275 ) | 1997 | 06/25/04 | 15 to<br>30<br>years                     |
| Richland Hills, TX | (c) | 229   | 199   | —  | —     | 229   | 199   | 428   | (20 )  | 1999 | 07/17/13 | 10 to<br>25<br>Years                     |
| Rio Grand City, TX | (c) | 1,746 | 554   | —  | —     | 1,746 | 554   | 2,300 | (33 )  | 1984 | 07/17/13 | 12 to<br>35<br>Years                     |
| Robinson, IL       | (a) | 250   | 1,021 | —  | —     | 250   | 1,021 | 1,271 | (65 )  | 1994 | 07/17/13 | 7 to 33<br>Years                         |
| Rochester, MN      | (a) | 561   | 83    | 66 | (83 ) | 627   | —     | 627   | —      | 1996 | 09/23/05 | 20 to<br>20<br>years                     |
| Rock Hill, SC      | (a) | 373   | 722   | —  | —     | 373   | 722   | 1,095 | (326 ) | 1978 | 12/29/05 | 15 to<br>20<br>years                     |
| Rock Island, IL    | (a) | 195   | 531   | —  | —     | 195   | 531   | 726   | (71 )  | 1994 | 10/03/11 | 15 to<br>30<br>years                     |
| Rockwell, NC       | (a) | 385   | 385   | —  | —     | 385   | 385   | 770   | (34 )  | 2006 | 09/17/13 | 15 to<br>30<br>Years                     |
| Rogers, AR         | (b) | 334   | 884   | —  | —     | 334   | 884   | 1,218 | (9 )   | 2005 | 09/30/14 | 15 to<br>30<br>Years                     |
| Rogersville, TN    | (a) | 384   | 964   | —  | —     | 384   | 964   | 1,348 | (91 )  | 1986 | 12/21/12 | 15 to<br>30<br>years                     |
| Rolesville, NC     | (a) | 526   | 320   | —  | —     | 526   | 320   | 846   | (28 )  | 2007 | 09/17/13 | 15 to<br>30<br>Years                     |



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|                   |      |     |     |   |   |     |     |       |        |      |          |                      |
|-------------------|------|-----|-----|---|---|-----|-----|-------|--------|------|----------|----------------------|
| Rolla, MO         | (a)  | 229 | 857 | — | — | 229 | 857 | 1,086 | (37 )  | 1978 | 12/24/13 | 15 to<br>30<br>Years |
| Roma, TX          | (c ) | 478 | 855 | — | — | 478 | 855 | 1,333 | (51 )  | 1985 | 07/17/13 | 11 to<br>35<br>Years |
| Romeoville,<br>IL | (a)  | 789 | 713 | — | — | 789 | 713 | 1,502 | (319 ) | 1999 | 09/23/05 | 15 to<br>20<br>years |
| Roswell, GA       | (a)  | 513 | 559 | — | — | 513 | 559 | 1,072 | (55 )  | 2006 | 02/02/12 | 15 to<br>40<br>years |
| Roswell, NM       | (c ) | 343 | 321 | — | — | 343 | 321 | 664   | (40 )  | 1974 | 07/17/13 | 11 to<br>23<br>Years |

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| Encumbrances<br>Description<br>(i) | Initial Cost to Company  |                            |                       | Cost Capitalized Subsequent to Acquisition including impairment |                          |                            | Gross Amount at<br>December 31, 2014 (h) |       | Land and<br>Improvements | Buildings,<br>Improvements | Total    | Final<br>Accum       |
|------------------------------------|--------------------------|----------------------------|-----------------------|---|--------------------------|----------------------------|--|-------|--------------------------|----------------------------|----------|----------------------|
|                                    | Land and<br>Improvements | Buildings,<br>Improvements | Improvements/<br>Land | Improvements/<br>building                                       | Land and<br>Improvements | Buildings,<br>Improvements |  |       |                          |                            |          |                      |
| Saint Ann,<br>MO                   | (a)                      | 588                        | 613                   | —   | —                        | 588                        | 613                                      | 1,201 | (335 )                   | 1985                       | 09/23/05 | 15 to<br>20<br>years |
| Saint Cloud,<br>FL                 | (a)                      | 1,193                      | 557                   | —   | —                        | 1,193                      | 557                                      | 1,750 | (281 )                   | 1983                       | 06/25/04 | 15 to<br>20<br>years |
| Salisbury,<br>NC                   | (a)                      | 357                        | 338                   | —   | —                        | 357                        | 338                                      | 695   | (23 )                    | 2002                       | 09/17/13 | 15 to<br>30<br>Years |
| San Antonio,<br>TX                 | (c)                      | 205                        | 1,042                 | —   | —                        | 205                        | 1,042                                    | 1,247 | (85 )                    | 1976                       | 07/17/13 | 10 to<br>21<br>Years |
| San Antonio,<br>TX                 | (c)                      | 685                        | 257                   | —   | —                        | 685                        | 257                                      | 942   | (18 )                    | 1976                       | 07/17/13 | 9 to 35<br>Years     |
| San Antonio,<br>TX                 | (c)                      | 592                        | 336                   | —   | —                        | 592                        | 336                                      | 928   | (23 )                    | 1968                       | 07/17/13 | 9 to 35<br>Years     |
| San Antonio,<br>TX                 | (c)                      | 119                        | 353                   | —   | —                        | 119                        | 353                                      | 472   | (23 )                    | 1970                       | 07/17/13 | 10 to<br>30<br>Years |
| San Antonio,<br>TX                 | (c)                      | 79                         | 347                   | —   | —                        | 79                         | 347                                      | 426   | (20 )                    | 1977                       | 07/17/13 | 9 to 33<br>Years     |
| San Antonio,<br>TX                 | (c)                      | 395                        | 414                   | —   | —                        | 395                        | 414                                      | 809   | (36 )                    | 1984                       | 07/17/13 | 11 to<br>25<br>Years |
| San Antonio,<br>TX                 | (c)                      | 144                        | 538                   | —   | —                        | 144                        | 538                                      | 682   | (47 )                    | 1984                       | 07/17/13 | 8 to 20<br>Years     |
| San Antonio,<br>TX                 | (c)                      | 544                        | 521                   | —   | —                        | 544                        | 521                                      | 1,065 | (32 )                    | 1967                       | 07/17/13 | 11 to<br>33<br>Years |
| San Antonio,<br>TX                 | (c)                      | 375                        | 282                   | —   | —                        | 375                        | 282                                      | 657   | (30 )                    | 1965                       | 07/17/13 | 9 to 21<br>Years     |
| San Antonio,<br>TX                 | (c)                      | 373                        | 170                   | —   | —                        | 373                        | 170                                      | 543   | (20 )                    | 1993                       | 07/17/13 | 9 to 21<br>Years     |
| San Antonio,<br>TX                 | (c)                      | 331                        | 449                   | —   | —                        | 331                        | 449                                      | 780   | (36 )                    | 1983                       | 07/17/13 | 10 to<br>25<br>Years |
| San Antonio,<br>TX                 | (c)                      | 283                        | 573                   | —   | —                        | 283                        | 573                                      | 856   | (44 )                    | 1971                       | 07/17/13 | 11 to<br>33<br>Years |
| San Antonio,<br>TX                 | (c)                      | 369                        | 226                   | —   | —                        | 369                        | 226                                      | 595   | (20 )                    | 1986                       | 07/17/13 | 10 to<br>25<br>Years |

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|                      |     |       |       |        |       |       |       |       |        |      |          |                |
|----------------------|-----|-------|-------|--------|-------|-------|-------|-------|--------|------|----------|----------------|
| San Antonio, TX      | (c) | 397   | 700   | —      | —     | 397   | 700   | 1,097 | (41 )  | 1984 | 07/17/13 | 11 to 35 Years |
| San Antonio, TX      | (c) | 403   | 61    | —      | —     | 403   | 61    | 464   | (54 )  | 1971 | 07/17/13 | 9 to 21 Years  |
| San Antonio, TX      | (c) | 279   | 261   | —      | —     | 279   | 261   | 540   | (23 )  | 1976 | 07/17/13 | 11 to 32 Years |
| San Antonio, TX      | (c) | 466   | 270   | —      | —     | 466   | 270   | 736   | (34 )  | 1970 | 07/17/13 | 10 to 21 Years |
| San Antonio, TX      | (a) | 517   | 373   | —      | —     | 517   | 373   | 890   | (157 ) | 2002 | 09/25/06 | 15 to 30 years |
| San Antonio, TX      | (a) | 349   | 429   | —      | —     | 349   | 429   | 778   | (206 ) | 1983 | 09/25/06 | 15 to 20 years |
| San Antonio, TX      | (a) | 428   | 339   | —      | —     | 428   | 339   | 767   | (146 ) | 2001 | 09/25/06 | 15 to 30 years |
| San Antonio, TX      | (a) | 539   | 300   | —      | —     | 539   | 300   | 839   | (157 ) | 2001 | 09/25/06 | 15 to 30 years |
| San Benito, TX       | (c) | 1,641 | 688   | —      | —     | 1,641 | 688   | 2,329 | (36 )  | 1977 | 07/17/13 | 9 to 35 Years  |
| Sandusky, OH         | (a) | 922   | 406   | (314 ) | (89 ) | 608   | 317   | 925   | (100 ) | 1987 | 06/12/08 | 14 to 29 years |
| Sedalia, MO          | (b) | 283   | 641   | —      | —     | 283   | 641   | 924   | (35 )  | 2006 | 07/17/13 | 3 to 48 Years  |
| Sedalia, MO          | (a) | 751   | 662   | —      | —     | 751   | 662   | 1,413 | (277 ) | 1983 | 12/29/06 | 15 to 30 years |
| Seven Hills, OH      | (a) | 496   | 488   | —      | —     | 496   | 488   | 984   | (161 ) | 1977 | 06/12/08 | 13 to 28 years |
| Seymour, TN          | (a) | 365   | 440   | —      | —     | 365   | 440   | 805   | (36 )  | 2007 | 07/17/13 | 6 to 27 Years  |
| Shawnee, OK          | (b) | 130   | 1,182 | —      | —     | 130   | 1,182 | 1,312 | (67 )  | 2006 | 07/17/13 | 3 to 32 Years  |
| Siler City, NC       | (a) | 686   | 385   | —      | —     | 686   | 385   | 1,071 | (38 )  | 2005 | 09/17/13 | 15 to 30 Years |
| So. Parkersburg, WV  | (a) | 383   | 404   | —      | —     | 383   | 404   | 787   | (55 )  | 1986 | 12/21/12 | 15 to 20 years |
| South Charleston, WV | (a) | 524   | 541   | —      | —     | 524   | 541   | 1,065 | (67 )  | 1993 | 12/21/12 | 15 to 20 years |
| South Hill, NC       | (a) | 564   | 320   | —      | —     | 564   | 320   | 884   | (31 )  | 2007 | 09/17/13 | 15 to 30       |

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|                    |     |       |       |   |   |       |       |       |        |      |          |                      |
|--------------------|-----|-------|-------|---|---|-------|-------|-------|--------|------|----------|----------------------|
| Spencer, IN        | (a) | 136   | 1,040 | — | — | 136   | 1,040 | 1,176 | (77 )  | 1999 | 07/17/13 | Years<br>8 to 22     |
| Springfield,<br>IL | (a) | 1,072 | 642   | — | — | 1,072 | 642   | 1,714 | (383 ) | 1988 | 09/23/05 | Years<br>15 to<br>20 |
| Springfield,<br>IL | (a) | 571   | 630   | — | — | 571   | 630   | 1,201 | (252 ) | 1997 | 09/23/05 | years<br>15 to<br>30 |

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| Encumbrances<br>Description<br>(i) | Initial Cost to Company  |                            |                       |                           | Cost Capitalized Subsequent to Acquisition including impairment |                            |                          |                            | Gross Amount at<br>December 31, 2014 (h) |                            | Total    | Final<br>Accum |                  |
|------------------------------------|--------------------------|----------------------------|-----------------------|---------------------------|---|----------------------------|--------------------------|----------------------------|--|----------------------------|----------|----------------|------------------|
|                                    | Land and<br>Improvements | Buildings,<br>Improvements | Improvements/<br>Land | Improvements/<br>building | Land and<br>Improvements  | Buildings,<br>Improvements | Land and<br>Improvements | Buildings,<br>Improvements | Land and<br>Improvements                 | Buildings,<br>Improvements |          |                |                  |
| Springfield,<br>MO                 | (a)                      | 439                        | 719                   | —                         | —   | 439                        | 719                      | 1,158                      | (264 )                                   | 2004                       | 12/29/06 | 40             | 15 to<br>years   |
| Springville,<br>NY                 | (a)                      | 678                        | 586                   | —                         | —   | 678                        | 586                      | 1,264                      | (206 )                                   | 1988                       | 11/10/05 | 30             | 15 to<br>years   |
| St. Louis,<br>MO                   | (a)                      | 290                        | 211                   | —                         | —   | 290                        | 211                      | 501                        | (120 )                                   | 1973                       | 05/25/05 | 20             | 15 to<br>years   |
| St. Louis,<br>MO                   | (a)                      | 231                        | 337                   | —                         | —   | 231                        | 337                      | 568                        | (154 )                                   | 1972                       | 05/25/05 | 20             | 15 to<br>years   |
| St. Louis,<br>MO                   | (a)                      | 189                        | 227                   | —                         | —   | 189                        | 227                      | 416                        | (114 )                                   | 1972                       | 05/25/05 | 20             | 15 to<br>years   |
| St. Louis,<br>MO                   | (a)                      | 464                        | 218                   | —                         | —   | 464                        | 218                      | 682                        | (137 )                                   | 1978                       | 05/25/05 | 20             | 15 to<br>years   |
| St. Louis,<br>MO                   | (a)                      | 503                        | 651                   | —                         | —   | 503                        | 651                      | 1,154                      | (304 )                                   | 1976                       | 09/24/04 | 20             | 15 to<br>years   |
| St. Louis,<br>MO                   | (a)                      | 828                        | 351                   | —                         | —   | 828                        | 351                      | 1,179                      | (236 )                                   | 1986                       | 09/24/04 | 20             | 15 to<br>years   |
| Statesboro,<br>GA                  | (a)                      | 779                        | 777                   | —                         | —   | 779                        | 777                      | 1,556                      | (323 )                                   | 1985                       | 09/24/04 | 20             | 15 to<br>years   |
| Sterling<br>Heights, MI            | (a)                      | 866                        | 960                   | —                         | —   | 866                        | 960                      | 1,826                      | (320 )                                   | 2000                       | 12/29/05 | 30             | 15 to<br>years   |
| Stillwater,<br>MN                  | (a)                      | 1,051                      | 1,051                 | —                         | —   | 1,051                      | 1,051                    | 2,102                      | (463 )                                   | 1998                       | 09/24/04 | 30             | 15 to<br>years   |
| Stillwater,<br>OK                  | (b)                      | 218                        | 1,262                 | —                         | —   | 218                        | 1,262                    | 1,480                      | (66 )                                    | 2007                       | 07/17/13 | 4              | 4 to 32<br>Years |
| Stockbridge,<br>GA                 | (a)                      | 388                        | 353                   | —                         | —   | 388                        | 353                      | 741                        | (43 )                                    | 2001                       | 02/02/12 | 30             | 15 to<br>years   |
| Stone<br>Mountain,<br>GA           | (a)                      | 379                        | 487                   | —                         | —   | 379                        | 487                      | 866                        | (56 )                                    | 1986                       | 02/02/12 | 30             | 15 to<br>years   |
|                                    | (a)                      | 771                        | 372                   | —                         | —   | 771                        | 372                      | 1,143                      | (187 )                                   | 1986                       | 12/29/06 |                |                  |

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|                    |     |     |       |   |   |     |       |       |        |      |          |  |                      |
|--------------------|-----|-----|-------|---|---|-----|-------|-------|--------|------|----------|--|----------------------|
| Sun City,<br>AZ    |     |     |       |   |   |     |       |       |        |      |          |  | 15 to<br>20<br>years |
| Sweetwater,<br>TN  | (a) | 602 | 550   | — | — | 602 | 550   | 1,152 | (192 ) | 1999 | 12/29/06 |  | 40<br>years          |
| Talladega,<br>AL   | (c) | 247 | 245   | — | — | 247 | 245   | 492   | (38 )  | 1998 | 07/17/13 |  | 11 to<br>21<br>Years |
| Tempe, AZ          | (a) | 480 | 361   | — | — | 480 | 361   | 841   | (150 ) | 2003 | 09/25/06 |  | 15 to<br>30<br>years |
| Temple, TX         | (c) | 705 | 493   | — | — | 705 | 493   | 1,198 | (28 )  | 1983 | 07/17/13 |  | 10 to<br>35<br>Years |
| Texarkana,<br>TX   | (a) | 265 | 747   | — | — | 265 | 747   | 1,012 | (38 )  | 2013 | 11/04/13 |  | 14 to<br>30<br>Years |
| The Village,<br>OK | (c) | 211 | 650   | — | — | 211 | 650   | 861   | (35 )  | 1978 | 07/17/13 |  | 9 to 35<br>Years     |
| Thomasville,<br>GA | (a) | 408 | 837   | — | — | 408 | 837   | 1,245 | (36 )  | 1990 | 12/24/13 |  | 15 to<br>30<br>Years |
| Tipp City,<br>OH   | (a) | 789 | 332   | — | — | 789 | 332   | 1,121 | (198 ) | 1991 | 12/29/06 |  | 15 to<br>20<br>years |
| Tooele, UT         | (a) | 552 | 624   | — | — | 552 | 624   | 1,176 | (339 ) | 1988 | 09/24/04 |  | 15 to<br>20<br>years |
| Trenton,<br>MO     | (a) | 309 | 1,175 | — | — | 309 | 1,175 | 1,484 | (49 )  | 1976 | 12/24/13 |  | 15 to<br>30<br>Years |
| Tucson, AZ         | (c) | 262 | 193   | — | — | 262 | 193   | 455   | (25 )  | 1983 | 07/17/13 |  | 11 to<br>23<br>Years |
| Tucson, AZ         | (c) | 191 | 552   | — | — | 191 | 552   | 743   | (30 )  | 1981 | 07/17/13 |  | 11 to<br>35<br>Years |
| Tucson, AZ         | (c) | 349 | 479   | — | — | 349 | 479   | 828   | (30 )  | 1976 | 07/17/13 |  | 11 to<br>35<br>Years |
| Tucson, AZ         | (c) | 221 | 434   | — | — | 221 | 434   | 655   | (30 )  | 1980 | 07/17/13 |  | 11 to<br>27<br>Years |
| Tulsa, OK          | (c) | 767 | 466   | — | — | 767 | 466   | 1,233 | (31 )  | 1976 | 07/17/13 |  | 8 to 35<br>Years     |
| Tulsa, OK          | (c) | 315 | 717   | — | — | 315 | 717   | 1,032 | (40 )  | 1976 | 07/17/13 |  | 10 to<br>35<br>Years |
| Tyler, TX          | (c) | 227 | 527   | — | — | 227 | 527   | 754   | (30 )  | 1976 | 07/17/13 |  | 11 to<br>35          |

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|                    |     |     |       |   |   |     |       |       |      |   |      |          |                |
|--------------------|-----|-----|-------|---|---|-----|-------|-------|------|---|------|----------|----------------|
| Universal City, TX | (c) | 408 | 369   | — | — | 408 | 369   | 777   | (35) | ) | 1989 | 07/17/13 | Years 9 to 25  |
| Vicksburg, MS      | (c) | 278 | 333   | — | — | 278 | 333   | 611   | (32) | ) | 1972 | 07/17/13 | Years 11 to 25 |
| Victoria, TX       | (c) | 129 | 490   | — | — | 129 | 490   | 619   | (36) | ) | 1985 | 07/17/13 | Years 11 to 28 |
| Victoria, TX       | (c) | 367 | 182   | — | — | 367 | 182   | 549   | (20) | ) | 1984 | 07/17/13 | Years 11 to 22 |
| Vincennes, IN      | (a) | 389 | 1,425 | — | — | 389 | 1,425 | 1,814 | (86) | ) | 2000 | 07/17/13 | Years 8 to 30  |
| Waco, TX           | (c) | 365 | 542   | — | — | 365 | 542   | 907   | (28) | ) | 1969 | 07/17/13 | Years 10 to 35 |

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| Encumbrances<br>Description<br>(i) | Initial Cost to Company  |                            |                       |                           | Cost Capitalized Subsequent to Acquisition including impairment |                            |                          |                            | Gross Amount at<br>December 31, 2014 (h) |                            | Total    | Final<br>Accum    |
|------------------------------------|--------------------------|----------------------------|-----------------------|---------------------------|---|----------------------------|--------------------------|----------------------------|--|----------------------------|----------|-------------------|
|                                    | Land and<br>Improvements | Buildings,<br>Improvements | Improvements/<br>Land | Improvements/<br>building | Land and<br>Improvements  | Buildings,<br>Improvements | Land and<br>Improvements | Buildings,<br>Improvements | Land and<br>Improvements                 | Buildings,<br>Improvements |          |                   |
| Warner Robins, GA                  | (a)                      | 229                        | 887                   | —                         | —   | 229                        | 887                      | 1,116                      | (40 )                                    | 1978                       | 12/24/13 | 15 to 30<br>Years |
| Warren, MI                         | (a)                      | 488                        | 215                   | —                         | —   | 488                        | 215                      | 703                        | (115 )                                   | 1979                       | 05/25/05 | 15 to 20<br>years |
| Washington Park, IL                | (a)                      | 119                        | 324                   | —                         | —   | 119                        | 324                      | 443                        | (148 )                                   | 1980                       | 05/25/05 | 15 to 20<br>years |
| Washington, IL                     | (a)                      | 264                        | 460                   | —                         | —   | 264                        | 460                      | 724                        | (64 )                                    | 1980                       | 12/21/12 | 15 to 20<br>years |
| Washington, IN                     | (a)                      | 272                        | 949                   | —                         | —   | 272                        | 949                      | 1,221                      | (63 )                                    | 1995                       | 07/17/13 | 8 to 33<br>Years  |
| Watertown, WI                      | (a)                      | 267                        | 338                   | —                         | —   | 267                        | 338                      | 605                        | (137 )                                   | 1986                       | 12/21/07 | 13 to 18<br>years |
| Waynesburg, PA                     | (a)                      | 323                        | 918                   | —                         | —   | 323                        | 918                      | 1,241                      | (88 )                                    | 1982                       | 12/21/12 | 15 to 30<br>years |
| Weslaco, TX                        | (c)                      | 860                        | 513                   | —                         | —   | 860                        | 513                      | 1,373                      | (30 )                                    | 1990                       | 07/17/13 | 11 to 35<br>Years |
| Weslaco, TX                        | (c)                      | 291                        | 786                   | —                         | —   | 291                        | 786                      | 1,077                      | (55 )                                    | 1970                       | 07/17/13 | 11 to 25<br>Years |
| Westchester, IL                    | (a)                      | 765                        | 437                   | —                         | —   | 765                        | 437                      | 1,202                      | (189 )                                   | 1986                       | 09/29/06 | 15 to 20<br>years |
| Weston, WV                         | (a)                      | 158                        | 695                   | —                         | —   | 158                        | 695                      | 853                        | (59 )                                    | 1981                       | 12/21/12 | 15 to 30<br>years |
| Williamsport, PA                   | (b)                      | 864                        | 979                   | —                         | —   | 864                        | 979                      | 1,843                      | (3 )                                     | 1966                       | 11/18/14 | 15 to 30<br>Years |
| Winchester, TN                     | (a)                      | 400                        | 291                   | —                         | —   | 400                        | 291                      | 691                        | (145 )                                   | 1993                       | 12/29/06 | 15 to 20<br>years |
| Winter Springs, FL                 | (a)                      | 523                        | 446                   | —                         | —   | 523                        | 446                      | 969                        | (245 )                                   | 1988                       | 12/30/04 | 15 to 20<br>years |
|                                    | (a)                      | 446                        | 172                   | —                         | —   | 446                        | 172                      | 618                        | (166 )                                   | 1995                       | 11/23/04 |                   |



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|                          |        |        |    |   |        |        |        |          |      |            |  |                      |
|--------------------------|--------|--------|----|---|--------|--------|--------|----------|------|------------|--|----------------------|
| Wytheville,<br>VA        |        |        |    |   |        |        |        |          |      |            |  | 15 to<br>20<br>years |
| Zebulon, NC (a)          | 780    | 395    | —  | — | 780    | 395    | 1,175  | (35 )    | 2006 | 09/17/13   |  | 15 to<br>30<br>Years |
| Drug Stores / Pharmacies |        |        |    |   |        |        |        |          |      |            |  |                      |
| Akron, OH (b)            | 401    | 3,153  | 67 | — | 468    | 3,153  | 3,621  | (152 )   | 1994 | 7/17/2013  |  | 1 to 37<br>Years     |
| Albany, GA (c)           | 961    | 3,314  | —  | — | 961    | 3,314  | 4,275  | (142 )   | 2008 | 7/17/2013  |  | 12 to<br>43<br>Years |
| Alliance,<br>OH (b)      | 556    | 1,317  | —  | — | 556    | 1,317  | 1,873  | (114 )   | 1996 | 7/17/2013  |  | 3 to 31<br>Years     |
| Alpharetta,<br>GA (c)    | 968    | 2,614  | —  | — | 968    | 2,614  | 3,582  | (124 )   | 1998 | 7/17/2013  |  | 5 to 40<br>Years     |
| Antioch,<br>TN 4,425     | 1,985  | 4,351  | —  | — | 1,985  | 4,351  | 6,336  | (179 )   | 2002 | 7/17/2013  |  | 14 to<br>43<br>Years |
| Atlanta, GA (c)          | 1,316  | 2,266  | —  | — | 1,316  | 2,266  | 3,582  | (115 )   | 2006 | 7/17/2013  |  | 14 to<br>42<br>Years |
| Austin, MN 3,531         | 485    | 3,606  | —  | — | 485    | 3,606  | 4,091  | (153 )   | 2002 | 7/17/2013  |  | 11 to<br>42<br>Years |
| Azle, TX (c)             | 1,213  | 3,504  | —  | — | 1,213  | 3,504  | 4,717  | (141 )   | 2008 | 7/17/2013  |  | 15 to<br>43<br>Years |
| Batesville,<br>MS (c)    | 421    | 3,932  | —  | — | 421    | 3,932  | 4,353  | (154 )   | 2007 | 7/17/2013  |  | 10 to<br>42<br>Years |
| Bath, NY (c)             | 658    | 3,123  | —  | — | 658    | 3,123  | 3,781  | (131 )   | 2008 | 7/17/2013  |  | 12 to<br>43<br>Years |
| Beverly<br>Hills, TX (d) | 1,142  | 2,559  | —  | — | 1,142  | 2,559  | 3,701  | (128 )   | 2007 | 7/17/2013  |  | 5 to 40<br>Years     |
| Brainerd,<br>MN 2,814    | 543    | 4,411  | —  | — | 543    | 4,411  | 4,954  | (194 )   | 2000 | 7/17/2013  |  | 7 to 42<br>Years     |
| Brentwood,<br>TN 2,700   | 2,933  | 2,584  | —  | — | 2,933  | 2,584  | 5,517  | (210 )   | 2006 | 7/17/2013  |  | 11 to<br>38<br>Years |
| Bridgetown,<br>OH 3,043  | 1,015  | 3,769  | —  | — | 1,015  | 3,769  | 4,784  | (161 )   | 1998 | 7/17/2013  |  | 5 to 43<br>Years     |
| Broadview,<br>IL 31,500  | 12,393 | 32,192 | —  | — | 12,393 | 32,192 | 44,585 | (2,570 ) | 1994 | 7/17/2013  |  | 2 to 30<br>Years     |
| Bryan, TX 4,111          | 1,049  | 5,633  | —  | — | 1,049  | 5,633  | 6,682  | (226 )   | 2001 | 7/17/2013  |  | 6 to 40<br>Years     |
| Buffalo,<br>NY (a)       | 681    | 925    | —  | — | 681    | 925    | 1,606  | (205 )   | 1993 | 12/15/2004 |  | 20 to<br>40<br>years |

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|---------------------|-------|-----|-------|---|---|-----|-------|-------|--------|------|-----------|----------------------|
| Canton, IL          | 4,429 | 703 | 4,098 | — | — | 703 | 4,098 | 4,801 | (172 ) | 2006 | 7/17/2013 | 12 to<br>43<br>Years |
| Carrolton,<br>TX    | (b)   | 945 | 1,967 | — | — | 945 | 1,967 | 2,912 | (92 )  | 1995 | 7/17/2013 | 1 to 39<br>Years     |
| Chino<br>Valley, AZ | (c)   | 663 | 3,871 | — | — | 663 | 3,871 | 4,534 | (168 ) | 2007 | 7/17/2013 | 10 to<br>42<br>Years |

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| Encumbrances<br>Description<br>(i) | Initial Cost to Company  |                            |                       |                           | Cost Capitalized Subsequent to Acquisition including impairment |                            |                          |                            | Gross Amount at<br>December 31, 2014 (h) |                            | Total     | Final<br>Accum       |
|------------------------------------|--------------------------|----------------------------|-----------------------|---------------------------|---|----------------------------|--------------------------|----------------------------|--|----------------------------|-----------|----------------------|
|                                    | Land and<br>Improvements | Buildings,<br>Improvements | Improvements/<br>Land | Improvements/<br>building | Land and<br>Improvements  | Buildings,<br>Improvements | Land and<br>Improvements | Buildings,<br>Improvements | Land and<br>Improvements                 | Buildings,<br>Improvements |           |                      |
| Cincinnati, OH                     | 3,341                    | 1,213                      | 4,438                 | —                         | —   | 1,213                      | 4,438                    | 5,651                      | (198 )                                   | 2000                       | 7/17/2013 | 6 to 42<br>Years     |
| Cincinnati, OH (c )                |                          | 1,527                      | 4,307                 | —                         | —   | 1,527                      | 4,307                    | 5,834                      | (183 )                                   | 2000                       | 7/17/2013 | 7 to 42<br>Years     |
| Cleveland, OH (d)                  |                          | 776                        | 1,158                 | —                         | —   | 776                        | 1,158                    | 1,934                      | (77 )                                    | 1997                       | 7/17/2013 | 5 to 30<br>Years     |
| Clinton, NY                        | 1,983                    | 1,050                      | 2,090                 | —                         | —   | 1,050                      | 2,090                    | 3,140                      | (112 )                                   | 2006                       | 7/17/2013 | 11 to<br>42<br>Years |
| Collierville,<br>TN                | 14,200                   | 2,217                      | 14,205                | —                         | —   | 2,217                      | 14,205                   | 16,422                     | (691 )                                   | 2000                       | 7/17/2013 | 5 to 45<br>Years     |
| Columbia, MO (c )                  |                          | 1,047                      | 5,242                 | —                         | —   | 1,047                      | 5,242                    | 6,289                      | (193 )                                   | 2002                       | 7/17/2013 | 9 to 44<br>Years     |
| Columbia, TN (d)                   |                          | 842                        | 1,864                 | —                         | —   | 842                        | 1,864                    | 2,706                      | (98 )                                    | 1998                       | 7/17/2013 | 4 to 37<br>Years     |
| Columbia, TN (d)                   |                          | 1,109                      | 1,683                 | —                         | —   | 1,109                      | 1,683                    | 2,792                      | (91 )                                    | 1998                       | 7/17/2013 | 4 to 41<br>Years     |
| Columbus, MS (c )                  |                          | 769                        | 3,475                 | —                         | —   | 769                        | 3,475                    | 4,244                      | (142 )                                   | 2004                       | 7/17/2013 | 11 to<br>41<br>Years |
| Crossville, TN (c )                |                          | 1,890                      | 3,680                 | —                         | —   | 1,890                      | 3,680                    | 5,570                      | (160 )                                   | 2001                       | 7/17/2013 | 7 to 41<br>Years     |
| Dallas, TX                         | 2,175                    | 735                        | 3,328                 | —                         | —   | 735                        | 3,328                    | 4,063                      | (142 )                                   | 1996                       | 7/17/2013 | 3 to 40<br>Years     |
| Decatur, IL                        | 4,003                    | 968                        | 3,300                 | —                         | —   | 968                        | 3,300                    | 4,268                      | (163 )                                   | 2005                       | 7/17/2013 | 12 to<br>42<br>Years |
| Defiance, OH                       | 2,321                    | 645                        | 2,452                 | —                         | —   | 645                        | 2,452                    | 3,097                      | (131 )                                   | 2005                       | 7/17/2013 | 11 to<br>38<br>Years |
| DeSoto, TX (c )                    |                          | 1,007                      | 2,313                 | —                         | —   | 1,007                      | 2,313                    | 3,320                      | (116 )                                   | 1997                       | 7/17/2013 | 5 to 40<br>Years     |
| Easton, PA                         | 4,060                    | 1,028                      | 3,996                 | —                         | —   | 1,028                      | 3,996                    | 5,024                      | (186 )                                   | 2005                       | 7/17/2013 | 12 to<br>41<br>Years |
| Elmira, NY                         | 2,900                    | 1,066                      | 4,230                 | —                         | —   | 1,066                      | 4,230                    | 5,296                      | (181 )                                   | 2007                       | 7/17/2013 | 12 to<br>43<br>Years |
| Enterprise, AL                     | 2,043                    | 1,163                      | 1,612                 | —                         | —   | 1,163                      | 1,612                    | 2,775                      | (99 )                                    | 2005                       | 7/17/2013 | 11 to<br>37<br>Years |
| Essex, MD (c )                     |                          | 1,985                      | 4,351                 | —                         | —   | 1,985                      | 4,351                    | 6,336                      | (179 )                                   | 2007                       | 7/17/2013 |                      |

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|----------------------|-----|-------|-------|-------|---|-------|-------|-------|--------|--------|-----------|----------------|----------------|
| Evansville, IN       | (c) | 1,249 | 3,924 | —     | — | 1,249 | 3,924 | 5,173 | (169 ) | 2007   | 7/17/2013 | 14 to 43 Years |                |
| Florence, SC         |     | 1,706 | 744   | 2,070 | — | —     | 744   | 2,070 | 2,814  | (98 )  | 1998      | 7/17/2013      | 12 to 44 Years |
| Florissant, MO       | (c) | 773   | 4,480 | —     | — | 773   | 4,480 | 5,253 | (197 ) | 2001   | 7/17/2013 | 5 to 39 Years  |                |
| Fort Worth, TX       |     | 3,675 | 1,601 | 1,894 | — | —     | 1,601 | 1,894 | 3,495  | (102 ) | 1992      | 7/17/2013      | 7 to 42 Years  |
| Fredericksburg, VA   |     | 2,979 | 1,426 | 2,077 | — | —     | 1,426 | 2,077 | 3,503  | (116 ) | 2007      | 7/17/2013      | 6 to 39 Years  |
| Fremont, OH          | (d) | 504   | 1,405 | —     | — | 504   | 1,405 | 1,909 | (90 )  | 1997   | 7/17/2013 | 14 to 37 Years |                |
| Gainesville, FL      |     | 2,465 | 922   | 2,705 | — | —     | 922   | 2,705 | 3,627  | (122 ) | 1997      | 7/17/2013      | 4 to 31 Years  |
| Galloway, OH         |     | 4,250 | 1,708 | 2,886 | — | —     | 1,708 | 2,886 | 4,594  | (156 ) | 2003      | 7/17/2013      | 4 to 40 Years  |
| Glassport, PA        |     | 2,325 | 550   | 2,471 | — | —     | 550   | 2,471 | 3,021  | (135 ) | 2006      | 7/17/2013      | 11 to 40 Years |
| Glenville Scotia, NY |     | 3,413 | 1,314 | 3,964 | — | —     | 1,314 | 3,964 | 5,278  | (179 ) | 2006      | 7/17/2013      | 11 to 37 Years |
| Gulfport, MS         |     | 2,611 | 441   | 4,208 | — | —     | 441   | 4,208 | 4,649  | (173 ) | 2000      | 7/17/2013      | 12 to 43 Years |
| Hamilton, OH         | (d) | 738   | 2,429 | —     | — | 738   | 2,429 | 3,167 | (120 ) | 1999   | 7/17/2013 | 12 to 40 Years |                |
| Hanover, PA          |     | 4,115 | 1,637 | 4,240 | — | —     | 1,637 | 4,240 | 5,877  | (203 ) | 2006      | 7/17/2013      | 5 to 39 Years  |
| Harriman, TN         |     | 2,500 | 1,951 | 3,250 | — | —     | 1,951 | 3,250 | 5,201  | (152 ) | 2007      | 7/17/2013      | 12 to 43 Years |
| Hibbing, MN          | (c) | 385   | 3,492 | —     | — | 385   | 3,492 | 3,877 | (152 ) | 2007   | 7/17/2013 | 12 to 43 Years |                |
| Houston, TX          |     | 3,673 | 1,079 | 3,582 | — | —     | 1,079 | 3,582 | 4,661  | (149 ) | 2000      | 7/17/2013      | 6 to 40 Years  |
| Humble, TX           |     | 4,395 | 1,539 | 3,560 | — | —     | 1,539 | 3,560 | 5,099  | (161 ) | 2003      | 7/17/2013      | 11 to 40 Years |
| Indianapolis, IN     | (c) | 860   | 2,754 | —     | — | 860   | 2,754 | 3,614 | (136 ) | 1998   | 7/17/2013 | 10 to 40 Years |                |
|                      | (c) | 733   | 2,882 | —     | — | 733   | 2,882 | 3,615 | (138 ) | 1997   | 7/17/2013 | 40 Years       |                |

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|                     |       |     |       |   |   |     |       |       |        |      |           |  |                      |
|---------------------|-------|-----|-------|---|---|-----|-------|-------|--------|------|-----------|--|----------------------|
| Indianapolis,<br>IN |       |     |       |   |   |     |       |       |        |      |           |  | 10 to<br>38<br>Years |
| Jacksonville,<br>FL | (c)   | 521 | 4,365 | — | — | 521 | 4,365 | 4,886 | (180 ) | 2000 | 7/17/2013 |  | 7 to 40<br>Years     |
| Kansas City,<br>MO  | 2,990 | 634 | 4,341 | — | — | 634 | 4,341 | 4,975 | (183 ) | 1997 | 7/17/2013 |  | 4 to 43<br>Years     |

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| Encumbrances<br>Description<br>(i) | Initial Cost to Company  |                            |                       |                           | Cost Capitalized Subsequent to Acquisition including impairment |                            |                          |                            | Gross Amount at<br>December 31, 2014 (h) |                            | Total     | Final<br>Accum       |
|------------------------------------|--------------------------|----------------------------|-----------------------|---------------------------|---|----------------------------|--------------------------|----------------------------|--|----------------------------|-----------|----------------------|
|                                    | Land and<br>Improvements | Buildings,<br>Improvements | Improvements/<br>Land | Improvements/<br>building | Land and<br>Improvements  | Buildings,<br>Improvements | Land and<br>Improvements | Buildings,<br>Improvements | Land and<br>Improvements                 | Buildings,<br>Improvements |           |                      |
| Kansas City,<br>MO                 | 2,438                    | 532                        | 3,549                 | —                         | —   | 532                        | 3,549                    | 4,081                      | (165 )                                   | 2000                       | 7/17/2013 | 4 to<br>39<br>Years  |
| Kansas City,<br>MO                 | 2,464                    | 862                        | 4,367                 | —                         | —   | 862                        | 4,367                    | 5,229                      | (183 )                                   | 2000                       | 7/17/2013 | 6 to<br>42<br>Years  |
| Kansas City,<br>MO                 | 3,035                    | 518                        | 4,234                 | —                         | —   | 518                        | 4,234                    | 4,752                      | (178 )                                   | 2000                       | 7/17/2013 | 6 to<br>43<br>Years  |
| Kissimmee,<br>FL                   | (b)                      | 1,508                      | 2,153                 | —                         | —   | 1,508                      | 2,153                    | 3,661                      | (125 )                                   | 1995                       | 7/17/2013 | 2 to<br>40<br>Years  |
| Knoxville, TN                      | (d)                      | 2,107                      | 3,334                 | —                         | —   | 2,107                      | 3,334                    | 5,441                      | (162 )                                   | 2000                       | 7/17/2013 | 6 to<br>40<br>Years  |
| Lake Worth,<br>TX                  | (b)                      | 1,044                      | 1,817                 | —                         | —   | 1,044                      | 1,817                    | 2,861                      | (118 )                                   | 1996                       | 7/17/2013 | 2 to<br>30<br>Years  |
| Lakewood,<br>OH                    | (b)                      | 522                        | 2,053                 | —                         | —   | 522                        | 2,053                    | 2,575                      | (105 )                                   | 1996                       | 7/17/2013 | 3 to<br>35<br>Years  |
| LaMarque,<br>TX                    | (c)                      | 464                        | 3,139                 | —                         | —   | 464                        | 3,139                    | 3,603                      | (150 )                                   | 2000                       | 7/17/2013 | 7 to<br>40<br>Years  |
| Lansing, MI                        |                          | 1,041                      | 196                   | 1,487                     | —   | —                          | 196                      | 1,487                      | (83 )                                    | 1950                       | 7/17/2013 | 3 to<br>31<br>Years  |
| Lima, OH                           |                          | 3,103                      | 568                   | 3,221                     | —   | —                          | 568                      | 3,221                      | (145 )                                   | 2005                       | 7/17/2013 | 12 to<br>43<br>Years |
| Lincoln, IL                        | (c)                      | 444                        | 3,043                 | —                         | —   | 444                        | 3,043                    | 3,487                      | (138 )                                   | 2007                       | 7/17/2013 | 11 to<br>43<br>Years |
| Lincolnton,<br>NC                  |                          | 1,538                      | 548                   | 1,537                     | —   | —                          | 548                      | 1,537                      | (84 )                                    | 1998                       | 7/17/2013 | 4 to<br>37<br>Years  |
| Long Beach,<br>MS                  |                          | 3,662                      | 502                   | 3,718                     | —   | —                          | 502                      | 3,718                      | (149 )                                   | 2005                       | 7/17/2013 | 10 to<br>41<br>Years |
| Mableton, GA                       |                          | 1,247                      | 338                   | 1,543                     | (148 )  | (659 )                     | 190                      | 884                        | (42 )                                    | 1994                       | 7/17/2013 | 30 to<br>30<br>Years |

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|                          |     |       |       |       |   |       |       |       |        |      |            |                      |
|--------------------------|-----|-------|-------|-------|---|-------|-------|-------|--------|------|------------|----------------------|
| Madeira, OH              | (d) | 951   | 3,978 | —     | — | 951   | 3,978 | 4,929 | (162 ) | 1998 | 7/17/2013  | 5 to<br>44<br>Years  |
| Madison, MS              |     | 2,809 | 745   | 3,323 | — | 745   | 3,323 | 4,068 | (148 ) | 2004 | 7/17/2013  | 11 to<br>40<br>Years |
| Maynard, MA              |     | 5,596 | 1,683 | 3,984 | — | 1,683 | 3,984 | 5,667 | (159 ) | 2005 | 7/17/2013  | 14 to<br>42<br>Years |
| Mechanicville,<br>NY     | (d) | 654   | 3,120 | —     | — | 654   | 3,120 | 3,774 | (141 ) | 1997 | 7/17/2013  | 4 to<br>38<br>Years  |
| Memphis, TN              |     | 5,058 | 961   | 5,389 | — | 961   | 5,389 | 6,350 | (212 ) | 2002 | 7/17/2013  | 12 to<br>43<br>Years |
| Millen, GA               | (a) | 810   | 1,312 | —     | — | 810   | 1,312 | 2,122 | (298 ) | 1999 | 12/15/2004 | 20 to<br>40<br>years |
| Mobile, AL               | (c) | 586   | 4,389 | —     | — | 586   | 4,389 | 4,975 | (161 ) | 2007 | 7/17/2013  | 13 to<br>44<br>Years |
| Moundsville,<br>WV       | (a) | 706   | 1,002 | —     | — | 706   | 1,002 | 1,708 | (225 ) | 1993 | 12/15/2004 | 20 to<br>40<br>years |
| Mount<br>Pleasant, TX    | (c) | 1,192 | 4,578 | —     | — | 1,192 | 4,578 | 5,770 | (201 ) | 2009 | 7/17/2013  | 14 to<br>43<br>Years |
| Myrtle Beach,<br>SC      |     | 4,788 | 828   | 4,024 | — | 828   | 4,024 | 4,852 | (172 ) | 2004 | 7/17/2013  | 12 to<br>42<br>Years |
| New<br>Cumberland,<br>PA | (c) | 794   | 2,663 | —     | — | 794   | 2,663 | 3,457 | (121 ) | 2007 | 7/17/2013  | 12 to<br>43<br>Years |
| Newton, IA               | (c) | 365   | 4,475 | —     | — | 365   | 4,475 | 4,840 | (177 ) | 2000 | 7/17/2013  | 7 to<br>44<br>Years  |
| Okeechobee,<br>FL        |     | 4,076 | 674   | 5,088 | — | 674   | 5,088 | 5,762 | (274 ) | 2001 | 7/17/2013  | 9 to<br>30<br>Years  |
| Olivette, MO             | (c) | 1,816 | 5,917 | —     | — | 1,816 | 5,917 | 7,733 | (259 ) | 2001 | 7/17/2013  | 11 to<br>42<br>Years |
| Oneida, NY               | (a) | 1,315 | 1,411 | —     | — | 1,315 | 1,411 | 2,726 | (316 ) | 1999 | 12/15/2004 | 20 to<br>40<br>years |
| Oneida, TN               |     | 2,500 | 1,866 | 3,334 | — | 1,866 | 3,334 | 5,200 | (153 ) | 2007 | 7/17/2013  | 13 to<br>43<br>Years |
| Onley, VA                | (c) | 2,530 | 2,296 | —     | — | 2,530 | 2,296 | 4,826 | (128 ) | 2007 | 7/17/2013  | 12 to<br>43<br>Years |

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|                     |       |       |       |   |   |       |       |       |        |      |            |                      |
|---------------------|-------|-------|-------|---|---|-------|-------|-------|--------|------|------------|----------------------|
| Orlando, FL         | 3,016 | 781   | 3,799 | — | — | 781   | 3,799 | 4,580 | (207 ) | 2005 | 7/17/2013  | 10 to<br>30<br>Years |
| Parkville, MO       | 4,274 | 1,854 | 2,568 | — | — | 1,854 | 2,568 | 4,422 | (141 ) | 2006 | 7/17/2013  | 11 to<br>38<br>Years |
| Philadelphia,<br>PA | (a)   | 733   | 1,087 | — | — | 733   | 1,087 | 1,820 | (240 ) | 1993 | 12/15/2004 | 20 to<br>40<br>years |
| Philadelphia,<br>PA | (a)   | 1,613 | 1,880 | — | — | 1,613 | 1,880 | 3,493 | (409 ) | 1999 | 2/2/2005   | 20 to<br>40<br>years |
| Picayune, MS        | 2,766 | 954   | 3,132 | — | — | 954   | 3,132 | 4,086 | (130 ) | 2006 | 7/17/2013  | 10 to<br>42<br>Years |
| Plains, PA          | 3,380 | 1,502 | 2,611 | — | — | 1,502 | 2,611 | 4,113 | (143 ) | 2006 | 7/17/2013  | 12 to<br>37<br>Years |



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| Encumbrances<br>Description<br>(i) | Initial Cost to Company  |                            |                       |                           | Cost Capitalized Subsequent to Acquisition including impairment |                            |                       |                           | Gross Amount at<br>December 31, 2014 (h) |                            | Total     | Final<br>Accum       |                      |
|------------------------------------|--------------------------|----------------------------|-----------------------|---------------------------|---|----------------------------|-----------------------|---------------------------|--|----------------------------|-----------|----------------------|----------------------|
|                                    | Land and<br>Improvements | Buildings,<br>Improvements | Improvements/<br>Land | Improvements/<br>building | Land and<br>Improvements  | Buildings,<br>Improvements | Improvements/<br>Land | Improvements/<br>building | Land and<br>Improvements                 | Buildings,<br>Improvements |           |                      |                      |
| Portsmouth,<br>OH                  | (d)                      | 354                        | 1,953                 | —                         | —   | 354                        | 1,953                 | 2,307                     | (90 )                                    | 1997                       | 7/17/2013 | 5 to 38<br>Years     |                      |
| Portsmouth,<br>OH                  | (c )                     | 219                        | 2,049                 | —                         | —   | 219                        | 2,049                 | 2,268                     | (85 )                                    | 1997                       | 7/17/2013 | 4 to 38<br>Years     |                      |
| Richardson,<br>TX                  | (c )                     | 803                        | 2,575                 | —                         | —   | 803                        | 2,575                 | 3,378                     | (113 )                                   | 1996                       | 7/17/2013 | 3 to 40<br>Years     |                      |
| Richland<br>Hills, TX              | (c )                     | 997                        | 2,951                 | —                         | —   | 997                        | 2,951                 | 3,948                     | (131 )                                   | 1997                       | 7/17/2013 | 4 to 40<br>Years     |                      |
| Richmond<br>Hills, GA              | (c )                     | 688                        | 4,081                 | —                         | —   | 688                        | 4,081                 | 4,769                     | (168 )                                   | 2009                       | 7/17/2013 | 13 to<br>44<br>Years |                      |
| Richmond,<br>VA                    | (b)                      | 1,885                      | 2,752                 | —                         | —   | 1,885                      | 2,752                 | 4,637                     | (120 )                                   | 1997                       | 7/17/2013 | 4 to 39<br>Years     |                      |
| River Oaks,<br>TX                  | (c )                     | 829                        | 2,871                 | —                         | —   | 829                        | 2,871                 | 3,700                     | (137 )                                   | 1996                       | 7/17/2013 | 3 to 40<br>Years     |                      |
| Rome, NY                           | (c )                     | 1,135                      | 3,104                 | —                         | —   | 1,135                      | 3,104                 | 4,239                     | (133 )                                   | 2007                       | 7/17/2013 | 13 to<br>43<br>Years |                      |
| Roselle, NJ                        |                          | 5,742                      | 2,512                 | 4,864                     | —   | —                          | 2,512                 | 4,864                     | 7,376                                    | (217 )                     | 2002      | 7/17/2013            | 12 to<br>41<br>Years |
| Saco, ME                           | (d)                      | 898                        | 1,702                 | —                         | —   | 898                        | 1,702                 | 2,600                     | (123 )                                   | 1997                       | 7/17/2013 | 3 to 29<br>Years     |                      |
| Saginaw, MI                        | (a)                      | 1,064                      | 3,906                 | —                         | —   | 1,064                      | 3,906                 | 4,970                     | (169 )                                   | 2001                       | 7/17/2013 | 7 to 41<br>Years     |                      |
| San<br>Antonio, TX                 |                          | 4,060                      | 841                   | 3,909                     | —   | —                          | 841                   | 3,909                     | 4,750                                    | (158 )                     | 2004      | 7/17/2013            | 14 to<br>40<br>Years |
| Saraland,<br>AL                    |                          | 5,079                      | 741                   | 4,593                     | —   | —                          | 741                   | 4,593                     | 5,334                                    | (190 )                     | 2003      | 7/17/2013            | 12 to<br>44<br>Years |
| Seattle, WA                        | (c )                     | 2,589                      | 4,245                 | —                         | —   | 2,589                      | 4,245                 | 6,834                     | (179 )                                   | 2002                       | 7/17/2013 | 9 to 43<br>Years     |                      |
| Sharonville,<br>OH                 | (d)                      | 2,542                      | 1,940                 | —                         | —   | 2,542                      | 1,940                 | 4,482                     | (128 )                                   | 1998                       | 7/17/2013 | 5 to 32<br>Years     |                      |
| Shreveport,<br>LA                  |                          | 2,815                      | 1,461                 | 3,605                     | —   | —                          | 1,461                 | 3,605                     | 5,066                                    | (166 )                     | 1998      | 7/17/2013            | 6 to 40<br>Years     |
| Spartanburg,<br>SC                 |                          | 2,259                      | 1,196                 | 1,671                     | —   | —                          | 1,196                 | 1,671                     | 2,867                                    | (96 )                      | 1998      | 7/17/2013            | 2 to 34<br>Years     |
| St.<br>Augustine,<br>FL            | (c )                     | 1,048                      | 2,905                 | —                         | —   | 1,048                      | 2,905                 | 3,953                     | (131 )                                   | 2008                       | 7/17/2013 | 11 to<br>42<br>Years |                      |

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|                               |       |       |       |   |   |       |       |       |        |      |            |                |
|-------------------------------|-------|-------|-------|---|---|-------|-------|-------|--------|------|------------|----------------|
| St. Clair Shores, MI          | (a)   | 1,169 | 761   | — | — | 1,169 | 761   | 1,930 | (227 ) | 1991 | 5/2/2005   | 15 to 30 years |
| St. Louis, MO                 | (c)   | 1,334 | 4,844 | — | — | 1,334 | 4,844 | 6,178 | (219 ) | 2001 | 7/17/2013  | 8 to 43 Years  |
| St. Louis, MO                 | (c)   | 1,360 | 3,996 | — | — | 1,360 | 3,996 | 5,356 | (193 ) | 2001 | 7/17/2013  | 8 to 41 Years  |
| The Colony, TX                | (b)   | 1,028 | 1,769 | — | — | 1,028 | 1,769 | 2,797 | (85 )  | 1996 | 7/17/2013  | 1 to 40 Years  |
| Thomasville, GA               | (a)   | 931   | 1,933 | — | — | 931   | 1,933 | 2,864 | (405 ) | 1999 | 12/15/2004 | 20 to 40 years |
| Toledo, OH                    | 5,400 | 663   | 4,879 | — | — | 663   | 4,879 | 5,542 | (199 ) | 2005 | 7/17/2013  | 11 to 43 Years |
| Topeka, KS                    | 1,870 | 912   | 2,681 | — | — | 912   | 2,681 | 3,593 | (136 ) | 1999 | 7/17/2013  | 6 to 38 Years  |
| Tulsa, OK                     | (b)   | 741   | 3,179 | — | — | 741   | 3,179 | 3,920 | (142 ) | 1994 | 7/17/2013  | 1 to 35 Years  |
| Uhrichsville, OH              | (a)   | 617   | 2,345 | — | — | 617   | 2,345 | 2,962 | (486 ) | 2000 | 12/15/2004 | 20 to 40 years |
| Waco, TX                      | (d)   | 858   | 3,455 | — | — | 858   | 3,455 | 4,313 | (166 ) | 2007 | 7/17/2013  | 5 to 35 Years  |
| Wauseon, OH                   | 2,142 | 1,000 | 2,034 | — | — | 1,000 | 2,034 | 3,034 | (116 ) | 2005 | 7/17/2013  | 12 to 37 Years |
| Waynesville, NC               | 3,966 | 1,495 | 2,365 | — | — | 1,495 | 2,365 | 3,860 | (111 ) | 2005 | 7/17/2013  | 12 to 42 Years |
| Wichita Falls, TX             | (b)   | 503   | 2,530 | — | — | 503   | 2,530 | 3,033 | (118 ) | 1995 | 7/17/2013  | 2 to 40 Years  |
| Wichita Falls, TX             | (b)   | 528   | 2,022 | — | — | 528   | 2,022 | 2,550 | (92 )  | 1996 | 7/17/2013  | 1 to 40 Years  |
| Convenience Stores/Car Washes |       |       |       |   |   |       |       |       |        |      |            |                |
| Akron, OH                     | (d)   | 424   | 1,139 | — | — | 424   | 1,139 | 1,563 | (78 )  | 1995 | 07/17/13   | 13 to 30 Years |
| Akron, OH                     | (d)   | 587   | 1,073 | — | — | 587   | 1,073 | 1,660 | (82 )  | 1998 | 07/17/13   | 13 to 32 Years |

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|------------------------------------|--------------------------|----------------------------|-----------------------|---------------------------|---|----------------------------|--------------------------|----------------------------|--|----------------------------|----------|----------------------|
|                                    | Land and<br>Improvements | Buildings,<br>Improvements | Improvements/<br>Land | Improvements/<br>building | Land and<br>Improvements  | Buildings,<br>Improvements | Land and<br>Improvements | Buildings,<br>Improvements | Land and<br>Improvements                 | Buildings,<br>Improvements |          |                      |
| Akron, OH                          | (d)                      | 500                        | 2,058                 | —                         | —   | 500                        | 2,058                    | 2,558                      | (115 )                                   | 2000                       | 07/17/13 | 15 to<br>33<br>Years |
| Akron, OH                          | (d)                      | 337                        | 1,149                 | —                         | —   | 337                        | 1,149                    | 1,486                      | (66 )                                    | 2001                       | 07/17/13 | 15 to<br>35<br>Years |
| Akron, OH                          | (d)                      | 595                        | 1,031                 | —                         | —   | 595                        | 1,031                    | 1,626                      | (78 )                                    | 1995                       | 07/17/13 | 14 to<br>30<br>Years |
| Akron, OH                          | (d)                      | 554                        | 824                   | —                         | —   | 554                        | 824                      | 1,378                      | (56 )                                    | 1969                       | 07/17/13 | 14 to<br>38<br>Years |
| Akron, OH                          | (d)                      | 517                        | 1,122                 | —                         | —   | 517                        | 1,122                    | 1,639                      | (82 )                                    | 1994                       | 07/17/13 | 13 to<br>29<br>Years |
| Akron, OH                          | (d)                      | 283                        | 1,160                 | —                         | —   | 283                        | 1,160                    | 1,443                      | (70 )                                    | 1997                       | 07/17/13 | 14 to<br>32<br>Years |
| Akron, OH                          | (d)                      | 434                        | 1,198                 | —                         | —   | 434                        | 1,198                    | 1,632                      | (85 )                                    | 1994                       | 07/17/13 | 14 to<br>29<br>Years |
| Akron, OH                          | (d)                      | 343                        | 1,193                 | —                         | —   | 343                        | 1,193                    | 1,536                      | (76 )                                    | 1991                       | 07/17/13 | 15 to<br>31<br>Years |
| Akron, OH                          | (d)                      | 513                        | 1,251                 | —                         | —   | 513                        | 1,251                    | 1,764                      | (82 )                                    | 1996                       | 07/17/13 | 15 to<br>31<br>Years |
| Akron, OH                          | (d)                      | 321                        | 1,179                 | —                         | —   | 321                        | 1,179                    | 1,500                      | (77 )                                    | 1994                       | 07/17/13 | 13 to<br>29<br>Years |
| Akron, OH                          | (d)                      | 402                        | 1,263                 | —                         | —   | 402                        | 1,263                    | 1,665                      | (73 )                                    | 2000                       | 07/17/13 | 13 to<br>34<br>Years |
| Akron, OH                          | (d)                      | 291                        | 1,230                 | —                         | —   | 291                        | 1,230                    | 1,521                      | (89 )                                    | 1950                       | 07/17/13 | 12 to<br>28<br>Years |
| Albuquerque,<br>NM                 | (d)                      | 699                        | 777                   | —                         | —   | 699                        | 777                      | 1,476                      | (100 )                                   | 1994                       | 07/17/13 | 9 to 35<br>Years     |
| Albuquerque,<br>NM                 | (a)                      | 2,472                      | 2,117                 | —                         | —   | 2,472                      | 2,117                    | 4,589                      | (86 )                                    | 2005                       | 05/13/14 | 15 to<br>30<br>Years |
|                                    | (a)                      | 2,657                      | 3,225                 | —                         | —   | 2,657                      | 3,225                    | 5,882                      | (134 )                                   | 1960                       | 05/13/14 |                      |

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|                  |     |       |       |   |     |       |       |       |       |     |          |                |                |
|------------------|-----|-------|-------|---|-----|-------|-------|-------|-------|-----|----------|----------------|----------------|
| Albuquerque, NM  |     |       |       |   |     |       |       |       |       |     |          | 15 to 30 Years |                |
| Albuquerque, NM  | (a) | 1,179 | —     | — | —   | 1,179 | —     | 1,179 | —     | (g) | 05/13/14 | 0 to 0 Years   |                |
| Albuquerque, NM  | (a) | 1,151 | 1,677 | — | —   | 1,151 | 1,677 | 2,828 | (59)  | )   | 1976     | 05/13/14       | 15 to 30 Years |
| Albuquerque, NM  | (a) | 1,563 | 2,700 | — | —   | 1,563 | 2,700 | 4,263 | (78)  | )   | 1994     | 05/13/14       | 15 to 30 Years |
| Albuquerque, NM  | (a) | 2,586 | 2,742 | — | —   | 2,586 | 2,742 | 5,328 | (94)  | )   | 2002     | 05/13/14       | 15 to 30 Years |
| Apopka, FL       | (b) | 477   | 389   | — | —   | 477   | 389   | 866   | (25)  | )   | 1989     | 12/19/13       | 15 to 30 Years |
| Apple Valley, CA | (b) | 782   | 662   | — | —   | 782   | 662   | 1,444 | (63)  | )   | 1985     | 05/02/14       | 10 to 15 Years |
| Asheville, NC    | (a) | 278   | 776   | — | 168 | 278   | 944   | 1,222 | (82)  | )   | 2000     | 05/08/13       | 8 to 29 Years  |
| Asheville, NC    | (a) | 247   | 497   | — | 87  | 247   | 584   | 831   | (55)  | )   | 1986     | 05/08/13       | 8 to 29 Years  |
| Ashland, NH      | (d) | 398   | 157   | — | —   | 398   | 157   | 555   | (29)  | )   | 1970     | 06/28/12       | 15 to 20 years |
| Auburn, AL       | (d) | 757   | 1,199 | — | —   | 757   | 1,199 | 1,956 | (101) | )   | 1990     | 07/17/13       | 10 to 28 Years |
| Auburn, ME       | (d) | 371   | 444   | — | —   | 371   | 444   | 815   | (52)  | )   | 1996     | 06/28/12       | 15 to 30 years |
| Auburn, ME       | (d) | 287   | 222   | — | —   | 287   | 222   | 509   | (37)  | )   | 1968     | 06/28/12       | 15 to 20 years |
| Augusta, GA      | (d) | 400   | 1,540 | — | —   | 400   | 1,540 | 1,940 | (90)  | )   | 1985     | 07/17/13       | 13 to 30 Years |
| Augusta, ME      | (d) | 318   | 322   | — | —   | 318   | 322   | 640   | (38)  | )   | 1997     | 06/28/12       | 15 to 28 years |
| Bangor, ME       | (d) | 327   | 141   | — | —   | 327   | 141   | 468   | (41)  | )   | 1973     | 06/28/12       | 15 to 15 years |
| Barberton, OH    | (d) | 255   | 1,244 | — | —   | 255   | 1,244 | 1,499 | (85)  | )   | 1991     | 07/17/13       | 12 to 29 Years |
| Barberton, OH    | (d) | 884   | 1,885 | — | —   | 884   | 1,885 | 2,769 | (125) | )   | 2000     | 07/17/13       | 13 to 34 Years |

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|                  |     |     |       |   |   |     |       |       |     |   |      |          |                      |
|------------------|-----|-----|-------|---|---|-----|-------|-------|-----|---|------|----------|----------------------|
| Barberton,<br>OH | (d) | 321 | 1,219 | — | — | 321 | 1,219 | 1,540 | (75 | ) | 1996 | 07/17/13 | 14 to<br>31<br>Years |
| Bartlett, NH     | (d) | 325 | 399   | — | — | 325 | 399   | 724   | (47 | ) | 1998 | 06/28/12 | 15 to<br>32<br>years |
| Barton, VT       | (b) | 307 | 609   | — | — | 307 | 609   | 916   | (22 | ) | 1975 | 01/24/14 | 14 to<br>40<br>Years |

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| Encumbrances<br>Description<br>(i) |     | Initial Cost to Company |                         |                    | Cost Capitalized Subsequent to Acquisition including impairment |                       |                         | Gross Amount at December 31, 2014 (h) |        | Total | Final Accum |                |
|------------------------------------|-----|-------------------------|-------------------------|--------------------|---|-----------------------|-------------------------|---------------------------------------|--------|-------|-------------|----------------|
|                                    |     | Land and Improvements   | Buildings, Improvements | Improvements/ Land | Improvements/ building  | Land and Improvements | Buildings, Improvements |                                       |        |       |             |                |
| Baton Rouge, LA                    | (d) | 260                     | 859                     | —                  | —   | 260                   | 859                     | 1,119                                 | (66 )  | 1976  | 07/17/13    | 7 to 29 Years  |
| Baton Rouge, LA                    | (d) | 330                     | 997                     | —                  | —   | 330                   | 997                     | 1,327                                 | (66 )  | 1970  | 07/17/13    | 8 to 30 Years  |
| Baton Rouge, LA                    | (d) | 481                     | 913                     | —                  | —   | 481                   | 913                     | 1,394                                 | (71 )  | 1977  | 07/17/13    | 8 to 30 Years  |
| Beaufort, SC                       | (d) | 850                     | 1,337                   | —                  | —   | 850                   | 1,337                   | 2,187                                 | (94 )  | 1997  | 07/17/13    | 12 to 34 Years |
| Bedford, OH                        | (d) | 750                     | 680                     | —                  | —   | 750                   | 680                     | 1,430                                 | (61 )  | 2000  | 07/17/13    | 15 to 33 Years |
| Belle Glade, FL                    | (b) | 978                     | 1,184                   | —                  | —   | 978                   | 1,184                   | 2,162                                 | (8 )   | 1960  | 10/30/14    | 15 to 40 Years |
| Belle Glade, FL                    | (b) | 356                     | 1,125                   | —                  | —   | 356                   | 1,125                   | 1,481                                 | (10 )  | 1977  | 10/30/14    | 15 to 40 Years |
| Belmont, NH                        | (b) | 315                     | 218                     | —                  | —   | 315                   | 218                     | 533                                   | (14 )  | 1965  | 01/24/14    | 14 to 30 Years |
| Belmont, NH                        | (b) | 524                     | 879                     | —                  | —   | 524                   | 879                     | 1,403                                 | (45 )  | 2002  | 01/24/14    | 14 to 30 Years |
| Berlin, NH                         | (d) | 387                     | 317                     | —                  | —   | 387                   | 317                     | 704                                   | (54 )  | 1991  | 06/28/12    | 15 to 22 years |
| Bluffton, SC                       | (d) | 1,531                   | 645                     | —                  | —   | 1,531                 | 645                     | 2,176                                 | (66 )  | 1997  | 07/17/13    | 10 to 32 Years |
| Boise, ID                          | (a) | 2,155                   | 2,488                   | —                  | —   | 2,155                 | 2,488                   | 4,643                                 | (251 ) | 2004  | 05/15/13    | 15 to 30 Years |
| Boise, ID                          | (a) | 217                     | —                       | —                  | —   | 217                   | —                       | 217                                   | (3 )   | (g)   | 05/15/13    | 15 to 15 Years |
| Bossier City, LA                   | (d) | 565                     | 1,051                   | (21 )              | —   | 544                   | 1,051                   | 1,595                                 | (80 )  | 1987  | 07/17/13    | 9 to 25 Years  |
| Brewer, ME                         | (d) | 238                     | 260                     | —                  | —   | 238                   | 260                     | 498                                   | (41 )  | 1967  | 06/28/12    | 15 to 25 years |
|                                    | (d) | 623                     | 978                     | —                  | —   | 623                   | 978                     | 1,601                                 | (71 )  | 1998  | 07/17/13    |                |

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|                     |     |       |       |   |   |       |       |        |        |   |      |          |                      |
|---------------------|-----|-------|-------|---|---|-------|-------|--------|--------|---|------|----------|----------------------|
| Brookpark,<br>OH    |     |       |       |   |   |       |       |        |        |   |      |          | 13 to<br>32<br>Years |
| Bucksport,<br>ME    | (b) | 1,203 | 587   | — | — | 1,203 | 587   | 1,790  | (33    | ) | 1975 | 01/24/14 | 40<br>Years          |
| Calais, ME          | (d) | 187   | 213   | — | — | 187   | 213   | 400    | (38    | ) | 1968 | 06/28/12 | 15 to<br>20<br>years |
| Canton, OH          | (d) | 362   | 1,159 | — | — | 362   | 1,159 | 1,521  | (85    | ) | 1992 | 07/17/13 | 12 to<br>28<br>Years |
| Canton, OH          | (d) | 1,037 | 1,557 | — | — | 1,037 | 1,557 | 2,594  | (121   | ) | 2000 | 07/17/13 | 15 to<br>34<br>Years |
| Catlettsburg,<br>KY | (a) | 9,344 | 3,989 | — | — | 9,344 | 3,989 | 13,333 | (3,187 | ) | 2001 | 12/23/03 | 15 to<br>40<br>years |
| Cave Creek,<br>AZ   | (b) | 2,711 | 2,201 | — | — | 2,711 | 2,201 | 4,912  | (730   | ) | 1998 | 07/02/07 | 15 to<br>40<br>years |
| Charleston,<br>SC   | (d) | 1,547 | 1,242 | — | — | 1,547 | 1,242 | 2,789  | (129   | ) | 1987 | 07/17/13 | 7 to 20<br>Years     |
| Charlotte,<br>NC    | (d) | 1,507 | 749   | — | — | 1,507 | 749   | 2,256  | (66    | ) | 1996 | 07/17/13 | 9 to 35<br>Years     |
| Charlotte,<br>NC    | (d) | 1,442 | 789   | — | — | 1,442 | 789   | 2,231  | (85    | ) | 1997 | 07/17/13 | 8 to 35<br>Years     |
| Charlotte,<br>NC    | (d) | 1,392 | 563   | — | — | 1,392 | 563   | 1,955  | (101   | ) | 1991 | 07/17/13 | 6 to 32<br>Years     |
| Cleveland,<br>MO    | (b) | 701   | 894   | — | — | 701   | 894   | 1,595  | (5     | ) | 1994 | 11/18/14 | 15 to<br>20<br>Years |
| Cleveland,<br>OH    | (d) | 804   | 1,513 | — | — | 804   | 1,513 | 2,317  | (98    | ) | 2002 | 07/17/13 | 13 to<br>35<br>Years |
| Columbia,<br>SC     | (d) | 1,061 | 1,073 | — | — | 1,061 | 1,073 | 2,134  | (77    | ) | 1997 | 07/17/13 | 11 to<br>32<br>Years |
| Columbia,<br>SC     | (d) | 1,261 | 985   | — | — | 1,261 | 985   | 2,246  | (81    | ) | 1993 | 07/17/13 | 10 to<br>28<br>Years |
| Columbus,<br>GA     | (d) | 711   | 943   | — | — | 711   | 943   | 1,654  | (67    | ) | 1990 | 07/17/13 | 13 to<br>32<br>Years |
| Columbus,<br>GA     | (d) | 574   | 1,039 | — | — | 574   | 1,039 | 1,613  | (68    | ) | 1984 | 07/17/13 | 13 to<br>32<br>Years |
| Columbus,<br>GA     | (d) | 867   | 2,299 | — | — | 867   | 2,299 | 3,166  | (142   | ) | 1978 | 07/17/13 | 13 to<br>30<br>Years |
|                     | (d) | 1,465 | 2,088 | — | — | 1,465 | 2,088 | 3,553  | (139   | ) | 1995 | 07/17/13 | Years                |

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|                       |     |     |       |   |   |     |       |       |     |   |      |          |                      |
|-----------------------|-----|-----|-------|---|---|-----|-------|-------|-----|---|------|----------|----------------------|
| Columbus,<br>GA       |     |     |       |   |   |     |       |       |     |   |      |          | 11 to<br>34<br>Years |
| Columbus,<br>GA       | (d) | 730 | 1,317 | — | — | 730 | 1,317 | 2,047 | (95 | ) | 1978 | 07/17/13 | 28<br>Years          |
| Concord,<br>NH        | (d) | 260 | 330   | — | — | 260 | 330   | 590   | (43 | ) | 1988 | 06/28/12 | 15 to<br>25<br>years |
| Copley, OH            | (d) | 379 | 999   | — | — | 379 | 999   | 1,378 | (76 | ) | 1993 | 07/17/13 | 12 to<br>28<br>Years |
| Cuyahoga<br>Falls, OH | (d) | 657 | 1,018 | — | — | 657 | 1,018 | 1,675 | (86 | ) | 1995 | 07/17/13 | 13 to<br>30<br>Years |



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| Encumbrances<br>Description<br>(i) |     | Initial Cost to Company  |                            |                       |                           | Cost Capitalized Subsequent to Acquisition including impairment |                            |                          |                            | Gross Amount at<br>December 31, 2014 (h) |                            | Total    | Final<br>Accum |
|------------------------------------|-----|--------------------------|----------------------------|-----------------------|---------------------------|---|----------------------------|--------------------------|----------------------------|--|----------------------------|----------|----------------|
|                                    |     | Land and<br>Improvements | Buildings,<br>Improvements | Improvements/<br>Land | Improvements/<br>building | Land and<br>Improvements  | Buildings,<br>Improvements | Land and<br>Improvements | Buildings,<br>Improvements | Land and<br>Improvements                 | Buildings,<br>Improvements |          |                |
| Cuyahoga Falls, OH                 | (d) | 958                      | 1,416                      | —                     | —                         | 958   | 1,416                      | 2,374                    | (106 )                     | 2002                                     | 07/17/13                   | 15 to 35 | Years          |
| Cuyahoga Falls, OH                 | (d) | 342                      | 806                        | —                     | —                         | 342   | 806                        | 1,148                    | (64 )                      | 1972                                     | 07/17/13                   | 12 to 26 | Years          |
| El Paso, TX                        | (d) | 1,143                    | 1,029                      | —                     | —                         | 1,143   | 1,029                      | 2,172                    | (182 )                     | 1999                                     | 07/17/13                   | 4 to 27  | Years          |
| El Paso, TX                        | (d) | 987                      | 558                        | —                     | —                         | 987   | 558                        | 1,545                    | (85 )                      | 1999                                     | 07/17/13                   | 3 to 26  | Years          |
| El Paso, TX                        | (d) | 1,090                    | 1,203                      | —                     | —                         | 1,090   | 1,203                      | 2,293                    | (137 )                     | 1998                                     | 07/17/13                   | 6 to 35  | Years          |
| Fairlawn, OH                       | (d) | 616                      | 1,064                      | —                     | —                         | 616   | 1,064                      | 1,680                    | (84 )                      | 1993                                     | 07/17/13                   | 13 to 28 | Years          |
| Fallon, NV                         | (b) | 1,262                    | 1,321                      | —                     | —                         | 1,262   | 1,321                      | 2,583                    | (14 )                      | 1985                                     | 10/31/14                   | 15 to 40 | Years          |
| Fort Mill, SC                      | (d) | 1,589                    | 1,356                      | —                     | —                         | 1,589   | 1,356                      | 2,945                    | (88 )                      | 1999                                     | 07/17/13                   | 10 to 33 | Years          |
| Fort Pierce, FL                    | (b) | 1,064                    | 1,659                      | —                     | —                         | 1,064   | 1,659                      | 2,723                    | (13 )                      | 1977                                     | 10/30/14                   | 15 to 40 | Years          |
| Fort Pierce, FL                    | (b) | 681                      | 1,404                      | —                     | —                         | 681   | 1,404                      | 2,085                    | (10 )                      | 1989                                     | 10/30/14                   | 15 to 40 | Years          |
| Freeport, ME                       | (d) | 503                      | 343                        | —                     | —                         | 503   | 343                        | 846                      | (47 )                      | 1991                                     | 06/28/12                   | 15 to 26 | years          |
| Fremont, CA                        | (b) | 1,905                    | 361                        | —                     | —                         | 1,905   | 361                        | 2,266                    | (6 )                       | 1990                                     | 10/31/14                   | 15 to 30 | Years          |
| Goose Creek, SC                    | (d) | 682                      | 1,571                      | —                     | —                         | 682   | 1,571                      | 2,253                    | (136 )                     | 1983                                     | 07/17/13                   | 7 to 28  | Years          |
| Gorham, NH                         | (d) | 723                      | 358                        | —                     | —                         | 723   | 358                        | 1,081                    | (70 )                      | 1975                                     | 06/28/12                   | 15 to 18 | years          |
| Grandtham, NH                      | (b) | 576                      | 394                        | —                     | —                         | 576   | 394                        | 970                      | (25 )                      | 1989                                     | 01/24/14                   | 14 to 30 | Years          |
|                                    | (b) | 879                      | 643                        | —                     | —                         | 879   | 643                        | 1,522                    | (7 )                       | 1990                                     | 10/28/14                   |          |                |

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|----------------------|-----|-------|-------|---|-----|-------|-------|-------|-------|---|------|----------|----------------|
| Gresham, OR          |     |       |       |   |     |       |       |       |       |   |      |          | 15 to 30 Years |
| Hampden, ME          | (b) | 987   | 424   | — | —   | 987   | 424   | 1,411 | (44)  | ) | 1997 | 01/24/14 | 14 to 30 Years |
| Harrington, ME       | (d) | 331   | 459   | — | —   | 331   | 459   | 790   | (63)  | ) | 1992 | 06/28/12 | 15 to 32 years |
| Hockessin, DE        | (c) | 1,921 | 2,477 | — | —   | 1,921 | 2,477 | 4,398 | (144) | ) | 2000 | 07/17/13 | 8 to 46 Years  |
| Honea Path, SC       | (a) | 1,268 | 1,134 | — | 175 | 1,268 | 1,309 | 2,577 | (167) | ) | 1996 | 05/08/13 | 8 to 29 Years  |
| Houston, TX          | (a) | 1,703 | 1,221 | — | —   | 1,703 | 1,221 | 2,924 | (43)  | ) | 1991 | 06/18/14 | 15 to 30 Years |
| Huntersville, NC     | (d) | 1,539 | 924   | — | —   | 1,539 | 924   | 2,463 | (110) | ) | 1996 | 07/17/13 | 8 to 35 Years  |
| Huntington Beach, CA | (b) | 2,035 | 155   | — | —   | 2,035 | 155   | 2,190 | (6)   | ) | 1962 | 10/31/14 | 15 to 30 Years |
| Huntington Park, CA  | (b) | 1,909 | 891   | — | —   | 1,909 | 891   | 2,800 | (50)  | ) | 1947 | 05/02/14 | 15 to 20 Years |
| Inglewood, CA        | (b) | 1,053 | 635   | — | 30  | 1,053 | 665   | 1,718 | (16)  | ) | 1995 | 06/04/14 | 15 to 40 Years |
| Inman, SC            | (a) | 2,183 | 897   | — | 165 | 2,183 | 1,062 | 3,245 | (239) | ) | 1994 | 05/08/13 | 8 to 29 Years  |
| Kansas City, MO      | (b) | 925   | 1,027 | — | —   | 925   | 1,027 | 1,952 | (4)   | ) | 1996 | 11/18/14 | 15 to 30 Years |
| Kearney, MO          | (b) | 529   | 925   | — | —   | 529   | 925   | 1,454 | (4)   | ) | 2001 | 11/18/14 | 15 to 30 Years |
| Keene, NH            | (b) | 553   | 289   | — | —   | 553   | 289   | 842   | (19)  | ) | 2004 | 01/24/14 | 14 to 30 Years |
| Kent, OH             | (d) | 258   | 917   | — | —   | 258   | 917   | 1,175 | (61)  | ) | 1994 | 07/17/13 | 13 to 29 Years |
| Kent, WA             | (b) | 1,450 | 381   | — | —   | 1,450 | 381   | 1,831 | (6)   | ) | 1987 | 10/28/14 | 15 to 30 Years |
| Kissimmee, FL        | (b) | 759   | 1,060 | — | —   | 759   | 1,060 | 1,819 | (70)  | ) | 2005 | 12/19/13 | 15 to 30 Years |
| Laconia, NH          | (b) | 411   | 770   | — | —   | 411   | 770   | 1,181 | (37)  | ) | 1998 | 01/24/14 | 14 to 30 Years |
| Lanett, AL           | (d) | 299   | 844   | — | —   | 299   | 844   | 1,143 | (65)  | ) | 1974 | 07/17/13 |                |

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|                 |     |       |     |   |     |       |     |       |      |   |      |          |  |
|-----------------|-----|-------|-----|---|-----|-------|-----|-------|------|---|------|----------|--|
| Laurens, SC     | (a) | 505   | 622 | — | 118 | 505   | 740 | 1,245 | (81) | ) | 1992 | 05/08/13 | 10 to<br>25<br>Years<br>8 to 29<br>Years |
| Lebo, KS        | (b) | 1,951 | 762 | — | —   | 1,951 | 762 | 2,713 | (6)  | ) | 1976 | 11/18/14 | 15 to<br>20<br>Years                     |
| Lewiston,<br>ME | (d) | 460   | 341 | — | —   | 460   | 341 | 801   | (54) | ) | 1994 | 06/28/12 | 15 to<br>28<br>years                     |

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| Encumbrances<br>Description<br>(i) | Initial Cost to Company  |                            |                       |                           | Cost Capitalized Subsequent to Acquisition including impairment |                            |                          |                            | Gross Amount at<br>December 31, 2014 (h) |                            | Total    | Final<br>Accum       |
|------------------------------------|--------------------------|----------------------------|-----------------------|---------------------------|---|----------------------------|--------------------------|----------------------------|--|----------------------------|----------|----------------------|
|                                    | Land and<br>Improvements | Buildings,<br>Improvements | Improvements/<br>Land | Improvements/<br>building | Land and<br>Improvements  | Buildings,<br>Improvements | Land and<br>Improvements | Buildings,<br>Improvements | Land and<br>Improvements                 | Buildings,<br>Improvements |          |                      |
| Long Beach,<br>CA                  | (b)                      | 1,049                      | 635                   | —                         | —   | 1,049                      | 635                      | 1,684                      | (24 )                                    | 1959                       | 05/02/14 | 15 to<br>30<br>Years |
| Los Angeles,<br>CA                 | (b)                      | 2,178                      | 504                   | —                         | —   | 2,178                      | 504                      | 2,682                      | (39 )                                    | 1938                       | 05/02/14 | 15 to<br>20<br>Years |
| Macon, GA                          | (d)                      | 470                        | 1,226                 | —                         | —   | 470                        | 1,226                    | 1,696                      | (104 )                                   | 1974                       | 07/17/13 | 7 to 35<br>Years     |
| Macon, GA                          | (d)                      | 471                        | 1,066                 | —                         | —   | 471                        | 1,066                    | 1,537                      | (112 )                                   | 1993                       | 07/17/13 | 5 to 35<br>Years     |
| Madison,<br>ME                     | (d)                      | 130                        | 410                   | —                         | —   | 130                        | 410                      | 540                        | (49 )                                    | 1988                       | 06/28/12 | 15 to<br>25<br>years |
| Manahawkin,<br>NJ                  | (c)                      | 3,258                      | 1,954                 | —                         | —   | 3,258                      | 1,954                    | 5,212                      | (243 )                                   | 2000                       | 07/17/13 | 8 to 46<br>Years     |
| Manchester,<br>ME                  | (d)                      | 279                        | 285                   | —                         | —   | 279                        | 285                      | 564                        | (49 )                                    | 1990                       | 06/28/12 | 15 to<br>20<br>years |
| Maple<br>Heights, OH               | (d)                      | 747                        | 917                   | —                         | —   | 747                        | 917                      | 1,664                      | (74 )                                    | 1998                       | 07/17/13 | 13 to<br>32<br>Years |
| Martinez,<br>GA                    | (d)                      | 626                        | 996                   | —                         | —   | 626                        | 996                      | 1,622                      | (171 )                                   | 1986                       | 07/17/13 | 3 to 35<br>Years     |
| Meridian, ID                       | (a)                      | 1,924                      | 2,170                 | —                         | —   | 1,924                      | 2,170                    | 4,094                      | (233 )                                   | 2006                       | 05/15/13 | 15 to<br>30<br>Years |
| Midland, GA                        | (d)                      | 637                        | 2,136                 | —                         | —   | 637                        | 2,136                    | 2,773                      | (110 )                                   | 1995                       | 07/17/13 | 9 to 35<br>Years     |
| Mobile, AL                         | (d)                      | 552                        | 1,664                 | —                         | —   | 552                        | 1,664                    | 2,216                      | (131 )                                   | 1987                       | 07/17/13 | 11 to<br>28<br>Years |
| Mobile, AL                         | (d)                      | 939                        | 878                   | —                         | —   | 939                        | 878                      | 1,817                      | (90 )                                    | 1988                       | 07/17/13 | 13 to<br>28<br>Years |
| Monroe, LA                         | (d)                      | 517                        | 1,455                 | —                         | —   | 517                        | 1,455                    | 1,972                      | (131 )                                   | 1986                       | 07/17/13 | 6 to 28<br>Years     |
| Montclair,<br>CA                   | (b)                      | 4,957                      | 4,136                 | —                         | —   | 4,957                      | 4,136                    | 9,093                      | (45 )                                    | 1989                       | 10/31/14 | 15 to<br>40<br>Years |
| Mount<br>Pleasant, SC              | (d)                      | 1,328                      | 1,073                 | —                         | —   | 1,328                      | 1,073                    | 2,401                      | (71 )                                    | 1978                       | 07/17/13 | 7 to 30<br>Years     |
| Murphy, NC                         | (a)                      | 489                        | 298                   | —                         | 49  | 489                        | 347                      | 836                        | (43 )                                    | 1965                       | 05/08/13 |                      |

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|                |     |       |       |   |   |       |       |       |        |      |          |  |
|----------------|-----|-------|-------|---|---|-------|-------|-------|--------|------|----------|--|
| N. Augusta, SC | (d) | 1,065 | 894   | — | — | 1,065 | 894   | 1,959 | (61 )  | 1999 | 07/17/13 | 8 to 19<br>Years<br>12 to<br>33<br>Years     |
| Nampa, ID      | (a) | 3,240 | 2,343 | — | — | 3,240 | 2,343 | 5,583 | (272 ) | 2010 | 05/15/13 | 15 to<br>30<br>Years                         |
| Narberth, PA   | (c) | 1,812 | 3,163 | — | — | 1,812 | 3,163 | 4,975 | (129 ) | 2000 | 07/17/13 | 8 to 46<br>Years<br>15 to<br>30<br>years     |
| Newport, NH    | (d) | 519   | 581   | — | — | 519   | 581   | 1,100 | (73 )  | 1998 | 06/28/12 | 15 to<br>35<br>Years                         |
| Northfield, OH | (d) | 873   | 1,633 | — | — | 873   | 1,633 | 2,506 | (113 ) | 1983 | 07/17/13 | 13 to<br>25<br>years<br>15 to<br>30<br>Years |
| Norton, OH     | (d) | 581   | 1,460 | — | — | 581   | 1,460 | 2,041 | (91 )  | 2001 | 07/17/13 | 15 to<br>30<br>Years                         |
| Oakfield, ME   | (d) | 273   | 229   | — | — | 273   | 229   | 502   | (43 )  | 1993 | 06/28/12 | 15 to<br>30<br>Years                         |
| Oakland, FL    | (b) | 1,303 | 1,109 | — | — | 1,303 | 1,109 | 2,412 | (88 )  | 2002 | 12/19/13 | 15 to<br>40<br>Years                         |
| Okeechobee, FL | (b) | 468   | 936   | — | — | 468   | 936   | 1,404 | (7 )   | 1976 | 10/30/14 | 15 to<br>40<br>Years                         |
| Okeechobee, FL | (b) | 808   | 1,191 | — | — | 808   | 1,191 | 1,999 | (10 )  | 1984 | 10/30/14 | 15 to<br>40<br>Years                         |
| Okeechobee, FL | (b) | 386   | 1,764 | — | — | 386   | 1,764 | 2,150 | (9 )   | 1975 | 10/30/14 | 15 to<br>40<br>Years                         |
| Okeechobee, FL | (b) | 558   | 1,024 | — | — | 558   | 1,024 | 1,582 | (7 )   | 1986 | 10/30/14 | 15 to<br>40<br>Years                         |
| Ontario, CA    | (b) | 1,307 | 1,307 | — | — | 1,307 | 1,307 | 2,614 | (41 )  | 1964 | 05/02/14 | 15 to<br>30<br>Years                         |
| Opelika, AL    | (d) | 960   | 1,716 | — | — | 960   | 1,716 | 2,676 | (150 ) | 1988 | 07/17/13 | 10 to<br>29<br>Years                         |
| Opelika, AL    | (d) | 400   | 1,321 | — | — | 400   | 1,321 | 1,721 | (99 )  | 1989 | 07/17/13 | 10 to<br>25<br>Years                         |
| Orlando, FL    | (b) | 1,167 | 982   | — | — | 1,167 | 982   | 2,149 | (70 )  | 2001 | 12/19/13 | 15 to<br>30<br>Years                         |
| Orlando, FL    | (b) | 1,080 | 798   | — | — | 1,080 | 798   | 1,878 | (53 )  | 2001 | 12/19/13 | 15 to<br>30<br>Years                         |

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|             |     |       |       |   |   |       |       |       |      |   |      |          |    |                |
|-------------|-----|-------|-------|---|---|-------|-------|-------|------|---|------|----------|----|----------------|
| Orlando, FL | (b) | 1,303 | 496   | — | — | 1,303 | 496   | 1,799 | (44) | ) | 1994 | 12/19/13 | 30 | Years<br>15 to |
| Orlando, FL | (b) | 973   | 350   | — | — | 973   | 350   | 1,323 | (40) | ) | 1991 | 12/19/13 | 30 | Years<br>15 to |
| Orlando, FL | (b) | 1,128 | 496   | — | — | 1,128 | 496   | 1,624 | (46) | ) | 1995 | 12/19/13 | 30 | Years<br>15 to |
| Orlando, FL | (b) | 1,644 | 1,829 | — | — | 1,644 | 1,829 | 3,473 | (88) | ) | 2000 | 12/19/13 | 40 | Years<br>15 to |
| Orlando, FL | (b) | 1,255 | 1,333 | — | — | 1,255 | 1,333 | 2,588 | (80) | ) | 2001 | 12/19/13 | 40 | Years          |

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| Encumbrances<br>Description<br>(i) |     | Initial Cost to Company  |                            |                       |                           | Cost Capitalized Subsequent to Acquisition including impairment |                            |                          |                            | Gross Amount at<br>December 31, 2014 (h) |                            | Total    | Final<br>Accum |                  |
|------------------------------------|-----|--------------------------|----------------------------|-----------------------|---------------------------|---|----------------------------|--------------------------|----------------------------|--|----------------------------|----------|----------------|------------------|
|                                    |     | Land and<br>Improvements | Buildings,<br>Improvements | Improvements/<br>Land | Improvements/<br>building | Land and<br>Improvements  | Buildings,<br>Improvements | Land and<br>Improvements | Buildings,<br>Improvements | Land and<br>Improvements                 | Buildings,<br>Improvements |          |                |                  |
| Oveido, FL                         | (b) | 1,556                    | 982                        | —                     | —                         | 1,556   | 982                        | 2,538                    | (80                        | )  | 2002                       | 12/19/13 | 30             | 15 to<br>Years   |
| Oviedo, FL                         | (b) | 973                      | 798                        | —                     | —                         | 973   | 798                        | 1,771                    | (58                        | )  | 1995                       | 12/19/13 | 30             | 15 to<br>Years   |
| Oxnard, CA                         | (b) | 1,330                    | 950                        | —                     | 363                       | 1,330   | 1,313                      | 2,643                    | (29                        | )  | 1966                       | 06/27/14 | 30             | 15 to<br>Years   |
| Oxnard, CA                         | (b) | 2,284                    | 3,620                      | —                     | —                         | 2,284   | 3,620                      | 5,904                    | (42                        | )  | 2003                       | 09/09/14 | 40             | 15 to<br>Years   |
| Paris, ME                          | (d) | 139                      | 153                        | —                     | —                         | 139   | 153                        | 292                      | (31                        | )  | 1954                       | 06/28/12 | 17             | years            |
| Parma, OH                          | (d) | 437                      | 1,166                      | —                     | —                         | 437   | 1,166                      | 1,603                    | (66                        | )  | 2002                       | 07/17/13 | 35             | 15 to<br>Years   |
| Phenix City,<br>AL                 | (d) | 554                      | 1,392                      | —                     | —                         | 554   | 1,392                      | 1,946                    | (95                        | )  | 1999                       | 07/17/13 | 33             | 13 to<br>Years   |
| Phoenix,<br>AZ                     | (b) | 2,243                    | 4,243                      | —                     | —                         | 2,243   | 4,243                      | 6,486                    | (1,277                     | )  | 2001                       | 07/02/07 | 40             | 15 to<br>years   |
| Pine<br>Mountain,<br>GA            | (d) | 454                      | 1,627                      | —                     | —                         | 454   | 1,627                      | 2,081                    | (99                        | )  | 1999                       | 07/17/13 | 37             | 10 to<br>Years   |
| Pomona,<br>CA                      | (b) | 1,551                    | 839                        | —                     | 128                       | 1,551   | 967                        | 2,518                    | (34                        | )  | 1967                       | 05/02/14 | 30             | 15 to<br>Years   |
| Pomona,<br>CA                      | (b) | 1,078                    | 864                        | —                     | —                         | 1,078   | 864                        | 1,942                    | (25                        | )  | 1999                       | 06/04/14 | 40             | 15 to<br>Years   |
| Port<br>Wentworth,<br>GA           | (d) | 1,627                    | 1,131                      | —                     | —                         | 1,627   | 1,131                      | 2,758                    | (213                       | )  | 1991                       | 07/17/13 | 4              | 4 to 35<br>Years |
| Portland,<br>OR                    | (b) | 516                      | 272                        | —                     | —                         | 516   | 272                        | 788                      | (3                         | )  | 1991                       | 10/28/14 | 30             | 15 to<br>Years   |
| Presque<br>Isle, ME                | (b) | 708                      | 390                        | —                     | —                         | 708   | 390                        | 1,098                    | (34                        | )  | 1995                       | 01/24/14 | 30             | 14 to<br>Years   |

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|                     |     |       |       |   |     |       |       |        |          |      |          |                |
|---------------------|-----|-------|-------|---|-----|-------|-------|--------|----------|------|----------|----------------|
| Prosser, WA         | (b) | 245   | 444   | — | —   | 245   | 444   | 689    | (4 )     | 1985 | 10/28/14 | 15 to 30 Years |
| Raymond, NH         | (b) | 1,722 | 430   | — | —   | 1,722 | 430   | 2,152  | (50 )    | 1986 | 01/24/14 | 14 to 20 Years |
| Reseda, CA          | (b) | 2,064 | 1,013 | — | —   | 2,064 | 1,013 | 3,077  | (33 )    | 2008 | 05/02/14 | 15 to 40 Years |
| Reseda, CA          | (b) | 2,422 | 605   | — | —   | 2,422 | 605   | 3,027  | (37 )    | 1997 | 05/02/14 | 15 to 30 Years |
| Rockland, ME        | (d) | 211   | 303   | — | —   | 211   | 303   | 514    | (37 )    | 1984 | 06/28/12 | 15 to 28 years |
| Roebuck, SC         | (a) | 708   | 818   | — | 152 | 708   | 970   | 1,678  | (109 )   | 1992 | 05/08/13 | 8 to 29 Years  |
| Saint Augustine, FL | (a) | 9,556 | 2,543 | — | —   | 9,556 | 2,543 | 12,099 | (2,217 ) | 2001 | 12/23/03 | 15 to 40 years |
| Salem, OR           | (b) | 879   | 281   | — | —   | 879   | 281   | 1,160  | (7 )     | 1991 | 10/28/14 | 15 to 30 Years |
| San Francisco, CA   | (b) | 1,604 | 82    | — | —   | 1,604 | 82    | 1,686  | (3 )     | 1980 | 10/28/14 | 15 to 30 Years |
| Sanford, ME         | (d) | 807   | 579   | — | —   | 807   | 579   | 1,386  | (68 )    | 1997 | 06/28/12 | 15 to 28 years |
| Savannah, GA        | (d) | 1,001 | 847   | — | —   | 1,001 | 847   | 1,848  | (85 )    | 1997 | 07/17/13 | 8 to 37 Years  |
| Savannah, GA        | (d) | 831   | 869   | — | —   | 831   | 869   | 1,700  | (70 )    | 1990 | 07/17/13 | 14 to 30 Years |
| Scottsdale, AZ      | (b) | 4,416 | 2,384 | — | —   | 4,416 | 2,384 | 6,800  | (863 )   | 2000 | 07/02/07 | 15 to 40 years |
| Scottsdale, AZ      | (b) | 2,765 | 2,196 | — | —   | 2,765 | 2,196 | 4,961  | (792 )   | 1995 | 07/02/07 | 15 to 40 years |
| Scottsdale, AZ      | (b) | 5,123 | 2,683 | — | —   | 5,123 | 2,683 | 7,806  | (1,231 ) | 1991 | 07/02/07 | 15 to 40 years |
| Scottsdale, AZ      | (b) | 3,437 | 2,373 | — | —   | 3,437 | 2,373 | 5,810  | (1,089 ) | 1996 | 07/02/07 | 15 to 40 years |
| Seville, OH         | (d) | 1,141 | 2,604 | — | —   | 1,141 | 2,604 | 3,745  | (161 )   | 2003 | 07/17/13 | 15 to 36 Years |
| Sherman Mills, ME   | (d) | 259   | 163   | — | —   | 259   | 163   | 422    | (35 )    | 1974 | 06/28/12 | 15 to 20       |



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|                          |     |     |       |   |   |     |       |       |      |   |      |          |         |                |
|--------------------------|-----|-----|-------|---|---|-----|-------|-------|------|---|------|----------|---------|----------------|
| Shoreline,<br>WA         | (b) | 516 | 172   | — | — | 516 | 172   | 688   | (2   | ) | 1955 | 10/28/14 | 30      | years<br>15 to |
| Shreveport,<br>LA        | (d) | 369 | 1,183 | — | — | 369 | 1,183 | 1,552 | (104 | ) | 1988 | 07/17/13 | 4 to 28 | Years          |
| South<br>Portland,<br>ME | (b) | 448 | 593   | — | — | 448 | 593   | 1,041 | (26  | ) | 1970 | 01/24/14 | 40      | 14 to<br>Years |

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| Encumbrances<br>Description<br>(i) | Initial Cost to Company  |                            |                       |                           | Cost Capitalized Subsequent to Acquisition including impairment |                            |                          |                            | Gross Amount at<br>December 31, 2014 (h) |                            | Total    | Final<br>Accum       |
|------------------------------------|--------------------------|----------------------------|-----------------------|---------------------------|---|----------------------------|--------------------------|----------------------------|--|----------------------------|----------|----------------------|
|                                    | Land and<br>Improvements | Buildings,<br>Improvements | Improvements/<br>Land | Improvements/<br>building | Land and<br>Improvements  | Buildings,<br>Improvements | Land and<br>Improvements | Buildings,<br>Improvements | Land and<br>Improvements                 | Buildings,<br>Improvements |          |                      |
| South<br>Portland, ME              | (d)                      | 661                        | 194                   | —                         | —   | 661                        | 194                      | 855                        | (51 )                                    | 1970                       | 06/28/12 | 15 to<br>15<br>years |
| Spiceland,<br>IN                   | (a)                      | 9,649                      | 3,063                 | —                         | —   | 9,649                      | 3,063                    | 12,712                     | (2,778 )                                 | 2001                       | 12/23/03 | 15 to<br>40<br>years |
| Springdale,<br>SC                  | (d)                      | 794                        | 767                   | —                         | —   | 794                        | 767                      | 1,561                      | (56 )                                    | 1999                       | 07/17/13 | 13 to<br>33<br>Years |
| Stanton, CA                        | (b)                      | 985                        | 566                   | —                         | —   | 985                        | 566                      | 1,551                      | (6 )                                     | 1966                       | 10/31/14 | 15 to<br>30<br>Years |
| Summerville,<br>NC                 | (a)                      | 1,317                      | 1,459                 | —                         | 208   | 1,317                      | 1,667                    | 2,984                      | (140 )                                   | 2001                       | 05/08/13 | 8 to 29<br>Years     |
| Tacoma, WA                         | (b)                      | 326                        | 290                   | —                         | —   | 326                        | 290                      | 616                        | (4 )                                     | 1987                       | 10/28/14 | 15 to<br>30<br>Years |
| Temple City,<br>CA                 | (b)                      | 948                        | 544                   | —                         | 134   | 948                        | 678                      | 1,626                      | (20 )                                    | 1955                       | 05/02/14 | 15 to<br>30<br>Years |
| Twinsburg,<br>OH                   | (d)                      | 556                        | 1,317                 | —                         | —   | 556                        | 1,317                    | 1,873                      | (79 )                                    | 1984                       | 07/17/13 | 15 to<br>37<br>Years |
| Union Gap,<br>WA                   | (b)                      | 417                        | 272                   | —                         | —   | 417                        | 272                      | 689                        | (4 )                                     | 1983                       | 10/28/14 | 15 to<br>30<br>Years |
| Vallejo, CA                        | (b)                      | 2,923                      | 2,904                 | —                         | —   | 2,923                      | 2,904                    | 5,827                      | (28 )                                    | 1970                       | 10/31/14 | 15 to<br>40<br>Years |
| Valley, AL                         | (d)                      | 754                        | 804                   | —                         | —   | 754                        | 804                      | 1,558                      | (69 )                                    | 1974                       | 07/17/13 | 9 to 25<br>Years     |
| Ventura, CA                        | (b)                      | 2,473                      | 909                   | —                         | 169   | 2,473                      | 1,078                    | 3,551                      | (43 )                                    | 1967                       | 05/02/14 | 15 to<br>30<br>Years |
| Ventura, CA                        | (b)                      | 2,274                      | 641                   | —                         | —   | 2,274                      | 641                      | 2,915                      | (74 )                                    | 1971                       | 05/02/14 | 10 to<br>15<br>Years |
| Vista, CA                          | (b)                      | 1,745                      | 497                   | —                         | —   | 1,745                      | 497                      | 2,242                      | (7 )                                     | 1987                       | 10/31/14 | 15 to<br>40<br>Years |
| Waitsburg,<br>WA                   | (b)                      | 190                        | 344                   | —                         | —   | 190                        | 344                      | 534                        | (3 )                                     | 1980                       | 10/28/14 | 15 to<br>30          |

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|                    |     |       |       |   |   |       |       |       |       |      |          |                      |
|--------------------|-----|-------|-------|---|---|-------|-------|-------|-------|------|----------|----------------------|
| Waldoboro, ME      | (b) | 1,450 | 834   | — | — | 1,450 | 834   | 2,284 | (49)  | 1985 | 01/24/14 | Years<br>14 to<br>40 |
| West Monroe, LA    | (d) | 686   | 981   | — | — | 686   | 981   | 1,667 | (174) | 1983 | 07/17/13 | Years<br>5 to 28     |
| West Monroe, LA    | (d) | 425   | 1,558 | — | — | 425   | 1,558 | 1,983 | (176) | 1999 | 07/17/13 | Years<br>3 to 35     |
| Willoughby, OH     | (d) | 477   | 1,167 | — | — | 477   | 1,167 | 1,644 | (76)  | 1986 | 07/17/13 | Years<br>13 to<br>32 |
| Winter Park, FL    | (b) | 992   | 1,021 | — | — | 992   | 1,021 | 2,013 | (57)  | 2004 | 12/19/13 | Years<br>15 to<br>40 |
| Wiscasset, ME      | (b) | 1,305 | 538   | — | — | 1,305 | 538   | 1,843 | (50)  | 1992 | 01/24/14 | Years<br>14 to<br>30 |
| Woodburn, OR       | (b) | 942   | 616   | — | — | 942   | 616   | 1,558 | (8)   | 1985 | 10/28/14 | Years<br>15 to<br>30 |
| Yakima, WA         | (b) | 462   | 317   | — | — | 462   | 317   | 779   | (4)   | 1989 | 10/28/14 | Years<br>15 to<br>30 |
| Yarmouth, ME       | (b) | 950   | 278   | — | — | 950   | 278   | 1,228 | (25)  | 1990 | 01/24/14 | Years<br>14 to<br>40 |
| Building Materials |     |       |       |   |   |       |       |       |       |      |          |                      |
| Abingdon, VA       | (c) | 401   | 814   | — | — | 401   | 814   | 1,215 | (263) | 1979 | 10/14/10 | Years<br>15 to<br>30 |
| Aiken, SC          | (a) | 108   | 265   | — | — | 108   | 265   | 373   | (110) | 1985 | 12/30/04 | Years<br>15 to<br>20 |
| Alamogordo, NM     | (c) | 645   | 861   | — | — | 645   | 861   | 1,506 | (204) | 1980 | 11/10/08 | Years<br>15 to<br>40 |
| Altoona, PA        | (c) | 342   | 545   | — | — | 342   | 545   | 887   | (174) | 1993 | 11/10/08 | Years<br>15 to<br>30 |
| Ankeny, Ia         | (c) | 687   | 2,162 | — | — | 687   | 2,162 | 2,849 | (120) | 2006 | 07/17/13 | Years<br>8 to 43     |
| Arnold, MO         | (c) | 973   | 553   | — | — | 973   | 553   | 1,526 | (303) | 1984 | 07/03/12 | Years<br>10 to<br>15 |
| Asheville, NC      | (c) | 2,013 | 2,307 | — | — | 2,013 | 2,307 | 4,320 | (842) | 1988 | 07/03/12 | Years<br>15 to<br>30 |
| Ashland, KY        | (c) | 1,009 | 1,032 | — | — | 1,009 | 1,032 | 2,041 | (428) | 1991 | 10/14/10 | Years<br>15 to<br>30 |
| Auburn, AL         | (c) | 884   | 1,530 | — | — | 884   | 1,530 | 2,414 | (114) | 2007 | 07/17/13 | Years                |

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|                        |       |       |   |   |       |       |       |        |      |          |                               |
|------------------------|-------|-------|---|---|-------|-------|-------|--------|------|----------|-------------------------------|
|                        |       |       |   |   |       |       |       |        |      |          | 10 to<br>32<br>Years<br>15 to |
| Auburn, NY (c)         | 397   | 786   | — | — | 397   | 786   | 1,183 | (258 ) | 1962 | 11/10/08 | 30<br>years<br>15 to          |
| Bakersfield,<br>CA (c) | 1,235 | 1,659 | — | — | 1,235 | 1,659 | 2,894 | (511 ) | 1976 | 07/03/12 | 30<br>years                   |

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|------------------------------------|--------------------------|----------------------------|-----------------------|---------------------------|---|----------------------------|--------------------------|----------------------------|--|----------------------------|----------|----------------------|
|                                    | Land and<br>Improvements | Buildings,<br>Improvements | Improvements/<br>Land | Improvements/<br>building | Land and<br>Improvements  | Buildings,<br>Improvements | Land and<br>Improvements | Buildings,<br>Improvements | Land and<br>Improvements                 | Buildings,<br>Improvements |          |                      |
| Baldwinsville,<br>NY               | 1,520                    | 1,105                      | 2,008                 | —                         | —   | 1,105                      | 2,008                    | 3,113                      | (169 )                                   | 2005                       | 07/17/13 | 11 to<br>37<br>Years |
| Bardstown,<br>KY                   | (c)                      | 766                        | 837                   | —                         | —   | 766                        | 837                      | 1,603                      | (285 )                                   | 2000                       | 11/10/08 | 15 to<br>40<br>years |
| Baton Rouge,<br>LA                 | (c)                      | 1,568                      | 5,806                 | —                         | —   | 1,568                      | 5,806                    | 7,374                      | (1,373 )                                 | 2003                       | 10/14/10 | 15 to<br>40<br>years |
| Baytown, TX                        | 2,251                    | 1,440                      | 1,712                 | —                         | —   | 1,440                      | 1,712                    | 3,152                      | (121 )                                   | 2007                       | 07/17/13 | 9 to 39<br>Years     |
| Beaver, WV                         | (c)                      | 169                        | 375                   | —                         | —   | 169                        | 375                      | 544                        | (134 )                                   | 1991                       | 11/10/08 | 15 to<br>20<br>years |
| Binghamton,<br>NY                  | (c)                      | 380                        | 1,047                 | —                         | —   | 380                        | 1,047                    | 1,427                      | (275 )                                   | 1975                       | 07/03/12 | 15 to<br>30<br>years |
| Bowling<br>Green, KY               | (a)                      | 136                        | 228                   | —                         | —   | 136                        | 228                      | 364                        | (80 )                                    | 1993                       | 12/30/04 | 15 to<br>30<br>years |
| Bradenton, FL                      | (c)                      | 2,160                      | 3,030                 | —                         | —   | 2,160                      | 3,030                    | 5,190                      | (1,183 )                                 | 2006                       | 04/27/07 | 15 to<br>40<br>years |
| Bridgeport,<br>OH                  | (c)                      | 360                        | 544                   | —                         | —   | 360                        | 544                      | 904                        | (230 )                                   | 1984                       | 11/10/08 | 15 to<br>20<br>years |
| Buckhannon,<br>WV                  | (c)                      | 343                        | 733                   | —                         | —   | 343                        | 733                      | 1,076                      | (199 )                                   | 1982                       | 11/10/08 | 15 to<br>30<br>years |
| Cambridge,<br>MD                   | (c)                      | 465                        | 446                   | —                         | —   | 465                        | 446                      | 911                        | (170 )                                   | 1988                       | 07/03/12 | 15 to<br>20<br>years |
| Cambridge,<br>OH                   | (c)                      | 542                        | 781                   | —                         | —   | 542                        | 781                      | 1,323                      | (265 )                                   | 1978                       | 11/10/08 | 15 to<br>30<br>years |
| Carroll, OH                        | (c)                      | 1,144                      | 4,557                 | —                         | —   | 1,144                      | 4,557                    | 5,701                      | (345 )                                   | 1976                       | 07/17/13 | 3 to 30<br>Years     |
| Charlotte, NC                      | (c)                      | 4,582                      | 6,511                 | —                         | —   | 4,582                      | 6,511                    | 11,093                     | (549 )                                   | 2007                       | 07/17/13 | 10 to<br>26<br>Years |
| Charlottesville,<br>VA             | (c)                      | 414                        | 663                   | —                         | —   | 414                        | 663                      | 1,077                      | (176 )                                   | 1981                       | 06/02/08 | 15 to<br>30          |

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|                   |     |       |       |       |   |       |       |       |          |      |          |                               |
|-------------------|-----|-------|-------|-------|---|-------|-------|-------|----------|------|----------|-------------------------------|
| Chattaroy, WV     | (c) | 107   | 227   | —     | — | 107   | 227   | 334   | (139 )   | 1982 | 11/10/08 | years<br>10 to<br>15          |
| Clarkseville, DE  | (c) | 2,121 | 2,877 | (30 ) | — | 2,091 | 2,877 | 4,968 | (1,012 ) | 1970 | 10/14/10 | years<br>15 to<br>40          |
| Clarksville, TN   | (c) | 1,145 | 1,972 | —     | — | 1,145 | 1,972 | 3,117 | (671 )   | 2005 | 04/27/07 | years<br>15 to<br>40          |
| Clovis, NM        | (a) | 1,704 | 1,342 | —     | — | 1,704 | 1,342 | 3,046 | (150 )   | 2007 | 07/17/13 | years<br>9 to 33<br>Years     |
| Cohasset, MN      | (c) | 334   | 1,134 | —     | — | 334   | 1,134 | 1,468 | (98 )    | 2007 | 07/17/13 | years<br>10 to<br>26<br>Years |
| Columbus, OH      | (c) | 786   | 397   | —     | — | 786   | 397   | 1,183 | (193 )   | 1970 | 11/10/08 | years<br>15 to<br>20          |
| Conroe, TX        | (a) | 492   | 723   | —     | — | 492   | 723   | 1,215 | (259 )   | 1999 | 12/30/04 | years<br>15 to<br>30          |
| Conyers, GA       | (a) | 164   | 486   | —     | — | 164   | 486   | 650   | (154 )   | 1992 | 12/30/04 | years<br>15 to<br>30          |
| Crockett, TX      | (c) | 835   | 1,591 | —     | — | 835   | 1,591 | 2,426 | (131 )   | 2006 | 07/17/13 | years<br>8 to 36<br>Years     |
| Cumberland, MD    | (c) | 678   | 353   | —     | — | 678   | 353   | 1,031 | (174 )   | 1996 | 07/03/12 | years<br>15 to<br>20          |
| Danville, IN      | (c) | 831   | 923   | —     | — | 831   | 923   | 1,754 | (223 )   | 1993 | 11/10/08 | years<br>15 to<br>40          |
| Danville, KY      | (c) | 502   | 703   | —     | — | 502   | 703   | 1,205 | (244 )   | 1995 | 11/10/08 | years<br>15 to<br>40          |
| Dayton, TN        | (c) | 437   | 816   | —     | — | 437   | 816   | 1,253 | (196 )   | 1999 | 06/11/08 | years<br>15 to<br>40          |
| Denton, TX        | (c) | 2,308 | 1,888 | —     | — | 2,308 | 1,888 | 4,196 | (603 )   | 2005 | 04/27/07 | years<br>15 to<br>40          |
| Depew, NY         | (c) | 398   | 1,108 | —     | — | 398   | 1,108 | 1,506 | (416 )   | 1960 | 11/10/08 | years<br>15 to<br>20          |
| D'Iberville, MS   | (a) | 250   | 339   | —     | — | 250   | 339   | 589   | (155 )   | 1984 | 12/30/04 | years<br>15 to<br>20          |
| Douglassville, PA | (c) | 440   | 447   | —     | — | 440   | 447   | 887   | (228 )   | 1979 | 11/10/08 | years<br>15 to<br>20          |
|                   | (c) | 975   | 746   | —     | — | 975   | 746   | 1,721 | (231 )   | 1970 | 11/10/08 | years                         |

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|                      |     |       |   |   |     |       |       |        |      |          |    |                      |
|----------------------|-----|-------|---|---|-----|-------|-------|--------|------|----------|----|----------------------|
| East Syracuse,<br>NY |     |       |   |   |     |       |       |        |      |          |    | 15 to<br>30<br>years |
| Ellettsville, IN (c) | 894 | 1,872 | — | — | 894 | 1,872 | 2,766 | (125 ) | 2010 | 07/17/13 | 47 | 11 to<br>Years       |
| Empire, OH (c)       | 595 | 394   | — | — | 595 | 394   | 989   | (188 ) | 1971 | 11/10/08 | 20 | 15 to<br>years       |

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| Encumbrances<br>Description<br>(i) | Initial Cost to Company  |                            |                       |                           | Cost Capitalized Subsequent to Acquisition including impairment |                            |                          |                            | Gross Amount at<br>December 31, 2014 (h) |                            | Total    | Final<br>Accum       |  |
|------------------------------------|--------------------------|----------------------------|-----------------------|---------------------------|---|----------------------------|--------------------------|----------------------------|--|----------------------------|----------|----------------------|--|
|                                    | Land and<br>Improvements | Buildings,<br>Improvements | Improvements/<br>Land | Improvements/<br>building | Land and<br>Improvements  | Buildings,<br>Improvements | Land and<br>Improvements | Buildings,<br>Improvements | Land and<br>Improvements                 | Buildings,<br>Improvements |          |                      |  |
| Fairview, TN                       | 1,931                    | 975                        | 2,274                 | —                         | —   | 975                        | 2,274                    | 3,249                      | (132 )                                   | 2007                       | 07/17/13 | 8 to 47<br>Years     |  |
| Fayetteville,<br>NC                | (c)                      | 785                        | 2,243                 | —                         | —   | 785                        | 2,243                    | 3,028                      | (783 )                                   | 2006                       | 04/27/07 | 15 to<br>40<br>years |  |
| Florence, SC                       | (a)                      | 221                        | 174                   | —                         | —   | 221                        | 174                      | 395                        | (166 )                                   | 1974                       | 12/30/04 | 10 to<br>15<br>years |  |
| Fort Myers, FL                     | (a)                      | 1,021                      | 583                   | —                         | —   | 1,021                      | 583                      | 1,604                      | (284 )                                   | 1999                       | 12/30/04 | 15 to<br>40<br>years |  |
| Fort Myers, FL                     | (a)                      | 641                        | 1,069                 | —                         | —   | 641                        | 1,069                    | 1,710                      | (430 )                                   | 1999                       | 12/30/04 | 15 to<br>30<br>years |  |
| Fort Myers, FL                     | (c)                      | 2,401                      | 3,148                 | —                         | —   | 2,401                      | 3,148                    | 5,549                      | (996 )                                   | 1973                       | 07/03/12 | 15 to<br>30<br>years |  |
| Fortson, GA                        | (c)                      | 1,120                      | 1,006                 | —                         | —   | 1,120                      | 1,006                    | 2,126                      | (412 )                                   | 2002                       | 10/14/10 | 15 to<br>40<br>years |  |
| Fredericksburg,<br>TX              | 2,031                    | 1,194                      | 1,636                 | —                         | —   | 1,194                      | 1,636                    | 2,830                      | (125 )                                   | 2007                       | 07/17/13 | 8 to 42<br>Years     |  |
| Georgetown,<br>KY                  | (c)                      | 769                        | 885                   | —                         | —   | 769                        | 885                      | 1,654                      | (323 )                                   | 1998                       | 06/11/08 | 15 to<br>40<br>years |  |
| Georgetown,<br>TX                  | (c)                      | 1,587                      | 3,114                 | —                         | —   | 1,587                      | 3,114                    | 4,701                      | (834 )                                   | 2006                       | 04/27/07 | 15 to<br>40<br>years |  |
| Great Falls,<br>MT                 | (a)                      | 1,486                      | 3,856                 | —                         | —   | 1,486                      | 3,856                    | 5,342                      | (996 )                                   | 2004                       | 05/06/04 | 15 to<br>40<br>years |  |
| Greensburg,<br>PA                  | (c)                      | 391                        | 793                   | —                         | —   | 391                        | 793                      | 1,184                      | (258 )                                   | 1977                       | 11/30/09 | 15 to<br>40<br>years |  |
| Greenville, SC                     | (a)                      | 344                        | 210                   | —                         | —   | 344                        | 210                      | 554                        | (207 )                                   | 1981                       | 12/30/04 | 10 to<br>15<br>years |  |
| Greenwood, IN                      | (c)                      | 1,515                      | 477                   | —                         | —   | 1,515                      | 477                      | 1,992                      | (300 )                                   | 1970                       | 07/03/12 | 15 to<br>20<br>years |  |
| Greer, SC                          | (a)                      | 268                        | 236                   | —                         | —   | 268                        | 236                      | 504                        | (125 )                                   | 1993                       | 12/30/04 | 15 to<br>30<br>years |  |



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|                    |     |       |       |   |   |       |       |       |        |      |          |                      |
|--------------------|-----|-------|-------|---|---|-------|-------|-------|--------|------|----------|----------------------|
| Grove City, PA     | (c) | 243   | 863   | — | — | 243   | 863   | 1,106 | (257 ) | 1991 | 10/14/10 | years<br>15 to<br>30 |
| Guilderland, NY    | (c) | 510   | 512   | — | — | 510   | 512   | 1,022 | (204 ) | 1965 | 11/10/08 | years<br>15 to<br>20 |
| Gulfport, MS       | (a) | 384   | 453   | — | — | 384   | 453   | 837   | (403 ) | 1970 | 12/30/04 | years<br>10 to<br>15 |
| Gurnee, IL         | (c) | 2,036 | 2,523 | — | — | 2,036 | 2,523 | 4,559 | (762 ) | 1998 | 07/03/12 | years<br>15 to<br>30 |
| Hattiesburg, MS    | (a) | 262   | 542   | — | — | 262   | 542   | 804   | (274 ) | 1986 | 12/30/04 | years<br>10 to<br>20 |
| Hendersonville, TN | (c) | 1,555 | 2,341 | — | — | 1,555 | 2,341 | 3,896 | (782 ) | 2006 | 04/27/07 | years<br>15 to<br>40 |
| Hickory, NC        | (a) | 199   | 262   | — | — | 199   | 262   | 461   | (150 ) | 1989 | 12/30/04 | years<br>15 to<br>20 |
| Highspire, PA      | (c) | 801   | 2,211 | — | — | 801   | 2,211 | 3,012 | (671 ) | 2005 | 04/27/07 | years<br>15 to<br>40 |
| Huntersville, NC   | (c) | 1,418 | 2,644 | — | — | 1,418 | 2,644 | 4,062 | (853 ) | 2006 | 04/27/07 | years<br>15 to<br>40 |
| Huntington, WV     | (c) | 907   | 1,275 | — | — | 907   | 1,275 | 2,182 | (463 ) | 1985 | 10/14/10 | years<br>15 to<br>30 |
| Indianapolis, IN   | (a) | 607   | 520   | — | — | 607   | 520   | 1,127 | (270 ) | 1990 | 12/30/04 | years<br>15 to<br>20 |
| Indianapolis, IN   | (c) | 849   | 582   | — | — | 849   | 582   | 1,431 | (225 ) | 1970 | 11/10/08 | years<br>15 to<br>20 |
| Jacksonville, FL   | (a) | 339   | 226   | — | — | 339   | 226   | 565   | (147 ) | 1987 | 12/30/04 | years<br>15 to<br>20 |
| Jacksonville, FL   | (a) | 786   | 1,690 | — | — | 786   | 1,690 | 2,476 | (890 ) | 1960 | 12/30/04 | years<br>10 to<br>20 |
| Jacksonville, FL   | (a) | 963   | 1,007 | — | — | 963   | 1,007 | 1,970 | (736 ) | 2001 | 12/30/04 | years<br>10 to<br>20 |
| Jefferson City, TN | (c) | 1,059 | 1,517 | — | — | 1,059 | 1,517 | 2,576 | (460 ) | 1999 | 07/03/12 | years<br>15 to<br>30 |
| Jeffersonville, IN | (c) | 717   | 730   | — | — | 717   | 730   | 1,447 | (258 ) | 1945 | 07/03/12 | years<br>15 to<br>20 |

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|               |     |       |       |   |   |       |       |       |        |      |          |                            |
|---------------|-----|-------|-------|---|---|-------|-------|-------|--------|------|----------|----------------------------|
| Keller, VA    | (c) | 244   | 959   | — | — | 244   | 959   | 1,203 | (240 ) | 1995 | 10/14/10 | 40 years<br>15 to          |
| Knoxville, TN | (a) | 259   | 111   | — | — | 259   | 111   | 370   | (135 ) | 1981 | 12/30/04 | 15 years<br>10 to          |
| Knoxville, TN | (c) | 1,199 | 737   | — | — | 1,199 | 737   | 1,936 | (325 ) | 1972 | 11/10/08 | 30 years<br>15 to          |
| La Grange, KY | (c) | 1,524 | 1,871 | — | — | 1,524 | 1,871 | 3,395 | (115 ) | 2008 | 07/17/13 | 48 years<br>10 to          |
| La Grange, TX | (c) | 822   | 1,953 | — | — | 822   | 1,953 | 2,775 | (139 ) | 2006 | 07/17/13 | Years<br>8 to 40           |
| Lakeland, FL  | (a) | 1,098 | 1,281 | — | — | 1,098 | 1,281 | 2,379 | (690 ) | 1984 | 12/30/04 | Years<br>15 to<br>20 years |

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|------------------------------------|--------------------------|----------------------------|-----------------------|---|--------------------------|----------------------------|--|-------|--------|----------------|----------|----------------------|
|                                    | Land and<br>Improvements | Buildings,<br>Improvements | Improvements/<br>Land | Improvements/<br>building                                       | Land and<br>Improvements | Buildings,<br>Improvements |  |       |        |                |          |                      |
| Lawrenceville,<br>GA               | (a)                      | 500                        | 237                   | —   | —                        | 500                        | 237                                      | 737   | (150 ) | 1996           | 12/30/04 | 15 to<br>30<br>years |
| Lehighton, PA                      | (c)                      | 645                        | 593                   | —   | —                        | 645                        | 593                                      | 1,238 | (210 ) | 1996           | 07/03/12 | 15 to<br>30<br>years |
| Lexington, KY                      | (c)                      | 871                        | 1,105                 | —   | —                        | 871                        | 1,105                                    | 1,976 | (434 ) | 1970           | 10/14/10 | 15 to<br>30<br>years |
| Lexington, SC                      | (c)                      | 1,250                      | 2,153                 | —   | —                        | 1,250                      | 2,153                                    | 3,403 | (625 ) | 2006           | 04/27/07 | 15 to<br>40<br>years |
| Lincoln, NE                        | (c)                      | 1,822                      | 2,158                 | —   | —                        | 1,822                      | 2,158                                    | 3,980 | (681 ) | 1985           | 11/10/08 | 15 to<br>30<br>years |
| Livingston, TX                     | (c)                      | 1,893                      | 1,134                 | —   | —                        | 1,893                      | 1,134                                    | 3,027 | (131 ) | 2006           | 07/17/13 | 8 to 33<br>Years     |
| London, KY                         | (c)                      | 698                        | 701                   | —   | —                        | 698                        | 701                                      | 1,399 | (284 ) | 1979           | 11/10/08 | 15 to<br>20<br>years |
| Loretto, PA                        | (c)                      | 283                        | 1,144                 | —   | —                        | 283                        | 1,144                                    | 1,427 | (409 ) | 1965           | 10/14/10 | 15 to<br>20<br>years |
| Louisville, KY                     | (c)                      | 737                        | 758                   | —   | —                        | 737                        | 758                                      | 1,495 | (294 ) | 1963           | 11/10/08 | 15 to<br>30<br>years |
| Louisville, KY                     | (c)                      | 800                        | 1,274                 | —   | —                        | 800                        | 1,274                                    | 2,074 | (526 ) | 1963           | 10/14/10 | 15 to<br>20<br>years |
| Lowville, NY                       | (c)                      | 791                        | 1,659                 | —   | —                        | 791                        | 1,659                                    | 2,450 | (106 ) | 2010           | 07/17/13 | 12 to<br>42<br>Years |
| Lubbock, TX                        | (c)                      | 288                        | 1,110                 | —   | —                        | 288                        | 1,110                                    | 1,398 | (319 ) | 1976           | 11/10/08 | 15 to<br>30<br>years |
| Madison<br>Heights, VA             | (c)                      | 536                        | 1,228                 | —   | —                        | 536                        | 1,228                                    | 1,764 | (321 ) | 1981           | 07/03/12 | 15 to<br>30<br>years |
| Madisonville,<br>TN                | (c)                      | 418                        | 815                   | —   | —                        | 418                        | 815                                      | 1,233 | (196 ) | 1999           | 06/11/08 | 15 to<br>40<br>years |
| Malone, NY                         | (c)                      | 793                        | 1,677                 | —   | —                        | 793                        | 1,677                                    | 2,470 | (121 ) | 2010           | 07/17/13 |                      |

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|                    |     |       |       |   |   |       |       |       |         |      |          |                                  |
|--------------------|-----|-------|-------|---|---|-------|-------|-------|---------|------|----------|----------------------------------|
| Manassas, VA       | (c) | 3,591 | 2,021 | — | — | 3,591 | 2,021 | 5,612 | (484)   | 2005 | 04/27/07 | 11 to 42 Years<br>15 to 40 years |
| Marinette, WI      | (c) | 1,236 | 1,611 | — | — | 1,236 | 1,611 | 2,847 | (127)   | 2006 | 07/17/13 | 8 to 38 Years                    |
| Martinsburg, WV    | (a) | 173   | 20    | — | — | 173   | 20    | 193   | (36)    | 1972 | 12/30/04 | 10 to 15 years                   |
| Martinsville, IN   | (c) | 385   | 289   | — | — | 385   | 289   | 674   | (107)   | 1990 | 07/03/12 | 15 to 30 years                   |
| Mattoon, IL        | (a) | 233   | 263   | — | — | 233   | 263   | 496   | (159)   | 1984 | 12/30/04 | 15 to 20 years                   |
| Mechanicsville, MD | (c) | 772   | 2,110 | — | — | 772   | 2,110 | 2,882 | (558)   | 1996 | 10/14/10 | 15 to 40 years                   |
| Milesburg, PA      | (c) | 323   | 537   | — | — | 323   | 537   | 860   | (215)   | 1973 | 11/10/08 | 15 to 20 years                   |
| Milton, WV         | (c) | 68    | 169   | — | — | 68    | 169   | 237   | (104)   | 1977 | 11/10/08 | 10 to 15 years                   |
| Mishawaka, IN      | (c) | 357   | 397   | — | — | 357   | 397   | 754   | (176)   | 1979 | 07/03/12 | 10 to 15 years                   |
| Moorefield, WV     | (c) | 572   | 310   | — | — | 572   | 310   | 882   | (89)    | 1996 | 11/10/08 | 15 to 40 years                   |
| Morgantown, WV     | (c) | 930   | 307   | — | — | 930   | 307   | 1,237 | (116)   | 1994 | 11/10/08 | 15 to 30 years                   |
| Moundsville, WV    | (c) | 712   | 310   | — | — | 712   | 310   | 1,022 | (102)   | 1969 | 11/10/08 | 15 to 30 years                   |
| Mount Airy, MD     | (c) | 4,653 | 2,878 | — | — | 4,653 | 2,878 | 7,531 | (1,272) | 1986 | 07/03/12 | 15 to 20 years                   |
| Mountain Home, AR  | (a) | 944   | 690   | — | — | 944   | 690   | 1,634 | (62)    | 1977 | 03/31/14 | 6 to 15 Years                    |
| Mt Pleasant, PA    | (c) | 399   | 623   | — | — | 399   | 623   | 1,022 | (215)   | 1997 | 11/10/08 | 15 to 30 years                   |
| Mt. Sterling, KY   | (c) | 1,785 | 1,051 | — | — | 1,785 | 1,051 | 2,836 | (121)   | 2011 | 07/17/13 | 12 to 38 Years                   |
| Murfreesboro, TN   | (c) | 612   | 1,244 | — | — | 612   | 1,244 | 1,856 | (405)   | 1968 | 11/30/09 | 15 to 40                         |

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|                      |     |       |       |       |   |       |       |       |        |      |          |                           |
|----------------------|-----|-------|-------|-------|---|-------|-------|-------|--------|------|----------|---------------------------|
| Murrysville,<br>PA   | (c) | 963   | 1,199 | —     | — | 963   | 1,199 | 2,162 | (473 ) | 1968 | 10/14/10 | years<br>15 to<br>20      |
| Navasota, TX         |     | 2,050 | 1,013 | 1,772 | — | 1,013 | 1,772 | 2,785 | (138 ) | 2006 | 07/17/13 | years<br>8 to 41<br>Years |
| New Braunfels,<br>TX | (c) | 1,257 | 1,778 | —     | — | 1,257 | 1,778 | 3,035 | (125 ) | 2006 | 07/17/13 | Years<br>7 to 38<br>Years |

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|------------------------------------|--------------------------|----------------------------|-----------------------|---------------------------|---|----------------------------|--------------------------|----------------------------|--|----------------------------|----------|------------------|----------------|
|                                    | Land and<br>Improvements | Buildings,<br>Improvements | Improvements/<br>Land | Improvements/<br>building | Land and<br>Improvements  | Buildings,<br>Improvements | Land and<br>Improvements | Buildings,<br>Improvements | Land and<br>Improvements                 | Buildings,<br>Improvements |          |                  |                |
| New Castle,<br>PA                  | (c)                      | 494                        | 855                   | —                         | —   | 494                        | 855                      | 1,349                      | (279 )                                   | 1995                       | 10/14/10 | 30               | 15 to<br>years |
| Niagra<br>Falls, NY                | (c)                      | 289                        | 807                   | —                         | —   | 289                        | 807                      | 1,096                      | (283 )                                   | 1981                       | 10/14/10 | 20               | 15 to<br>years |
| North<br>Bluefield,<br>WV          | (c)                      | 217                        | 492                   | —                         | —   | 217                        | 492                      | 709                        | (126 )                                   | 1983                       | 11/10/08 | 40               | 15 to<br>years |
| Northport,<br>AL                   | (c)                      | 2,041                      | 1,946                 | —                         | —   | 2,041                      | 1,946                    | 3,987                      | (886 )                                   | 2006                       | 04/27/07 | 40               | 15 to<br>years |
| Oakland,<br>MD                     | (c)                      | 804                        | 809                   | —                         | —   | 804                        | 809                      | 1,613                      | (332 )                                   | 1993                       | 11/10/08 | 40               | 15 to<br>years |
| Ocala, FL                          | (b)                      | 2,260                      | 4,709                 | —                         | —   | 2,260                      | 4,709                    | 6,969                      | (346 )                                   | 2006                       | 07/17/13 | 8 to 46<br>Years | 15 to<br>years |
| Orchard<br>Park, NY                | (c)                      | 304                        | 1,488                 | —                         | —   | 304                        | 1,488                    | 1,792                      | (493 )                                   | 1966                       | 10/14/10 | 20               | 15 to<br>years |
| Oriskany,<br>NY                    | (c)                      | 618                        | 749                   | —                         | —   | 618                        | 749                      | 1,367                      | (272 )                                   | 1965                       | 07/03/12 | 20               | 15 to<br>years |
| Parkersburg,<br>WV                 | 1,793                    | 966                        | 1,843                 | —                         | —   | 966                        | 1,843                    | 2,809                      | (132 )                                   | 2005                       | 07/17/13 | 7 to 37<br>Years | 15 to<br>years |
| Pataskala,<br>OH                   | (c)                      | 796                        | 656                   | —                         | —   | 796                        | 656                      | 1,452                      | (272 )                                   | 1998                       | 11/10/08 | 20               | 15 to<br>years |
| Patchogue,<br>NY                   | (c)                      | 1,869                      | 797                   | —                         | —   | 1,869                      | 797                      | 2,666                      | (490 )                                   | 1985                       | 10/14/10 | 20               | 15 to<br>years |
| Paw Paw,<br>MI                     | (c)                      | 1,517                      | 1,619                 | —                         | —   | 1,517                      | 1,619                    | 3,136                      | (151 )                                   | 2006                       | 07/17/13 | 8 to 33<br>Years | 15 to<br>years |
| Pearisburg,<br>VA                  | (c)                      | 195                        | 688                   | —                         | —   | 195                        | 688                      | 883                        | (193 )                                   | 1985                       | 10/14/10 | 30               | 15 to<br>years |
| Piperton,<br>TN                    | (c)                      | 1,338                      | 1,916                 | —                         | —   | 1,338                      | 1,916                    | 3,254                      | (603 )                                   | 2006                       | 04/27/07 | 40               | 15 to<br>years |
| Plant City,<br>FL                  | (c)                      | 2,192                      | 3,280                 | —                         | —   | 2,192                      | 3,280                    | 5,472                      | (1,284 )                                 | 2004                       | 10/14/10 | 30               | 15 to<br>years |

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|                   |       |       |       |   |   |       |       |       |       |      |          |                |
|-------------------|-------|-------|-------|---|---|-------|-------|-------|-------|------|----------|----------------|
| Pocahontas, AR    | (a)   | 361   | 471   | — | — | 361   | 471   | 832   | (30)  | 1986 | 03/31/14 | 7 to 20 Years  |
| Pompano Beach, FL | (a)   | 1,144 | 337   | — | — | 1,144 | 337   | 1,481 | (180) | 1990 | 12/30/04 | 15 to 30 years |
| Port Richey, FL   | (a)   | 741   | 660   | — | — | 741   | 660   | 1,401 | (576) | 1975 | 12/30/04 | 10 to 15 years |
| Powhatan, VA      | (b)   | 4,342 | 2,963 | — | — | 4,342 | 2,963 | 7,305 | (523) | 2007 | 07/17/13 | 10 to 31 Years |
| Prior Lake, MN    | 3,283 | 1,998 | 2,454 | — | — | 1,998 | 2,454 | 4,452 | (207) | 1991 | 07/17/13 | 7 to 26 Years  |
| Pulaski, VA       | (c)   | 882   | 1,040 | — | — | 882   | 1,040 | 1,922 | (324) | 1979 | 07/03/12 | 15 to 30 years |
| Raleigh, NC       | (c)   | 1,066 | 2,497 | — | — | 1,066 | 2,497 | 3,563 | (794) | 1975 | 10/14/10 | 15 to 30 years |
| Ranson, WV        | (c)   | 1,020 | 1,955 | — | — | 1,020 | 1,955 | 2,975 | (656) | 2005 | 04/27/07 | 15 to 40 years |
| Richland, MS      | (c)   | 1,351 | 2,279 | — | — | 1,351 | 2,279 | 3,630 | (646) | 2005 | 04/27/07 | 15 to 40 years |
| Richmond, KY      | (c)   | 732   | 720   | — | — | 732   | 720   | 1,452 | (263) | 1976 | 11/10/08 | 15 to 30 years |
| Richmond, VA      | (c)   | 384   | 1,380 | — | — | 384   | 1,380 | 1,764 | (367) | 1977 | 07/03/12 | 15 to 20 years |
| Riverhead, NY     | (c)   | 1,146 | 1,402 | — | — | 1,146 | 1,402 | 2,548 | (409) | 1984 | 06/02/08 | 15 to 30 years |
| Riviera Beach, FL | (a)   | 500   | 170   | — | — | 500   | 170   | 670   | (111) | 1987 | 12/30/04 | 15 to 20 years |
| Roanoke, VA       | (a)   | 333   | 124   | — | — | 333   | 124   | 457   | (134) | 1975 | 12/30/04 | 10 to 15 years |
| Rockaway, NJ      | (c)   | 1,826 | 948   | — | — | 1,826 | 948   | 2,774 | (470) | 1974 | 07/03/12 | 15 to 20 years |
| Rockford, MN      | 2,228 | 1,298 | 2,652 | — | — | 1,298 | 2,652 | 3,950 | (168) | 2006 | 07/17/13 | 9 to 43 Years  |
| Rome, NY          | (d)   | 1,326 | 1,110 | — | — | 1,326 | 1,110 | 2,436 | (108) | 2003 | 07/17/13 | 9 to 34 Years  |
| Roswell, NM       | (a)   | 1,002 | 3,177 | — | — | 1,002 | 3,177 | 4,179 | (669) | 2004 | 07/29/04 | 15 to 50 years |
|                   | (c)   | 293   | 541   | — | — | 293   | 541   | 834   | (199) | 1995 | 11/10/08 |                |

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|                       |     |       |       |   |   |       |       |        |        |      |          |    |                      |
|-----------------------|-----|-------|-------|---|---|-------|-------|--------|--------|------|----------|----|----------------------|
| Russellville,<br>KY   |     |       |       |   |   |       |       |        |        |      |          |    | 15 to<br>30<br>years |
| Salisbury,<br>MD      | (b) | 4,210 | 6,613 | — | — | 4,210 | 6,613 | 10,823 | (692 ) | 2007 | 07/17/13 | 27 | 10 to<br>Years       |
| San<br>Antonio,<br>TX | (c) | 1,403 | 2,195 | — | — | 1,403 | 2,195 | 3,598  | (755 ) | 2004 | 04/27/07 | 40 | 15 to<br>years       |
| Sebring, FL           | (a) | 318   | 291   | — | — | 318   | 291   | 609    | (154 ) | 1982 | 12/30/04 | 20 | 15 to<br>years       |

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| Encumbrances<br>Description<br>(i) | Initial Cost to Company  |                            |                       |                           | Cost Capitalized Subsequent to Acquisition including impairment |                            |                          |                            | Gross Amount at<br>December 31, 2014 (h) |                            | Total    | Final<br>Accum       |
|------------------------------------|--------------------------|----------------------------|-----------------------|---------------------------|---|----------------------------|--------------------------|----------------------------|--|----------------------------|----------|----------------------|
|                                    | Land and<br>Improvements | Buildings,<br>Improvements | Improvements/<br>Land | Improvements/<br>building | Land and<br>Improvements  | Buildings,<br>Improvements | Land and<br>Improvements | Buildings,<br>Improvements | Land and<br>Improvements                 | Buildings,<br>Improvements |          |                      |
| Selbyville,<br>DE                  | (c)                      | 919                        | 1,434                 | —                         | —   | 919                        | 1,434                    | 2,353                      | (538 )                                   | 1970                       | 10/14/10 | 15 to<br>20<br>years |
| Seymour, IN                        | (c)                      | 506                        | 494                   | —                         | —   | 506                        | 494                      | 1,000                      | (249 )                                   | 1995                       | 10/14/10 | 15 to<br>30<br>years |
| Shallotte,<br>NC                   | (c)                      | 705                        | 1,794                 | —                         | —   | 705                        | 1,794                    | 2,499                      | (137 )                                   | 2006                       | 07/17/13 | 10 to<br>30<br>Years |
| Somerset,<br>KY                    | (c)                      | 731                        | 802                   | —                         | —   | 731                        | 802                      | 1,533                      | (246 )                                   | 1998                       | 11/10/08 | 15 to<br>40<br>years |
| Somerset,<br>PA                    | (c)                      | 257                        | 604                   | —                         | —   | 257                        | 604                      | 861                        | (190 )                                   | 1979                       | 11/10/08 | 15 to<br>30<br>years |
| Spokane,<br>WA                     | (a)                      | 518                        | 193                   | —                         | —   | 518                        | 193                      | 711                        | (132 )                                   | 1998                       | 12/30/04 | 15 to<br>30<br>years |
| Statesville,<br>NC                 | (a)                      | 614                        | 355                   | —                         | —   | 614                        | 355                      | 969                        | (328 )                                   | 1976                       | 12/30/04 | 10 to<br>15<br>years |
| Tonawanda,<br>NY                   | (c)                      | 168                        | 1,104                 | —                         | —   | 168                        | 1,104                    | 1,272                      | (352 )                                   | 1968                       | 10/14/10 | 15 to<br>20<br>years |
| Tontitown,<br>AR                   | (a)                      | 230                        | 92                    | —                         | —   | 230                        | 92                       | 322                        | (65 )                                    | 1987                       | 12/30/04 | 15 to<br>20<br>years |
| Troutville,<br>VA                  | (c)                      | 542                        | 802                   | —                         | —   | 542                        | 802                      | 1,344                      | (188 )                                   | 1979                       | 11/10/08 | 15 to<br>40<br>years |
| Versailles,<br>KY                  | (c)                      | 825                        | 1,059                 | —                         | —   | 825                        | 1,059                    | 1,884                      | (418 )                                   | 1978                       | 10/14/10 | 15 to<br>30<br>years |
| Watertown,<br>NY                   | (c)                      | 435                        | 833                   | —                         | —   | 435                        | 833                      | 1,268                      | (243 )                                   | 1997                       | 07/03/12 | 15 to<br>30<br>years |
| Waynesboro,<br>PA                  | (c)                      | 248                        | 801                   | —                         | —   | 248                        | 801                      | 1,049                      | (223 )                                   | 1996                       | 11/10/08 | 15 to<br>30<br>years |
| West<br>Columbia,<br>SC            | (a)                      | 324                        | 108                   | —                         | —   | 324                        | 108                      | 432                        | (63 )                                    | 1989                       | 12/30/04 | 15 to<br>20<br>years |

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|                      |     |       |        |   |   |       |        |        |          |      |          |                |
|----------------------|-----|-------|--------|---|---|-------|--------|--------|----------|------|----------|----------------|
| West Columbia, SC    | (a) | 262   | 598    | — | — | 262   | 598    | 860    | (278 )   | 1984 | 12/30/04 | 10 to 20 years |
| West Springfield, MA | (c) | 1,443 | 1,467  | — | — | 1,443 | 1,467  | 2,910  | (825 )   | 1983 | 10/14/10 | 10 to 17 years |
| Wilmington, NC       | (a) | 370   | 122    | — | — | 370   | 122    | 492    | (78 )    | 1987 | 12/30/04 | 15 to 20 years |
| Winchester, KY       | (c) | 720   | 646    | — | — | 720   | 646    | 1,366  | (248 )   | 1983 | 11/10/08 | 15 to 30 years |
| York, PA             | (c) | 1,213 | 670    | — | — | 1,213 | 670    | 1,883  | (370 )   | 1970 | 07/03/12 | 10 to 15 years |
| Yuma, AZ             | (c) | 1,623 | 2,721  | — | — | 1,623 | 2,721  | 4,344  | (772 )   | 2006 | 04/27/07 | 15 to 40 years |
| Movie Theatres       |     |       |        |   |   |       |        |        |          |      |          |                |
| Anderson, SC         | (b) | 5,248 | 6,437  | — | — | 5,248 | 6,437  | 11,685 | (87 )    | 2000 | 09/25/14 | 15 to 30 Years |
| Arnold, MO           | (a) | 3,275 | 3,014  | — | — | 3,275 | 3,014  | 6,289  | (392 )   | 1998 | 07/17/13 | 5 to 21 Years  |
| Batavia, IL          | (a) | 4,705 | 7,561  | — | — | 4,705 | 7,561  | 12,266 | (2,077 ) | 1995 | 02/24/06 | 13 to 38 years |
| Bixby, OK            | (a) | 5,585 | 10,101 | — | — | 5,585 | 10,101 | 15,686 | (3,449 ) | 1998 | 11/30/04 | 15 to 30 years |
| Carrollton, GA       | (b) | 1,879 | 5,868  | — | — | 1,879 | 5,868  | 7,747  | —        | 2005 | 12/30/14 | 15 to 40 Years |
| Cedar Rapids, IA     | (a) | 2,521 | 5,461  | — | — | 2,521 | 5,461  | 7,982  | (1,415 ) | 1998 | 09/30/04 | 15 to 40 years |
| Chubbock, ID         | (b) | 1,845 | 2,691  | — | — | 1,845 | 2,691  | 4,536  | (1 )     | 2004 | 12/23/14 | 10 to 30 Years |
| Colorado Springs, CO | (a) | 1,892 | 1,732  | — | — | 1,892 | 1,732  | 3,624  | (738 )   | 1995 | 09/30/05 | 15 to 30 years |
| Columbia, SC         | (a) | 2,115 | 2,091  | — | — | 2,115 | 2,091  | 4,206  | (679 )   | 1996 | 09/30/05 | 15 to 30 years |
| Covina, CA           | (b) | 5,566 | 26,922 | — | — | 5,566 | 26,922 | 32,488 | (5,390 ) | 1997 | 06/23/04 | 14 to 40 years |
| Danville, VA         | (b) | 1,349 | 6,406  | — | — | 1,349 | 6,406  | 7,755  | —        | 2002 | 12/30/14 | 15 to 40 Years |

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|                     |     |       |       |   |   |       |       |       |          |      |          |                      |
|---------------------|-----|-------|-------|---|---|-------|-------|-------|----------|------|----------|----------------------|
| Dawsonville,<br>GA  | (b) | 1,859 | 4,207 | — | — | 1,859 | 4,207 | 6,066 | —        | 2005 | 12/30/14 | 15 to<br>40<br>Years |
| Dickson<br>City, PA | (a) | 4,198 | 5,269 | — | — | 4,198 | 5,269 | 9,467 | (89 )    | 2010 | 09/29/14 | 13 to<br>30<br>Years |
| Durham, NC          | (a) | 1,630 | 2,685 | — | — | 1,630 | 2,685 | 4,315 | (1,051 ) | 1994 | 09/30/05 | 14 to<br>30<br>years |
| Fenton, MO          | (a) | 2,792 | 5,982 | — | — | 2,792 | 5,982 | 8,774 | (67 )    | 2008 | 09/29/14 | 13 to<br>40<br>Years |

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| Encumbrances<br>Description<br>(i) | Initial Cost to Company  |                            |                       |                           | Cost Capitalized Subsequent to Acquisition including impairment |                            |                          |                            | Gross Amount at<br>December 31, 2014 (h) |                | Total    | Final<br>Accum       |
|------------------------------------|--------------------------|----------------------------|-----------------------|---------------------------|---|----------------------------|--------------------------|----------------------------|--|----------------|----------|----------------------|
|                                    | Land and<br>Improvements | Buildings,<br>Improvements | Improvements/<br>Land | Improvements/<br>building | Land and<br>Improvements  | Buildings,<br>Improvements | Land and<br>Improvements | Buildings,<br>Improvements | Year                                     | Month/Day/Year |          |                      |
| Fort Wayne, IN                     | (a)                      | 2,696                      | 9,849                 | 682                       | —   | 3,378                      | 9,849                    | 13,227                     | (2,503)                                  | 2005           | 06/30/04 | 15 to<br>40<br>years |
| Gainesville,<br>GA                 | (b)                      | 2,278                      | 8,684                 | —                         | —   | 2,278                      | 8,684                    | 10,962                     | —  | 1996           | 12/30/14 | 15 to<br>40<br>Years |
| Goodyear, AZ                       | (a)                      | 3,881                      | 4,392                 | —                         | —   | 3,881                      | 4,392                    | 8,273                      | (1,163)                                  | 1998           | 12/15/05 | 12 to<br>37<br>years |
| Greensboro,<br>NC                  | (a)                      | 2,359                      | 2,431                 | —                         | —   | 2,359                      | 2,431                    | 4,790                      | (818)                                    | 1996           | 09/30/05 | 15 to<br>30<br>years |
| Griffin, GA                        | (b)                      | 1,239                      | 3,188                 | —                         | —   | 1,239                      | 3,188                    | 4,427                      | —  | 2005           | 12/30/14 | 15 to<br>30<br>Years |
| Hinesville, GA                     | (b)                      | 2,049                      | 5,216                 | —                         | —   | 2,049                      | 5,216                    | 7,265                      | —  | 2001           | 12/30/14 | 15 to<br>40<br>Years |
| Johnston, IA                       | (c)                      | 3,046                      | 10,213                | —                         | —   | 3,046                      | 10,213                   | 13,259                     | (2,979)                                  | 1998           | 06/23/04 | 15 to<br>30<br>Years |
| Kansas City,<br>MO                 | (a)                      | 2,543                      | 7,943                 | —                         | —   | 2,543                      | 7,943                    | 10,486                     | (1,710)                                  | 2003           | 07/29/04 | 15 to<br>50<br>years |
| Lebanon, PA                        | (a)                      | 747                        | 4,295                 | —                         | —   | 747                        | 4,295                    | 5,042                      | (42)                                     | 2005           | 09/29/14 | 13 to<br>30<br>Years |
| Lees Summit,<br>MO                 | (a)                      | 3,517                      | 9,735                 | —                         | —   | 3,517                      | 9,735                    | 13,252                     | (2,511)                                  | 1999           | 07/29/04 | 15 to<br>40<br>years |
| Longview, TX                       | (a)                      | 1,432                      | 2,946                 | —                         | —   | 1,432                      | 2,946                    | 4,378                      | (983)                                    | 1995           | 09/30/05 | 15 to<br>30<br>years |
| Martinsburg,<br>WV                 | (a)                      | 2,450                      | 3,528                 | —                         | —   | 2,450                      | 3,528                    | 5,978                      | (1,277)                                  | 1998           | 09/30/05 | 13 to<br>30<br>years |
| Massillon, OH                      | (a)                      | 1,767                      | 2,667                 | —                         | —   | 1,767                      | 2,667                    | 4,434                      | (41)                                     | 2005           | 09/29/14 | 13 to<br>30<br>Years |
| Missoula, MT                       | (a)                      | 2,333                      | 3,406                 | —                         | —   | 2,333                      | 3,406                    | 5,739                      | (933)                                    | 1998           | 06/23/04 | 15 to<br>40<br>years |

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|                      |     |       |        |       |        |       |        |        |          |      |          |                |
|----------------------|-----|-------|--------|-------|--------|-------|--------|--------|----------|------|----------|----------------|
| Mooreville, NC       | (b) | 5,087 | 6,800  | —     | —      | 5,087 | 6,800  | 11,887 | (71 )    | 1999 | 09/25/14 | 15 to 30 Years |
| Nitro, WV            | (a) | 1,816 | 3,068  | —     | —      | 1,816 | 3,068  | 4,884  | (46 )    | 2005 | 09/29/14 | 13 to 30 Years |
| Noblesville, IN      | (a) | 1,760 | —      | 2,338 | 10,172 | 4,098 | 10,171 | 14,269 | (2,601 ) | 2008 | 01/05/07 | 14 to 39 years |
| Overland Park, KS    | (a) | 4,935 | 12,281 | —     | —      | 4,935 | 12,281 | 17,216 | (2,303 ) | 2004 | 12/15/05 | 12 to 57 years |
| Phoenix, AZ          | (a) | 2,652 | 11,495 | —     | —      | 2,652 | 11,495 | 14,147 | (2,300 ) | 1997 | 05/17/04 | 13 to 40 years |
| Portage, IN          | (a) | 4,621 | 8,300  | —     | —      | 4,621 | 8,300  | 12,921 | (2,519 ) | 2007 | 12/02/05 | 13 to 38 years |
| Raleigh, NC          | (a) | 3,636 | 8,833  | —     | —      | 3,636 | 8,833  | 12,469 | (2,700 ) | 1988 | 06/23/04 | 12 to 27 years |
| Saginaw, MI          | (a) | 2,538 | —      | —     | 8,358  | 2,538 | 8,358  | 10,896 | (256 )   | 2013 | 12/02/13 | 15 to 15 Years |
| Simpsonville, SC     | (a) | 1,862 | 5,453  | —     | —      | 1,862 | 5,453  | 7,315  | (62 )    | 2010 | 09/29/14 | 13 to 40 Years |
| Valdosta, GA         | (b) | 3,038 | 13,801 | —     | —      | 3,038 | 13,801 | 16,839 | —        | 2001 | 12/30/14 | 15 to 40 Years |
| Warner Robins, GA    | (b) | 2,598 | 8,324  | —     | —      | 2,598 | 8,324  | 10,922 | —        | 2010 | 12/30/14 | 15 to 40 Years |
| Wilmington, NC       | (a) | 1,552 | 2,934  | —     | —      | 1,552 | 2,934  | 4,486  | (944 )   | 1997 | 09/30/05 | 15 to 30 years |
| Winston-Salem, NC    | (a) | 1,567 | 2,140  | —     | —      | 1,567 | 2,140  | 3,707  | (843 )   | 1993 | 10/28/05 | 13 to 30 years |
| Woodstock, GA        | (b) | 2,798 | 5,057  | —     | —      | 2,798 | 5,057  | 7,855  | —        | 1997 | 12/30/14 | 15 to 30 Years |
| Yukon, OK            | (c) | 1,082 | 3,538  | —     | —      | 1,082 | 3,538  | 4,620  | (215 )   | 2007 | 07/17/13 | 8 to 33 Years  |
| Medical/Other Office |     |       |        |       |        |       |        |        |          |      |          |                |
| Anderson, IN         | (a) | 411   | 1,673  | —     | —      | 411   | 1,673  | 2,084  | (36 )    | 1981 | 03/31/14 | 15 to 40 Years |
| Beaumont, TX         | (a) | 438   | 1,976  | —     | —      | 438   | 1,976  | 2,414  | (61 )    | 1985 | 03/31/14 | 15 to 30       |

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|                       |     |     |       |   |   |     |       |       |        |      |          |                           |
|-----------------------|-----|-----|-------|---|---|-----|-------|-------|--------|------|----------|---------------------------|
| Beavercreek,<br>OH    | (b) | 559 | 1,420 | — | — | 559 | 1,420 | 1,979 | (23 )  | 2006 | 08/18/14 | Years<br>7 to 40<br>Years |
| Belleville,<br>IL     | (a) | 140 | 431   | — | — | 140 | 431   | 571   | (18 )  | 1979 | 03/31/14 | 15 to<br>20<br>Years      |
| Bonita<br>Springs, FL | (a) | 317 | 1,619 | — | — | 317 | 1,619 | 1,936 | (115 ) | 2003 | 08/30/12 | 15 to<br>50<br>years      |

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|------------------------------------|--------------------------|----------------------------|-----------------------|---------------------------|---|----------------------------|--------------------------|----------------------------|--|----------------------------|----------|----------------------|----------------------|
|                                    | Land and<br>Improvements | Buildings,<br>Improvements | Improvements/<br>Land | Improvements/<br>building | Land and<br>Improvements  | Buildings,<br>Improvements | Land and<br>Improvements | Buildings,<br>Improvements | Land and<br>Improvements                 | Buildings,<br>Improvements |          |                      |                      |
| Bonita Springs, FL                 | (a)                      | 738                        | 4,022                 | —                         | —   | 738                        | 4,022                    | 4,760                      | (277 )                                   | 2006                       | 08/30/12 | 15 to<br>50<br>years |                      |
| Bonita Springs, FL                 | (a)                      | 376                        | 940                   | —                         | —   | 376                        | 940                      | 1,316                      | (78 )                                    | 2006                       | 08/30/12 | 15 to<br>50<br>years |                      |
| Brandon, FL                        | (a)                      | 110                        | 671                   | —                         | —   | 110                        | 671                      | 781                        | (17 )                                    | 1999                       | 03/31/14 | 15 to<br>30<br>Years |                      |
| Brandon, MS                        | (a)                      | 200                        | 281                   | —                         | —   | 200                        | 281                      | 481                        | (12 )                                    | 1986                       | 03/31/14 | 15 to<br>30<br>Years |                      |
| Bullhead City, AZ                  | (a)                      | 57                         | 946                   | —                         | —   | 57                         | 946                      | 1,003                      | (19 )                                    | 2005                       | 04/08/14 | 15 to<br>40<br>Years |                      |
| Camp Hill, PA                      | (a)                      | 180                        | 581                   | —                         | —   | 180                        | 581                      | 761                        | (17 )                                    | 1991                       | 03/31/14 | 15 to<br>30<br>Years |                      |
| Camp Hill, PA                      | (a)                      | 140                        | 641                   | —                         | —   | 140                        | 641                      | 781                        | (18 )                                    | 1990                       | 03/31/14 | 15 to<br>30<br>Years |                      |
| Cape Coral, FL                     | (a)                      | 545                        | 1,716                 | —                         | —   | 545                        | 1,716                    | 2,261                      | (145 )                                   | 2011                       | 08/30/12 | 15 to<br>50<br>years |                      |
| Clarksville, TN                    | (a)                      | 281                        | 531                   | —                         | —   | 281                        | 531                      | 812                        | (15 )                                    | 1997                       | 03/31/14 | 15 to<br>30<br>Years |                      |
| Clarksville, TN                    | (b)                      | 978                        | 2,718                 | —                         | —   | 978                        | 2,718                    | 3,696                      | (7 )                                     | 2011                       | 12/04/14 | 15 to<br>40<br>Years |                      |
| Clayton, GA                        | (a)                      | 70                         | 311                   | —                         | —   | 70                         | 311                      | 381                        | (10 )                                    | 1963                       | 03/31/14 | 15 to<br>30<br>Years |                      |
| Columbia, MO                       | (a)                      | 1,012                      | 7,054                 | —                         | —   | 1,012                      | 7,054                    | 8,066                      | (145 )                                   | 2004                       | 03/31/14 | 15 to<br>40<br>Years |                      |
| Columbia, SC                       |                          | 19,750                     | 3,378                 | 35,152                    | —   | —                          | 3,378                    | 35,152                     | 38,530                                   | (927 )                     | 2003     | 12/31/13             | 15 to<br>40<br>Years |
| Columbus, GA                       | (a)                      | 190                        | 531                   | —                         | —   | 190                        | 531                      | 721                        | (18 )                                    | 1993                       | 03/31/14 | 15 to<br>30<br>Years |                      |

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|                  |     |       |        |   |       |       |        |        |          |      |          |                |
|------------------|-----|-------|--------|---|-------|-------|--------|--------|----------|------|----------|----------------|
| Crystal Lake, IL | (a) | 200   | 631    | — | —     | 200   | 631    | 831    | (19 )    | 2001 | 03/31/14 | 15 to 30 Years |
| Dallas, TX       | (a) | 1,633 | 21,834 | — | 2,018 | 1,633 | 23,852 | 25,485 | (3,997 ) | 2005 | 08/29/05 | 15 to 50 years |
| Dallas, TX       | (a) | 1,915 | 9,150  | — | —     | 1,915 | 9,150  | 11,065 | (564 )   | 2005 | 03/28/13 | 11 to 50 Years |
| Debary, FL       | (a) | 100   | 641    | — | —     | 100   | 641    | 741    | (18 )    | 1989 | 03/31/14 | 15 to 30 Years |
| Defiance, OH     | (a) | 130   | 491    | — | —     | 130   | 491    | 621    | (15 )    | 1959 | 03/31/14 | 15 to 30 Years |
| Devine, TX       | (a) | 240   | 481    | — | —     | 240   | 481    | 721    | (17 )    | 2002 | 03/31/14 | 15 to 30 Years |
| Douglasville, GA | (d) | 2,612 | 4,840  | — | 87    | 2,612 | 4,927  | 7,539  | (430 )   | 2006 | 07/17/13 | 5 to 39 Years  |
| East Alton, IL   | (a) | 170   | 80     | — | —     | 170   | 80     | 250    | (6 )     | 1960 | 03/31/14 | 15 to 20 Years |
| Eastman, GA      | (a) | 130   | 551    | — | —     | 130   | 551    | 681    | (18 )    | 1988 | 03/31/14 | 15 to 30 Years |
| Elizabethton, TN | (b) | 482   | 1,139  | — | —     | 482   | 1,139  | 1,621  | (21 )    | 2008 | 08/18/14 | 6 to 30 Years  |
| Elkhart, IN      | (a) | 90    | 341    | — | —     | 90    | 341    | 431    | (10 )    | 1969 | 03/31/14 | 15 to 30 Years |
| Evansville, IN   | (a) | 130   | 391    | — | —     | 130   | 391    | 521    | (12 )    | 1986 | 03/31/14 | 15 to 30 Years |
| Fairlea, WV      | (b) | 298   | 1,280  | — | —     | 298   | 1,280  | 1,578  | (21 )    | 2010 | 08/18/14 | 10 to 40 Years |
| Franklin, TX     | (b) | 159   | 1,124  | — | —     | 159   | 1,124  | 1,283  | (16 )    | 2012 | 08/18/14 | 4 to 40 Years  |
| Ft. Myers, FL    | (a) | 903   | 6,445  | — | —     | 903   | 6,445  | 7,348  | (425 )   | 1989 | 08/30/12 | 15 to 50 years |
| Ft. Wayne, IN    | (a) | 150   | 1,022  | — | —     | 150   | 1,022  | 1,172  | (22 )    | 1965 | 03/31/14 | 15 to 40 Years |
| Gahanna, OH      | (a) | 411   | 982    | — | —     | 411   | 982    | 1,393  | (30 )    | 1998 | 03/31/14 | 15 to 40 Years |
| Gainesville, FL  | (a) | 180   | 711    | — | —     | 180   | 711    | 891    | (19 )    | 1941 | 03/31/14 | 15 to 30 Years |



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|                     |     |     |       |   |   |     |       |       |     |   |      |          |                      |
|---------------------|-----|-----|-------|---|---|-----|-------|-------|-----|---|------|----------|----------------------|
| Germantown,<br>TN   | (a) | 91  | 171   | — | — | 91  | 171   | 262   | (4  | ) | 1984 | 04/08/14 | 15 to<br>40<br>Years |
| Glendale, AZ        | (a) | 371 | 491   | — | — | 371 | 491   | 862   | (14 | ) | 1988 | 03/31/14 | 15 to<br>30<br>Years |
| Grayson, KY         | (b) | 658 | 3,171 | — | — | 658 | 3,171 | 3,829 | (42 | ) | 2011 | 08/18/14 | 9 to 40<br>Years     |
| Hartsville,<br>SC   | (a) | 90  | 180   | — | — | 90  | 180   | 270   | (5  | ) | 1973 | 03/31/14 | 15 to<br>40<br>Years |
| Jacksonville,<br>FL | (a) | 57  | 365   | — | — | 57  | 365   | 422   | (10 | ) | 1986 | 04/08/14 | 15 to<br>30<br>Years |
| Jacksonville,<br>FL | (b) | 815 | 1,606 | — | — | 815 | 1,606 | 2,421 | (25 | ) | 1977 | 08/18/14 | 6 to 30<br>Years     |

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| Encumbrances<br>Description<br>(i) | Initial Cost to Company  |                            |                       |                           | Cost Capitalized Subsequent to Acquisition including impairment |                            |                          |                            | Gross Amount at<br>December 31, 2014 (h) |                            | Total | Final<br>Accum |                      |
|------------------------------------|--------------------------|----------------------------|-----------------------|---------------------------|---|----------------------------|--------------------------|----------------------------|--|----------------------------|-------|----------------|----------------------|
|                                    | Land and<br>Improvements | Buildings,<br>Improvements | Improvements/<br>Land | Improvements/<br>building | Land and<br>Improvements  | Buildings,<br>Improvements | Land and<br>Improvements | Buildings,<br>Improvements | Land and<br>Improvements                 | Buildings,<br>Improvements |       |                |                      |
| Largo, FL                          | (a)                      | 150                        | 311                   | —                         | —   | 150                        | 311                      | 461                        | (9                                       | )                          | 1962  | 03/31/14       | 15 to<br>30<br>Years |
| Las Cruces,<br>NM                  | (c)                      | 808                        | 6,045                 | —                         | —   | 808                        | 6,045                    | 6,853                      | (291                                     | )                          | 1983  | 07/17/13       | 4 to 52<br>Years     |
| Lewisville, TX                     | (a)                      | 1,766                      | 8,087                 | —                         | —   | 1,766                      | 8,087                    | 9,853                      | (184                                     | )                          | 2002  | 03/31/14       | 8 to 40<br>Years     |
| Litchfield, IL                     | (a)                      | 210                        | 311                   | —                         | —   | 210                        | 311                      | 521                        | (15                                      | )                          | 1962  | 03/31/14       | 15 to<br>20<br>Years |
| Litchfield, IL                     | (a)                      | 110                        | 120                   | —                         | —   | 110                        | 120                      | 230                        | (5                                       | )                          | 1962  | 03/31/14       | 15 to<br>20<br>Years |
| Logansport, IN                     | (a)                      | 30                         | 421                   | —                         | —   | 30                         | 421                      | 451                        | (11                                      | )                          | 1920  | 03/31/14       | 15 to<br>30<br>Years |
| Longview, TX                       | (a)                      | 200                        | 601                   | —                         | —   | 200                        | 601                      | 801                        | (20                                      | )                          | 2003  | 03/31/14       | 15 to<br>30<br>Years |
| Marion, IN                         | (a)                      | 140                        | 321                   | —                         | —   | 140                        | 321                      | 461                        | (12                                      | )                          | 1988  | 03/31/14       | 15 to<br>30<br>Years |
| Marion, IN                         | (a)                      | 130                        | 421                   | —                         | —   | 130                        | 421                      | 551                        | (14                                      | )                          | 1974  | 03/31/14       | 15 to<br>30<br>Years |
| Maryville, IL                      | (a)                      | 301                        | 401                   | —                         | —   | 301                        | 401                      | 702                        | (14                                      | )                          | 1995  | 03/31/14       | 15 to<br>30<br>Years |
| Mechanicsburg,<br>PA               | (a)                      | 230                        | 1,032                 | —                         | —   | 230                        | 1,032                    | 1,262                      | (29                                      | )                          | 1990  | 03/31/14       | 15 to<br>30<br>Years |
| Melbourne, FL                      | (a)                      | 321                        | 651                   | —                         | —   | 321                        | 651                      | 972                        | (18                                      | )                          | 1987  | 03/31/14       | 15 to<br>30<br>Years |
| Memphis, TN                        | (a)                      | 91                         | 490                   | —                         | —   | 91                         | 490                      | 581                        | (13                                      | )                          | 1987  | 04/08/14       | 15 to<br>30<br>Years |
| Middleburg, FL                     | (b)                      | 521                        | 2,589                 | —                         | —   | 521                        | 2,589                    | 3,110                      | (41                                      | )                          | 1988  | 08/18/14       | 7 to 30<br>Years     |
| Monroe, GA                         | (a)                      | 110                        | 631                   | —                         | —   | 110                        | 631                      | 741                        | (19                                      | )                          | 2001  | 03/31/14       | 15 to<br>30<br>Years |

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|                           |     |       |       |   |   |       |       |       |        |      |          |                           |
|---------------------------|-----|-------|-------|---|---|-------|-------|-------|--------|------|----------|---------------------------|
| Monroe, MI                | (b) | 728   | 3,440 | — | — | 728   | 3,440 | 4,168 | (62 )  | 1995 | 08/18/14 | 9 to 30<br>Years<br>15 to |
| Naples, FL                | (a) | 1,351 | 5,368 | — | — | 1,351 | 5,368 | 6,719 | (353 ) | 2002 | 08/30/12 | 50<br>years<br>15 to      |
| Naples, FL                | (a) | 1,829 | 4,522 | — | — | 1,829 | 4,522 | 6,351 | (356 ) | 1978 | 08/30/12 | 40<br>years<br>15 to      |
| Naples, FL                | (a) | 1,057 | 3,845 | — | — | 1,057 | 3,845 | 4,902 | (251 ) | 2012 | 10/31/12 | 50<br>years<br>15 to      |
| New Port<br>Richey, FL    | (a) | 274   | 1,162 | — | — | 274   | 1,162 | 1,436 | (32 )  | 2004 | 04/08/14 | 30<br>Years<br>15 to      |
| New Port<br>Richey, FL    | (a) | 456   | 1,151 | — | — | 456   | 1,151 | 1,607 | (36 )  | 2004 | 04/08/14 | 30<br>Years<br>15 to      |
| North Myrtle<br>Beach, SC | (a) | 581   | 601   | — | — | 581   | 601   | 1,182 | (23 )  | 2004 | 03/31/14 | 30<br>Years<br>30 to      |
| Ocala, FL                 | (a) | 23    | 547   | — | — | 23    | 547   | 570   | (14 )  | 1984 | 04/08/14 | 30<br>Years<br>5 to 30    |
| Oelwein, IA               | (b) | 226   | 681   | — | — | 226   | 681   | 907   | (12 )  | 2009 | 08/18/14 | Years<br>7 to 30          |
| Ogden, UT                 | (b) | 597   | 2,331 | — | — | 597   | 2,331 | 2,928 | (40 )  | 1997 | 08/18/14 | Years<br>15 to            |
| Okeechobee,<br>FL         | (a) | 190   | 521   | — | — | 190   | 521   | 711   | (15 )  | 1990 | 03/31/14 | 30<br>Years<br>15 to      |
| Orlando, FL               | (a) | 291   | 230   | — | — | 291   | 230   | 521   | (7 )   | 1979 | 03/31/14 | 30<br>Years<br>15 to      |
| Osceola, IN               | (a) | 291   | 671   | — | — | 291   | 671   | 962   | (22 )  | 1996 | 03/31/14 | 40<br>Years<br>15 to      |
| Oxford, MS                | (a) | 1,416 | 4,451 | — | — | 1,416 | 4,451 | 5,867 | (91 )  | 2001 | 05/15/14 | 40<br>Years<br>15 to      |
| Pataskala, OH             | (a) | 261   | 782   | — | — | 261   | 782   | 1,043 | (19 )  | 1995 | 03/31/14 | 40<br>Years<br>15 to      |
| Port Arthur,<br>TX        | (a) | 468   | 2,057 | — | — | 468   | 2,057 | 2,525 | (63 )  | 1985 | 03/31/14 | 30<br>Years<br>15 to      |
| Raytown, MO               | (a) | 80    | 631   | — | — | 80    | 631   | 711   | (18 )  | 1989 | 03/31/14 | 30<br>Years<br>15 to      |
| Rio Rancho,<br>NM         | (a) | 301   | 461   | — | — | 301   | 461   | 762   | (15 )  | 1992 | 03/31/14 | 30<br>Years               |

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|                      |     |       |       |   |   |       |       |        |        |      |          |                      |
|----------------------|-----|-------|-------|---|---|-------|-------|--------|--------|------|----------|----------------------|
| Rogers, AR           | (a) | 2,014 | 2,313 | — | — | 2,014 | 2,313 | 4,327  | (131 ) | 1988 | 11/18/13 | 13 to<br>30<br>Years |
| Round Rock,<br>TX    | (b) | 271   | 728   | — | — | 271   | 728   | 999    | (9 )   | 1985 | 08/18/14 | 8 to 40<br>Years     |
| Sandy Springs,<br>GA | (a) | 455   | 1,147 | — | — | 455   | 1,147 | 1,602  | (42 )  | 1963 | 04/17/14 | 14 to<br>20<br>Years |
| Schertz, TX          | (a) | 2,596 | 9,944 | — | — | 2,596 | 9,944 | 12,540 | (176 ) | 2013 | 05/16/14 | 13 to<br>40<br>Years |

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| Encumbrances<br>Description<br>(i) | Initial Cost to Company  |                            |                       |                           | Cost Capitalized Subsequent to Acquisition including impairment |                            |                          |                            | Gross Amount at<br>December 31, 2014 (h) |                            | Total | Final<br>Accum |                      |
|------------------------------------|--------------------------|----------------------------|-----------------------|---------------------------|---|----------------------------|--------------------------|----------------------------|--|----------------------------|-------|----------------|----------------------|
|                                    | Land and<br>Improvements | Buildings,<br>Improvements | Improvements/<br>Land | Improvements/<br>building | Land and<br>Improvements  | Buildings,<br>Improvements | Land and<br>Improvements | Buildings,<br>Improvements | Land and<br>Improvements                 | Buildings,<br>Improvements |       |                |                      |
| South Bend,<br>IN                  | (a)                      | 341                        | 321                   | —                         | —   | 341                        | 321                      | 662                        | (16                                      | )                          | 1955  | 03/31/14       | 15 to<br>20<br>Years |
| Spartanburg,<br>SC                 | (a)                      | 150                        | 401                   | —                         | —   | 150                        | 401                      | 551                        | (12                                      | )                          | 1992  | 03/31/14       | 15 to<br>30<br>Years |
| Springfield,<br>IL                 | (a)                      | 451                        | 1,162                 | —                         | —   | 451                        | 1,162                    | 1,613                      | (36                                      | )                          | 1992  | 03/31/14       | 15 to<br>30<br>Years |
| Springfield,<br>MO                 | (a)                      | 561                        | 631                   | —                         | —   | 561                        | 631                      | 1,192                      | (21                                      | )                          | 1996  | 03/31/14       | 15 to<br>30<br>Years |
| Springfield,<br>MO                 | (b)                      | 2,025                      | 3,911                 | —                         | —   | 2,025                      | 3,911                    | 5,936                      | (56                                      | )                          | 1990  | 09/23/14       | 7 to 30<br>Years     |
| St. John,<br>MO                    | 4,420                    | 1,733                      | 3,095                 | —                         | —   | 1,733                      | 3,095                    | 4,828                      | (228                                     | )                          | 1996  | 07/17/13       | 1 to 43<br>Years     |
| Steubenville,<br>OH                | (b)                      | 363                        | 3,726                 | —                         | —   | 363                        | 3,726                    | 4,089                      | (39                                      | )                          | 2002  | 08/18/14       | 14 to<br>40<br>Years |
| Vernon<br>Hills, IL                | (a)                      | 992                        | 5,020                 | —                         | —   | 992                        | 5,020                    | 6,012                      | (140                                     | )                          | 1991  | 03/31/14       | 15 to<br>30<br>Years |
| Vero Beach,<br>FL                  | (a)                      | 220                        | 731                   | —                         | —   | 220                        | 731                      | 951                        | (20                                      | )                          | 1974  | 03/31/14       | 15 to<br>30<br>Years |
| Vicksburg,<br>MS                   | (a)                      | 150                        | 351                   | —                         | —   | 150                        | 351                      | 501                        | (12                                      | )                          | 1984  | 03/31/14       | 15 to<br>30<br>Years |
| Waco, TX                           | (a)                      | 232                        | 1,510                 | —                         | —   | 232                        | 1,510                    | 1,742                      | (21                                      | )                          | 1992  | 06/20/14       | 15 to<br>40<br>Years |
| Warren, IN                         | (b)                      | 220                        | 278                   | —                         | —   | 220                        | 278                      | 498                        | (8                                       | )                          | 1962  | 08/18/14       | 4 to 20<br>Years     |
| Waynesboro,<br>PA                  | (a)                      | 100                        | 601                   | —                         | —   | 100                        | 601                      | 701                        | (13                                      | )                          | 1957  | 03/31/14       | 15 to<br>40<br>Years |
| Westfield,<br>IN                   | (a)                      | 361                        | 751                   | —                         | —   | 361                        | 751                      | 1,112                      | (21                                      | )                          | 1992  | 03/31/14       | 15 to<br>40<br>Years |
| Wharton,<br>TX                     | (b)                      | 192                        | 1,090                 | —                         | —   | 192                        | 1,090                    | 1,282                      | (14                                      | )                          | 1995  | 08/18/14       | 15 to<br>40<br>Years |

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|                    |     |        |        |        |     |       |        |        |          |          |            |                |               |
|--------------------|-----|--------|--------|--------|-----|-------|--------|--------|----------|----------|------------|----------------|---------------|
| Wittenberg, WI     | (a) | 41     | 210    | —      | —   | 41    | 210    | 251    | (6 )     | 1982     | 03/31/14   | 15 to 30 Years |               |
| Wylie, TX          | (a) | 210    | 912    | —      | —   | 210   | 912    | 1,122  | (26 )    | 1986     | 03/31/14   | 15 to 30 Years |               |
| York, PA           | (a) | 100    | 481    | —      | —   | 100   | 481    | 581    | (14 )    | 1984     | 03/31/14   | 15 to 30 Years |               |
| Distribution       |     |        |        |        |     |       |        |        |          |          |            |                |               |
| Arlington, WA      |     | 10,200 | 1,860  | 10,402 | —   | —     | 1,860  | 10,402 | 12,262   | (28 )    | 2002       | 11/21/2014     | 7 to 40 Years |
| Baton Rouge, LA    | (c) | 2,898  | 8,024  | —      | —   | 2,898 | 8,024  | 10,922 | (439 )   | 2008     | 7/17/2013  | 9 to 43 Years  |               |
| Council Bluffs, IA |     | 2,185  | 1,555  | 1,434  | —   | —     | 1,555  | 1,434  | 2,989    | (190 )   | 1999       | 7/17/2013      | 8 to 28 Years |
| Coventry, RI       | (b) | 1,596  | 1,408  | —      | —   | 1,596 | 1,408  | 3,004  | (185 )   | 1998     | 7/17/2013  | 10 to 30 Years |               |
| Edwardsville, KS   |     | 12,880 | 12,781 | 13,501 | —   | —     | 12,781 | 13,501 | 26,282   | (1,537 ) | 1999       | 7/17/2013      | 9 to 29 Years |
| Front Royal, VA    | (c) | 7,258  | 35,710 | —      | —   | 7,258 | 35,710 | 42,968 | (2,462 ) | 2007     | 7/17/2013  | 9 to 34 Years  |               |
| Hickory, NC        | (b) | 1,095  | 2,835  | —      | —   | 1,095 | 2,835  | 3,930  | (573 )   | 1963     | 7/17/2013  | 2 to 12 Years  |               |
| Huntsville, AL     | (c) | 5,115  | 6,701  | —      | —   | 5,115 | 6,701  | 11,816 | (658 )   | 2008     | 7/17/2013  | 10 to 38 Years |               |
| Katy, TX           |     | 68,250 | 13,145 | 96,193 | —   | —     | 13,145 | 96,193 | 109,338  | (4,560 ) | 1976       | 7/17/2013      | 8 to 34 Years |
| Mishawaka, IN      | (b) | 1,124  | 2,786  | 359    | —   | 1,483 | 2,786  | 4,269  | (277 )   | 1993     | 7/17/2013  | 1 to 34 Years  |               |
| Peoria, IL         |     | 2,080  | 953    | 1,916  | —   | 12    | 953    | 1,928  | 2,881    | (165 )   | 1997       | 7/17/2013      | 3 to 30 Years |
| Riverside, CA      | (a) | 1,203  | 6,254  | —      | —   | 1,203 | 6,254  | 7,457  | (1,341 ) | 2004     | 11/12/2004 | 15 to 40 years |               |
| Rockford, IL       | (b) | 1,407  | 3,708  | —      | —   | 1,407 | 3,708  | 5,115  | (284 )   | 1994     | 7/17/2013  | 2 to 33 Years  |               |
| Sewell, NJ         | (a) | 858    | 8,418  | —      | 114 | 858   | 8,532  | 9,390  | (1,912 ) | 2000     | 11/17/2006 | 6 to 50 years  |               |

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|             |     |       |       |   |    |       |       |       |         |      |           |                      |
|-------------|-----|-------|-------|---|----|-------|-------|-------|---------|------|-----------|----------------------|
| Tavares, FL | (a) | 1,075 | 5,098 | — | —  | 1,075 | 5,098 | 6,173 | (1,288) | 2004 | 9/7/2004  | 15 to<br>40<br>years |
| Walker, MI  | (c) | 2,287 | 4,469 | — | 33 | 2,287 | 4,502 | 6,789 | (369)   | 2001 | 7/17/2013 | 4 to<br>34<br>Years  |

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|------------------------------------|--------------------------|----------------------------|-----------------------|---------------------------|---|----------------------------|--------------------------|----------------------------|--|----------------------------|---------|----------------|
|                                    | Land and<br>Improvements | Buildings,<br>Improvements | Improvements/<br>Land | Improvements/<br>building | Land and<br>Improvements  | Buildings,<br>Improvements | Land and<br>Improvements | Buildings,<br>Improvements | Land and<br>Improvements                 | Buildings,<br>Improvements |         |                |
| Automotive parts and service       |                          |                            |                       |                           |   |                            |                          |                            |  |                            |         |                |
| Acworth, GA (a)                    | 823                      | 976                        | —                     | —                         | 823   | 976                        | 1,799                    | (25 )                      | 1999                                     | 03/28/14                   | 40      | 15 to<br>Years |
| Alabaster,<br>AL (a)               | 631                      | 1,010                      | —                     | —                         | 631   | 1,010                      | 1,641                    | (187 )                     | 1995                                     | 12/22/06                   | 40      | 40 to<br>years |
| Albany, GA (a)                     | 242                      | 572                        | —                     | —                         | 242   | 572                        | 814                      | (134 )                     | 1982                                     | 09/07/07                   | 40      | 15 to<br>years |
| Albany, GA (a)                     | 281                      | 575                        | —                     | —                         | 281   | 575                        | 856                      | (193 )                     | 1997                                     | 09/07/07                   | 30      | 15 to<br>years |
| Albuquerque,<br>NM (a)             | 885                      | 2,998                      | —                     | —                         | 885   | 2,998                      | 3,883                    | (145 )                     | 1990                                     | 07/17/13                   | 7 to 35 | Years          |
| Ann Arbor,<br>MI (a)               | 684                      | 413                        | —                     | —                         | 684   | 413                        | 1,097                    | (13 )                      | 1984                                     | 06/23/14                   | 20      | 15 to<br>Years |
| Arlington<br>Heights, IL (a)       | 1,530                    | 5,354                      | —                     | —                         | 1,530   | 5,354                      | 6,884                    | (257 )                     | 1995                                     | 07/17/13                   | 9 to 36 | Years          |
| Ashland, KY (a)                    | 613                      | 1,284                      | —                     | —                         | 613   | 1,284                      | 1,897                    | (62 )                      | 2006                                     | 07/17/13                   | 8 to 48 | Years          |
| Atlanta, GA (a)                    | 1,830                    | 363                        | —                     | —                         | 1,830   | 363                        | 2,193                    | (46 )                      | 1998                                     | 07/17/13                   | 5 to 24 | Years          |
| Auburn<br>Hills, MI (b)            | 3,542                    | 6,597                      | —                     | —                         | 3,542   | 6,597                      | 10,139                   | (548 )                     | 1995                                     | 07/17/13                   | 8 to 38 | Years          |
| Auburn, AL (a)                     | 354                      | 1,182                      | 30                    | 78                        | 384   | 1,260                      | 1,644                    | (324 )                     | 1987                                     | 12/22/06                   | 30      | 15 to<br>years |
| Auburn, AL (a)                     | 676                      | 647                        | —                     | —                         | 676   | 647                        | 1,323                    | (230 )                     | 1995                                     | 09/07/07                   | 30      | 15 to<br>years |
| Battle Creek,<br>MI (a)            | 211                      | 419                        | —                     | —                         | 211   | 419                        | 630                      | (13 )                      | 1981                                     | 06/23/14                   | 20      | 15 to<br>Years |
| Battle Creek,<br>MI (a)            | 302                      | 262                        | —                     | —                         | 302   | 262                        | 564                      | (9 )                       | 1986                                     | 06/23/14                   | 20      | 15 to<br>Years |
| Battle Creek,<br>MI (a)            | 594                      | 262                        | —                     | —                         | 594   | 262                        | 856                      | (15 )                      | 1986                                     | 06/23/14                   | 20      | 15 to<br>Years |
| (a)                                | 358                      | 1,197                      | —                     | —                         | 358   | 1,197                      | 1,555                    | (222 )                     | 1988                                     | 12/22/06                   |         |                |



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|                           |     |       |       |   |     |       |       |       |        |      |          |                      |
|---------------------------|-----|-------|-------|---|-----|-------|-------|-------|--------|------|----------|----------------------|
| Bessemer,<br>AL           |     |       |       |   |     |       |       |       |        |      |          | 40 to<br>40<br>years |
| Birmingham,<br>AL         | (a) | 372   | 1,073 | — | —   | 372   | 1,073 | 1,445 | (265 ) | 1965 | 12/22/06 | 30 to<br>30<br>years |
| Birmingham,<br>AL         | (a) | 607   | 1,379 | — | —   | 607   | 1,379 | 1,986 | (256 ) | 1988 | 12/22/06 | 40 to<br>40<br>years |
| Birmingham,<br>AL         | (a) | 339   | 858   | — | —   | 339   | 858   | 1,197 | (159 ) | 1990 | 12/22/06 | 40 to<br>40<br>years |
| Birmingham,<br>AL         | (a) | 343   | 901   | — | —   | 343   | 901   | 1,244 | (167 ) | 1989 | 12/22/06 | 40 to<br>40<br>years |
| Birmingham,<br>AL         | (a) | 417   | 1,237 | — | —   | 417   | 1,237 | 1,654 | (229 ) | 1970 | 12/22/06 | 40 to<br>40<br>years |
| Birmingham,<br>AL         | (a) | 334   | 1,119 | — | —   | 334   | 1,119 | 1,453 | (207 ) | 1989 | 12/22/06 | 40 to<br>40<br>years |
| Birmingham,<br>AL         | (a) | 300   | 839   | — | —   | 300   | 839   | 1,139 | (124 ) | 1998 | 12/22/06 | 50 to<br>50<br>years |
| Bloomfield,<br>MI         | (a) | 554   | 332   | — | —   | 554   | 332   | 886   | (12 )  | 1987 | 06/23/14 | 15 to<br>20<br>Years |
| Bonita<br>Springs, FL     | (a) | 582   | 312   | — | 101 | 582   | 413   | 995   | (46 )  | 1990 | 03/19/13 | 10 to<br>30<br>Years |
| Bradenton,<br>FL          | (a) | 594   | 494   | — | 222 | 594   | 716   | 1,310 | (83 )  | 1988 | 03/19/13 | 10 to<br>30<br>Years |
| Charlotte,<br>NC          | (a) | 403   | 1,146 | — | —   | 403   | 1,146 | 1,549 | (63 )  | 2008 | 07/17/13 | 12 to<br>43<br>Years |
| Chesterfield<br>Twshp, MI | (a) | 181   | 302   | — | —   | 181   | 302   | 483   | (10 )  | 1990 | 06/23/14 | 15 to<br>20<br>Years |
| Clarksville,<br>IN        | (a) | 1,055 | 1,758 | — | —   | 1,055 | 1,758 | 2,813 | (120 ) | 1993 | 07/17/13 | 8 to 30<br>Years     |
| Clarksville,<br>TN        | (a) | 658   | 1,243 | — | —   | 658   | 1,243 | 1,901 | (39 )  | 2000 | 03/31/14 | 14 to<br>30<br>Years |
| Clawson, MI               | (a) | 262   | 242   | — | —   | 262   | 242   | 504   | (8 )   | 1986 | 06/23/14 | 15 to<br>20<br>Years |
| Clayton, NC               | (a) | 684   | 1,254 | — | —   | 684   | 1,254 | 1,938 | (40 )  | 2001 | 03/31/14 | 7 to 30<br>Years     |
| Clearwater,<br>FL         | (a) | 463   | 443   | — | 131 | 463   | 574   | 1,037 | (58 )  | 1989 | 03/19/13 | 10 to<br>30          |

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|                      |     |       |       |   |   |       |       |       |        |      |          |                      |
|----------------------|-----|-------|-------|---|---|-------|-------|-------|--------|------|----------|----------------------|
| Clinton Township, MI | (a) | 141   | 282   | — | — | 141   | 282   | 423   | (9 )   | 1987 | 06/23/14 | Years<br>15 to<br>20 |
| Colorado Springs, CO | (a) | 1,335 | 1,587 | — | — | 1,335 | 1,587 | 2,922 | (153 ) | 1994 | 07/17/13 | Years<br>7 to 26     |

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| Encumbrances<br>Description<br>(i) | Initial Cost to Company  |                            |                       |                           | Cost Capitalized Subsequent to Acquisition including impairment |                            |                          |                            | Gross Amount at<br>December 31, 2014 (h) |                            | Total    | Final<br>Accum    |  |
|------------------------------------|--------------------------|----------------------------|-----------------------|---------------------------|---|----------------------------|--------------------------|----------------------------|--|----------------------------|----------|-------------------|--|
|                                    | Land and<br>Improvements | Buildings,<br>Improvements | Improvements/<br>Land | Improvements/<br>building | Land and<br>Improvements  | Buildings,<br>Improvements | Land and<br>Improvements | Buildings,<br>Improvements | Land and<br>Improvements                 | Buildings,<br>Improvements |          |                   |  |
| Columbia Heights, MN               | 1,038                    | 510                        | 1,314                 | —                         | —   | 510                        | 1,314                    | 1,824                      | (60 )                                    | 2005                       | 07/17/13 | 7 to 43<br>Years  |  |
| Crestview, FL                      | (a)                      | 544                        | 743                   | —                         | —   | 544                        | 743                      | 1,287                      | (219 )                                   | 1975                       | 09/07/07 | 15 to 30<br>years |  |
| Dacula, GA                         | (a)                      | 1,067                      | 976                   | —                         | —   | 1,067                      | 976                      | 2,043                      | (26 )                                    | 2000                       | 03/28/14 | 15 to 40<br>Years |  |
| Dallas, TX                         | 3,290                    | 3,975                      | —                     | —                         | —   | 3,975                      | —                        | 3,975                      | —  | (g)                        | 07/17/13 | 17 to 20<br>Years |  |
| Decatur, AL                        | (a)                      | 187                        | 1,174                 | —                         | 98  | 187                        | 1,272                    | 1,459                      | (195 )                                   | 2000                       | 12/22/06 | 50 to 50<br>years |  |
| Decatur, AL                        | (a)                      | 84                         | 803                   | —                         | —   | 84                         | 803                      | 887                        | (119 )                                   | 2001                       | 12/22/06 | 50 to 15<br>years |  |
| Dothan, AL                         | (a)                      | 162                        | 659                   | —                         | —   | 162                        | 659                      | 821                        | (191 )                                   | 1996                       | 09/07/07 | 30 to 7<br>years  |  |
| Duluth, MN                         | 860                      | 207                        | 1,462                 | —                         | —   | 207                        | 1,462                    | 1,669                      | (54 )                                    | 2006                       | 07/17/13 | 10 to 48<br>Years |  |
| Dunellen, NJ                       | (a)                      | 1,177                      | 1,973                 | —                         | —   | 1,177                      | 1,973                    | 3,150                      | (78 )                                    | 2008                       | 07/17/13 | 48 to 9<br>Years  |  |
| El Centro, CA                      | (a)                      | 1,295                      | 1,504                 | —                         | —   | 1,295                      | 1,504                    | 2,799                      | (106 )                                   | 2006                       | 07/17/13 | 9 to 33<br>Years  |  |
| Estero, FL                         | (a)                      | 334                        | 571                   | —                         | —   | 334                        | 571                      | 905                        | (32 )                                    | 2004                       | 10/28/13 | 9 to 30<br>Years  |  |
| Estero, FL                         | (a)                      | 394                        | 399                   | —                         | —   | 394                        | 399                      | 793                        | (26 )                                    | 2008                       | 10/28/13 | 9 to 30<br>Years  |  |
| Farmington Hills, MI               | (a)                      | 382                        | 282                   | —                         | —   | 382                        | 282                      | 664                        | (10 )                                    | 1987                       | 06/23/14 | 15 to 20<br>Years |  |
| Farragut, TN                       | (a)                      | 986                        | 1,148                 | —                         | —   | 986                        | 1,148                    | 2,134                      | (33 )                                    | 2011                       | 03/28/14 | 40 to 15<br>Years |  |
| Fergus Falls, MN                   | 722                      | 294                        | 978                   | —                         | —   | 294                        | 978                      | 1,272                      | (45 )                                    | 2005                       | 07/17/13 | 7 to 47<br>Years  |  |
| Florence, AL                       | (a)                      | 130                        | 1,128                 | —                         | —   | 130                        | 1,128                    | 1,258                      | (167 )                                   | 1999                       | 12/22/06 | 50 to 50          |  |

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|----------------------|-------|-------|-------|---|-----|-------|-------|-------|--------|------|----------|-------------------------------|
| Fort Myers, FL       | (a)   | 555   | 312   | — | 131 | 555   | 443   | 998   | (52 )  | 1990 | 03/19/13 | years<br>10 to<br>30<br>Years |
| Frederick, MD        | (a)   | 1,571 | 2,529 | — | —   | 1,571 | 2,529 | 4,100 | (133 ) | 1987 | 07/17/13 | 9 to 40<br>Years              |
| Gardendale, AL       | (a)   | 586   | 1,274 | — | —   | 586   | 1,274 | 1,860 | (236 ) | 1989 | 12/22/06 | 40 to<br>40<br>years          |
| Grand Bay, AL        | (a)   | 226   | 1,242 | — | —   | 226   | 1,242 | 1,468 | (52 )  | 2005 | 07/17/13 | 7 to 47<br>Years              |
| Grand Forks, ND      | 840   | 287   | 1,132 | — | —   | 287   | 1,132 | 1,419 | (59 )  | 2005 | 07/17/13 | 7 to 45<br>Years              |
| Greenfield, IN       | (a)   | 458   | 996   | — | —   | 458   | 996   | 1,454 | (47 )  | 2003 | 07/17/13 | 12 to<br>47<br>Years          |
| Greensboro, NC       | (a)   | 721   | 1,179 | — | —   | 721   | 1,179 | 1,900 | (42 )  | 2002 | 03/31/14 | 7 to 30<br>Years              |
| Gulf Breeze, FL      | (a)   | 296   | 457   | — | —   | 296   | 457   | 753   | (137 ) | 1993 | 09/07/07 | 15 to<br>30<br>years          |
| Hampton, VA          | (a)   | 1,662 | 2,974 | — | —   | 1,662 | 2,974 | 4,636 | (186 ) | 1993 | 07/17/13 | 9 to 35<br>Years              |
| Holland Township, MI | 1,231 | 493   | 1,212 | — | —   | 493   | 1,212 | 1,705 | (51 )  | 2006 | 07/17/13 | 7 to 47<br>Years              |
| Holland, MI          | 1,193 | 542   | 1,384 | — | —   | 542   | 1,384 | 1,926 | (61 )  | 2006 | 07/17/13 | 7 to 47<br>Years              |
| Huntsville, AL       | (a)   | 184   | 1,037 | — | —   | 184   | 1,037 | 1,221 | (154 ) | 2001 | 12/22/06 | 50 to<br>50<br>years          |
| Huntsville, AL       | (a)   | 252   | 917   | — | —   | 252   | 917   | 1,169 | (227 ) | 1965 | 12/22/06 | 30 to<br>30<br>years          |
| Huntsville, AL       | (a)   | 374   | 1,295 | — | 109 | 374   | 1,404 | 1,778 | (264 ) | 1997 | 12/22/06 | 20 to<br>40<br>years          |
| Huntsville, AL       | (a)   | 195   | 1,649 | — | —   | 195   | 1,649 | 1,844 | (306 ) | 1993 | 12/22/06 | 40 to<br>40<br>years          |
| Huntsville, AL       | (a)   | 295   | 893   | — | —   | 295   | 893   | 1,188 | (166 ) | 1994 | 12/22/06 | 40 to<br>40<br>years          |
| Hurley, MS           | (a)   | 265   | 1,052 | — | —   | 265   | 1,052 | 1,317 | (52 )  | 2005 | 07/17/13 | 7 to 45<br>Years              |
| Irvington, NJ        | (a)   | 1,605 | 1,912 | — | —   | 1,605 | 1,912 | 3,517 | (89 )  | 2006 | 07/17/13 | 7 to 47<br>Years              |
| Jackson, OH          | (a)   | 397   | 1,251 | — | —   | 397   | 1,251 | 1,648 | (58 )  | 2005 | 07/17/13 | 7 to 47<br>Years              |
| Kalamazoo, MI        | (a)   | 247   | 333   | — | —   | 247   | 333   | 580   | (8 )   | 1982 | 07/30/14 | 15 to<br>20                   |

|                  |     |     |     |   |   |     |     |     |     |   |      |          |                               |
|------------------|-----|-----|-----|---|---|-----|-----|-----|-----|---|------|----------|-------------------------------|
| Kalamazoo,<br>MI | (a) | 201 | 362 | — | — | 201 | 362 | 563 | (11 | ) | 1987 | 06/23/14 | Years<br>15 to<br>20<br>Years |
|------------------|-----|-----|-----|---|---|-----|-----|-----|-----|---|------|----------|-------------------------------|

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| Encumbrances<br>Description<br>(b) | Initial Cost to Company  |                            |                       |                           | Cost Capitalized Subsequent to Acquisition including impairment |                            |                          |                            | Gross Amount at<br>December 31, 2014 (h) |                            | Total | Final<br>Accum |                      |
|------------------------------------|--------------------------|----------------------------|-----------------------|---------------------------|---|----------------------------|--------------------------|----------------------------|--|----------------------------|-------|----------------|----------------------|
|                                    | Land and<br>Improvements | Buildings,<br>Improvements | Improvements/<br>Land | Improvements/<br>building | Land and<br>Improvements  | Buildings,<br>Improvements | Land and<br>Improvements | Buildings,<br>Improvements | Land and<br>Improvements                 | Buildings,<br>Improvements |       |                |                      |
| Kalamazoo,<br>MI                   | (a)                      | 312                        | 262                   | —                         | —   | 312                        | 262                      | 574                        | (9                                       | )                          | 1984  | 06/23/14       | 15 to<br>20<br>Years |
| Kalamazoo,<br>MI                   | (a)                      | 60                         | 211                   | —                         | —   | 60                         | 211                      | 271                        | (6                                       | )                          | 1986  | 06/23/14       | 15 to<br>20<br>Years |
| Kalamazoo,<br>MI                   | (a)                      | 171                        | 332                   | —                         | —   | 171                        | 332                      | 503                        | (12                                      | )                          | 1979  | 06/23/14       | 15 to<br>20<br>Years |
| Kalamazoo,<br>MI                   | (a)                      | 352                        | 262                   | —                         | —   | 352                        | 262                      | 614                        | (11                                      | )                          | 1987  | 06/23/14       | 15 to<br>20<br>Years |
| Kalamazoo,<br>MI                   | (a)                      | 503                        | 342                   | —                         | —   | 503                        | 342                      | 845                        | (19                                      | )                          | 1987  | 06/23/14       | 15 to<br>20<br>Years |
| Kalamzaoo,<br>MI                   | (a)                      | 141                        | 141                   | —                         | —   | 141                        | 141                      | 282                        | (6                                       | )                          | 1987  | 06/23/14       | 15 to<br>20<br>Years |
| Kennesaw,<br>GA                    | (a)                      | 874                        | 1,270                 | —                         | —   | 874                        | 1,270                    | 2,144                      | (33                                      | )                          | 1999  | 03/28/14       | 15 to<br>40<br>Years |
| Lakeland, FL                       | (a)                      | 1,204                      | 1,917                 | —                         | —   | 1,204                      | 1,917                    | 3,121                      | (107                                     | )                          | 1991  | 07/17/13       | 7 to 38<br>Years     |
| Largo, FL                          | (a)                      | 416                        | 494                   | —                         | 111   | 416                        | 605                      | 1,021                      | (59                                      | )                          | 1989  | 03/19/13       | 10 to<br>30<br>Years |
| Lawrenceville,<br>GA               | (a)                      | 722                        | 976                   | —                         | —   | 722                        | 976                      | 1,698                      | (26                                      | )                          | 2000  | 03/28/14       | 15 to<br>40<br>Years |
| Lincoln, NE                        | (a)                      | 1,318                      | 1,604                 | —                         | —   | 1,318                      | 1,604                    | 2,922                      | (615                                     | )                          | 1972  | 07/13/07       | 11 to<br>26<br>years |
| Livonia, MI                        | (a)                      | 252                        | 262                   | —                         | —   | 252                        | 262                      | 514                        | (9                                       | )                          | 1986  | 06/23/14       | 15 to<br>20<br>Years |
| Macomb<br>Township, MI             | (a)                      | 181                        | 262                   | —                         | —   | 181                        | 262                      | 443                        | (9                                       | )                          | 1991  | 06/23/14       | 15 to<br>20<br>Years |
| Madison<br>Heights, MI             | (a)                      | 352                        | 493                   | —                         | —   | 352                        | 493                      | 845                        | (16                                      | )                          | 1989  | 06/23/14       | 15 to<br>20<br>Years |
| Madison, AL                        | (a)                      | 211                        | 1,401                 | —                         | —   | 211                        | 1,401                    | 1,612                      | (260                                     | )                          | 1997  | 12/22/06       |                      |

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|                      |     |     |       |   |   |     |       |       |        |      |          |                      |
|----------------------|-----|-----|-------|---|---|-----|-------|-------|--------|------|----------|----------------------|
|                      |     |     |       |   |   |     |       |       |        |      |          | 40 to<br>40<br>years |
| Madison, AL          | (a) | 359 | 1,505 | — | — | 359 | 1,505 | 1,864 | (279 ) | 1995 | 12/22/06 | 40 to<br>40<br>years |
| Madison, TN          | (a) | 662 | 1,567 | — | — | 662 | 1,567 | 2,229 | (40 )  | 2000 | 03/31/14 | 14 to<br>40<br>Years |
| Marianna, FL         | (a) | 283 | 452   | — | — | 283 | 452   | 735   | (132 ) | 1994 | 09/07/07 | 15 to<br>40<br>years |
| Maryland Heights, MO | (a) | 522 | 1,155 | — | — | 522 | 1,155 | 1,677 | (55 )  | 2005 | 07/17/13 | 7 to 47<br>Years     |
| Midwest City, OK     | (a) | 353 | 815   | — | — | 353 | 815   | 1,168 | (45 )  | 2007 | 07/17/13 | 9 to 44<br>Years     |
| Milton, FL           | (a) | 137 | 577   | — | — | 137 | 577   | 714   | (168 ) | 1986 | 09/07/07 | 15 to<br>30<br>years |
| Mobile, AL           | (a) | 155 | 500   | — | — | 155 | 500   | 655   | (148 ) | 1984 | 09/07/07 | 15 to<br>30<br>years |
| Mobile, AL           | (a) | 167 | 601   | — | — | 167 | 601   | 768   | (179 ) | 1990 | 09/07/07 | 15 to<br>30<br>years |
| Mobile, AL           | (a) | 89  | 501   | — | — | 89  | 501   | 590   | (141 ) | 1982 | 11/30/07 | 15 to<br>30<br>years |
| Mobile, AL           | (a) | 157 | 508   | — | — | 157 | 508   | 665   | (151 ) | 1982 | 09/07/07 | 15 to<br>30<br>years |
| Montgomery, AL       | (a) | 398 | 626   | — | — | 398 | 626   | 1,024 | (204 ) | 1997 | 09/07/07 | 15 to<br>30<br>years |
| Montgomery, AL       | (a) | 241 | 628   | — | — | 241 | 628   | 869   | (187 ) | 1997 | 09/07/07 | 15 to<br>30<br>years |
| Montgomery, AL       | (a) | 422 | 857   | — | — | 422 | 857   | 1,279 | (256 ) | 1992 | 09/07/07 | 15 to<br>30<br>years |
| Montgomery, AL       | (a) | 303 | 636   | — | — | 303 | 636   | 939   | (194 ) | 1996 | 09/07/07 | 15 to<br>30<br>years |
| Montgomery, AL       | (a) | 275 | 528   | — | — | 275 | 528   | 803   | (174 ) | 1988 | 09/07/07 | 15 to<br>30<br>years |
| Moultrie, GA         | (a) | 179 | 271   | — | — | 179 | 271   | 450   | (132 ) | 1983 | 09/07/07 | 15 to<br>20<br>years |
| Naples, FL           | (a) | 249 | 265   | — | — | 249 | 265   | 514   | (18 )  | 1966 | 10/28/13 | 9 to 20<br>Years     |

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|                   |     |     |       |   |     |     |       |       |       |      |          |                      |
|-------------------|-----|-----|-------|---|-----|-----|-------|-------|-------|------|----------|----------------------|
| Naples, FL        | (a) | 173 | 591   | — | —   | 173 | 591   | 764   | (28 ) | 2010 | 10/28/13 | 9 to 30<br>Years     |
| Naples, FL        | (a) | 425 | 424   | — | —   | 425 | 424   | 849   | (27 ) | 1985 | 10/28/13 | 9 to 30<br>Years     |
| Naples, FL        | (a) | 333 | 302   | — | 121 | 333 | 423   | 756   | (45 ) | 1990 | 03/19/13 | 10 to<br>30<br>Years |
| Nashville, TN     | (a) | 828 | 1,405 | — | —   | 828 | 1,405 | 2,233 | (48 ) | 2000 | 03/31/14 | 14 to<br>30<br>Years |
| New Boston,<br>OH | (a) | 345 | 1,538 | — | —   | 345 | 1,538 | 1,883 | (61 ) | 2005 | 07/17/13 | 7 to 47<br>Years     |

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| Encumbrances<br>Description<br>(i) |     | Initial Cost to Company  |                            |                       |                           | Cost Capitalized Subsequent to Acquisition including impairment |                            |                          |                            | Gross Amount at<br>December 31, 2014 (h) |                            | Total                | Final<br>Accum |
|------------------------------------|-----|--------------------------|----------------------------|-----------------------|---------------------------|---|----------------------------|--------------------------|----------------------------|--|----------------------------|----------------------|----------------|
|                                    |     | Land and<br>Improvements | Buildings,<br>Improvements | Improvements/<br>Land | Improvements/<br>building | Land and<br>Improvements  | Buildings,<br>Improvements | Land and<br>Improvements | Buildings,<br>Improvements | Land and<br>Improvements                 | Buildings,<br>Improvements |                      |                |
| Niceville,<br>FL                   | (a) | 458                      | 454                        | —                     | —                         | 458   | 454                        | 912                      | (118 )                     | 1996                                     | 09/07/07                   | 15 to<br>40<br>years |                |
| North<br>Little<br>Rock, AR        | (a) | 244                      | 311                        | —                     | —                         | 244   | 311                        | 555                      | (12 )                      | 2001                                     | 03/31/14                   | 2 to 30<br>Years     |                |
| Ocean<br>Springs,<br>MS            | (a) | 145                      | 186                        | —                     | —                         | 145   | 186                        | 331                      | (13 )                      | 1997                                     | 07/17/13                   | 15 to<br>30<br>Years |                |
| Opelika,<br>AL                     | (a) | 503                      | 628                        | —                     | —                         | 503   | 628                        | 1,131                    | (215 )                     | 1995                                     | 09/07/07                   | 15 to<br>30<br>years |                |
| Orem, UT                           | (a) | 1,224                    | 2,132                      | —                     | —                         | 1,224   | 2,132                      | 3,356                    | (115 )                     | 1990                                     | 07/17/13                   | 9 to 40<br>Years     |                |
| Oxford,<br>AL                      | (a) | 120                      | 1,224                      | —                     | —                         | 120   | 1,224                      | 1,344                    | (227 )                     | 1990                                     | 12/22/06                   | 40 to<br>40<br>years |                |
| Panama<br>City, FL                 | (a) | 378                      | 252                        | —                     | —                         | 378   | 252                        | 630                      | (22 )                      | 1988                                     | 07/17/13                   | 15 to<br>30<br>Years |                |
| Pasadena,<br>TX                    | (a) | 1,224                    | 4,263                      | —                     | —                         | 1,224   | 4,263                      | 5,487                    | (203 )                     | 1995                                     | 07/17/13                   | 9 to 40<br>Years     |                |
| Pea Ridge,<br>AR                   | (a) | 217                      | —                          | —                     | —                         | 217   | —                          | 217                      | —                          | 2007                                     | 03/31/14                   | 13 to<br>13<br>Years |                |
| Penns<br>Grove, NJ                 | (a) | 612                      | 1,564                      | —                     | —                         | 612   | 1,564                      | 2,176                    | (69 )                      | 2006                                     | 07/17/13                   | 8 to 47<br>Years     |                |
| Pensacola,<br>FL                   | (a) | 238                      | 564                        | —                     | —                         | 238   | 564                        | 802                      | (169 )                     | 1994                                     | 09/07/07                   | 15 to<br>30<br>years |                |
| Pensacola,<br>FL                   | (a) | 104                      | 333                        | —                     | —                         | 104   | 333                        | 437                      | (107 )                     | 1968                                     | 09/07/07                   | 15 to<br>30<br>years |                |
| Pensacola,<br>FL                   | (a) | 148                      | 459                        | —                     | —                         | 148   | 459                        | 607                      | (135 )                     | 1972                                     | 09/07/07                   | 15 to<br>30<br>years |                |
| Pensacola,<br>FL                   | (a) | 195                      | 569                        | —                     | —                         | 195   | 569                        | 764                      | (175 )                     | 1983                                     | 09/07/07                   | 15 to<br>30<br>years |                |
| Pensacola,<br>FL                   | (a) | 150                      | 575                        | —                     | —                         | 150   | 575                        | 725                      | (174 )                     | 1986                                     | 09/07/07                   | 15 to<br>30<br>years |                |

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|                     |     |       |       |   |     |       |       |       |        |      |          |                      |
|---------------------|-----|-------|-------|---|-----|-------|-------|-------|--------|------|----------|----------------------|
| Pinson, AL          | (a) | 320   | 916   | — | —   | 320   | 916   | 1,236 | (136 ) | 2001 | 12/22/06 | 50 to<br>50<br>years |
| Portage, MI         | (a) | 423   | 262   | — | —   | 423   | 262   | 685   | (9 )   | 1985 | 06/23/14 | 15 to<br>20<br>Years |
| Portland, ME        | (a) | 650   | 566   | — | —   | 650   | 566   | 1,216 | (222 ) | 1993 | 03/07/07 | 13 to<br>28<br>years |
| Rainsville, AL      | (a) | 251   | 1,073 | — | —   | 251   | 1,073 | 1,324 | (55 )  | 2005 | 07/17/13 | 7 to 42<br>Years     |
| Sarasota, FL        | (a) | 386   | 312   | — | 141 | 386   | 453   | 839   | (50 )  | 1987 | 03/19/13 | 10 to<br>30<br>Years |
| Sarasota, FL        | (a) | 278   | 312   | — | 131 | 278   | 443   | 721   | (45 )  | 1987 | 03/19/13 | 10 to<br>30<br>Years |
| Scottsburg, IN      | (a) | 238   | 665   | — | —   | 238   | 665   | 903   | (34 )  | 2006 | 07/17/13 | 8 to 43<br>Years     |
| Shelby Township, MI | (a) | 387   | 355   | — | —   | 387   | 355   | 742   | (10 )  | 1989 | 07/30/14 | 15 to<br>20<br>Years |
| Spanish Fort, AL    | (a) | 563   | 607   | — | —   | 563   | 607   | 1,170 | (239 ) | 1993 | 09/07/07 | 15 to<br>30<br>years |
| St Clair Shores, MI | (a) | 242   | 272   | — | —   | 242   | 272   | 514   | (9 )   | 1986 | 06/23/14 | 15 to<br>20<br>Years |
| St. Francis, WI     | (a) | 532   | 1,557 | — | —   | 532   | 1,557 | 2,089 | (76 )  | 2006 | 07/17/13 | 8 to 48<br>Years     |
| Suwanee, GA         | (a) | 480   | 1,350 | — | —   | 480   | 1,350 | 1,830 | (67 )  | 1985 | 10/21/13 | 13 to<br>30<br>Years |
| Tamarac, FL         | (a) | 1,407 | 2,660 | — | —   | 1,407 | 2,660 | 4,067 | (131 ) | 1997 | 07/17/13 | 7 to 39<br>Years     |
| Trenton, OH         | (a) | 324   | 842   | — | —   | 324   | 842   | 1,166 | (43 )  | 2003 | 07/17/13 | 11 to<br>47<br>Years |
| Troy, MI            | (a) | 322   | 392   | — | —   | 322   | 392   | 714   | (12 )  | 1984 | 06/23/14 | 15 to<br>20<br>Years |
| Troy, MI            | (a) | 281   | 267   | — | —   | 281   | 267   | 548   | (1 )   | 1989 | 12/03/14 | 15 to<br>30<br>Years |
| Valdosta, GA        | (a) | 376   | 576   | — | —   | 376   | 576   | 952   | (184 ) | 1996 | 11/30/07 | 15 to<br>30<br>years |
| Warren, AR          | (a) | 217   | 375   | — | —   | 217   | 375   | 592   | (15 )  | 2007 | 03/31/14 | 13 to<br>30<br>Years |
|                     | (a) | 409   | 344   | — | —   | 409   | 344   | 753   | (9 )   | 1986 | 07/30/14 |                      |

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|                        |     |       |       |   |   |       |       |       |        |      |          |  |                      |
|------------------------|-----|-------|-------|---|---|-------|-------|-------|--------|------|----------|--|----------------------|
| Warren,<br>MI          |     |       |       |   |   |       |       |       |        |      |          |  | 15 to<br>20<br>Years |
| Waterford,<br>MI       | (a) | 292   | 362   | — | — | 292   | 362   | 654   | (12 )  | 1989 | 06/23/14 |  | 15 to<br>20<br>Years |
| Waycross,<br>GA        | (a) | 380   | 142   | — | — | 380   | 142   | 522   | (14 )  | 1956 | 12/10/13 |  | 15 to<br>30<br>Years |
| West<br>Warwick,<br>RI | (a) | 1,323 | 2,917 | — | — | 1,323 | 2,917 | 4,240 | (153 ) | 1993 | 07/17/13 |  | 9 to 41<br>Years     |

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| Encumbrances<br>Description<br>(i) | Initial Cost to Company  |                            |                       |                           | Cost Capitalized Subsequent to Acquisition including impairment |                            |                          |                            | Gross Amount at<br>December 31, 2014 (h) |                            | Total | Final<br>Accum |                      |
|------------------------------------|--------------------------|----------------------------|-----------------------|---------------------------|---|----------------------------|--------------------------|----------------------------|--|----------------------------|-------|----------------|----------------------|
|                                    | Land and<br>Improvements | Buildings,<br>Improvements | Improvements/<br>Land | Improvements/<br>building | Land and<br>Improvements  | Buildings,<br>Improvements | Land and<br>Improvements | Buildings,<br>Improvements | Land and<br>Improvements                 | Buildings,<br>Improvements |       |                |                      |
| Wetumpka,<br>AL                    | (a)                      | 185                        | 332                   | —                         | —   | 185                        | 332                      | 517                        | (7                                       | )                          | 1996  | 06/24/14       | 12 to<br>30<br>Years |
| Willingboro,<br>NJ                 | (a)                      | 784                        | 1,369                 | —                         | —   | 784                        | 1,369                    | 2,153                      | (74                                      | )                          | 2007  | 07/17/13       | 9 to 47<br>Years     |
| Woodstock,<br>GA                   | (a)                      | 1,108                      | 1,281                 | —                         | —   | 1,108                      | 1,281                    | 2,389                      | (36                                      | )                          | 1999  | 03/28/14       | 15 to<br>40<br>Years |
| Ypsilanti,<br>MI                   | (a)                      | 1,107                      | 745                   | —                         | —   | 1,107                      | 745                      | 1,852                      | (22                                      | )                          | 1999  | 06/23/14       | 15 to<br>30<br>Years |
| Zeeland, MI                        | 1,057                    | 490                        | 1,136                 | —                         | —   | 490                        | 1,136                    | 1,626                      | (52                                      | )                          | 2006  | 07/17/13       | 7 to 47<br>Years     |
| Grocery                            |                          |                            |                       |                           |   |                            |                          |                            |  |                            |       |                |                      |
| Abilene, TX                        | (a)                      | 1,586                      | 2,230                 | —                         | —   | 1,586                      | 2,230                    | 3,816                      | (256                                     | )                          | 1979  | 03/27/13       | 6 to 26<br>Years     |
| Alto, TX                           | (a)                      | 204                        | 464                   | —                         | —   | 204                        | 464                      | 668                        | (24                                      | )                          | 1996  | 03/31/14       | 7 to 20<br>Years     |
| Amarillo,<br>TX                    | (f)                      | 3,559                      | 4,575                 | —                         | —   | 3,559                      | 4,575                    | 8,134                      | (981                                     | )                          | 1999  | 05/23/05       | 15 to<br>40<br>years |
| Amarillo,<br>TX                    | (f)                      | 1,828                      | 1,292                 | —                         | —   | 1,828                      | 1,292                    | 3,120                      | (404                                     | )                          | 1988  | 05/23/05       | 9 to 30<br>years     |
| Amarillo,<br>TX                    | (f)                      | 1,573                      | 1,586                 | —                         | —   | 1,573                      | 1,586                    | 3,159                      | (492                                     | )                          | 1989  | 05/23/05       | 9 to 30<br>years     |
| Amarillo,<br>TX                    | (a)                      | 1,574                      | 1,389                 | —                         | —   | 1,574                      | 1,389                    | 2,963                      | (431                                     | )                          | 1989  | 05/23/05       | 9 to 30<br>years     |
| Bald Knob,<br>AR                   | (a)                      | 328                        | 327                   | —                         | —   | 328                        | 327                      | 655                        | (29                                      | )                          | 1971  | 03/31/14       | 1 to 15<br>Years     |
| Blairsville,<br>GA                 | (b)                      | 1,652                      | 3,102                 | —                         | —   | 1,652                      | 3,102                    | 4,754                      | (42                                      | )                          | 2001  | 09/30/14       | 10 to<br>30<br>Years |
| Boise, ID                          | (c)                      | 1,470                      | 2,280                 | —                         | —   | 1,470                      | 2,280                    | 3,750                      | (144                                     | )                          | 1982  | 12/17/13       | 4 to 20<br>Years     |
| Buffalo, TX                        | (a)                      | 522                        | 987                   | —                         | —   | 522                        | 987                      | 1,509                      | (35                                      | )                          | 1978  | 03/31/14       | 7 to 30<br>Years     |
| Burkburnett,<br>TX                 | (a)                      | 2,030                      | 2,706                 | —                         | —   | 2,030                      | 2,706                    | 4,736                      | (615                                     | )                          | 1997  | 05/23/05       | 12 to<br>40<br>years |
| Chattanooga,<br>TN                 | (b)                      | 1,817                      | 5,281                 | —                         | —   | 1,817                      | 5,281                    | 7,098                      | (62                                      | )                          | 1969  | 09/30/14       | 10 to<br>30<br>Years |

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|                   |     |       |        |   |   |       |        |        |          |      |          |                |
|-------------------|-----|-------|--------|---|---|-------|--------|--------|----------|------|----------|----------------|
| Childress, TX     | (f) | 747   | 934    | — | — | 747   | 934    | 1,681  | (248 )   | 1997 | 05/23/05 | 7 to 40 years  |
| Cleveland, TX     | (c) | 465   | 2,867  | — | — | 465   | 2,867  | 3,332  | (1,235 ) | 1991 | 12/01/05 | 15 to 20 years |
| Conway, AR        | (a) | 906   | 1,521  | — | — | 906   | 1,521  | 2,427  | (64 )    | 1984 | 03/31/14 | 2 to 20 Years  |
| Corrigan, TX      | (c) | 395   | 630    | — | — | 395   | 630    | 1,025  | (314 )   | 1971 | 12/01/05 | 15 to 20 years |
| Dayton, TN        | (b) | 1,122 | 6,767  | — | — | 1,122 | 6,767  | 7,889  | (60 )    | 1999 | 09/30/14 | 10 to 40 Years |
| Diboll, TX        | (c) | 775   | 872    | — | — | 775   | 872    | 1,647  | (446 )   | 1974 | 12/01/05 | 15 to 20 years |
| Eureka, CA        | (c) | 3,108 | 12,817 | — | — | 3,108 | 12,817 | 15,925 | (573 )   | 1960 | 07/17/13 | 3 to 40 Years  |
| Fort Smith, AR    | (a) | 837   | 1,831  | — | — | 837   | 1,831  | 2,668  | (72 )    | 1994 | 04/30/14 | 3 to 20 Years  |
| Groveton, TX      | (a) | 264   | 540    | — | — | 264   | 540    | 804    | (22 )    | 1996 | 03/31/14 | 7 to 30 Years  |
| Hallettsville, TX | (b) | 550   | 1,545  | — | — | 550   | 1,545  | 2,095  | (58 )    | 2003 | 03/31/14 | 10 to 30 Years |
| Hartsville, SC    | (b) | 696   | 5,402  | — | — | 696   | 5,402  | 6,098  | (49 )    | 1988 | 09/30/14 | 10 to 40 Years |
| Indianapolis, IN  | (c) | 1,640 | 8,063  | — | — | 1,640 | 8,063  | 9,703  | (425 )   | 1999 | 07/17/13 | 7 to 33 Years  |
| LaGrange, GA      | (c) | 972   | 8,435  | — | — | 972   | 8,435  | 9,407  | (558 )   | 1998 | 07/17/13 | 4 to 25 Years  |
| Lancaster, CA     | (c) | 1,569 | 4,271  | — | — | 1,569 | 4,271  | 5,840  | (188 )   | 1983 | 12/17/13 | 5 to 30 Years  |
| Las Cruces, NM    | (c) | 1,132 | 2,765  | — | — | 1,132 | 2,765  | 3,897  | (126 )   | 1983 | 12/17/13 | 5 to 30 Years  |
| Levelland, TX     | (f) | 1,651 | 2,158  | — | — | 1,651 | 2,158  | 3,809  | (491 )   | 1997 | 05/23/05 | 12 to 40 years |
| Lorena, TX        | (a) | 657   | 751    | — | — | 657   | 751    | 1,408  | (36 )    | 1998 | 03/31/14 | 7 to 20 Years  |
| Lubbock, TX       | (a) | 1,782 | 2,055  | — | — | 1,782 | 2,055  | 3,837  | (467 )   | 1997 | 05/23/05 | 12 to 40 years |
| Lufkin, TX        | (c) | 1,178 | 352    | — | — | 1,178 | 352    | 1,530  | (236 )   | 1977 | 12/01/05 | 15 to 20 years |
| McGregor, TX      | (a) | 748   | 795    | — | — | 748   | 795    | 1,543  | (42 )    | 1997 | 03/31/14 | 7 to 20 Years  |
| Midland, TX       | (c) | 1,498 | 3,096  | — | — | 1,498 | 3,096  | 4,594  | (192 )   | 1983 | 12/17/13 | 5 to 20 Years  |



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|------------------------------------|--------------------------|----------------------------|-----------------------|---------------------------|---|----------------------------|--------------------------|----------------------------|--|----------------------------|----------|----------------------|--|
|                                    | Land and<br>Improvements | Buildings,<br>Improvements | Improvements/<br>Land | Improvements/<br>building | Land and<br>Improvements  | Buildings,<br>Improvements | Land and<br>Improvements | Buildings,<br>Improvements | Land and<br>Improvements                 | Buildings,<br>Improvements |          |                      |  |
| Muleshoe,<br>TX                    | (c)                      | 471                        | 1,770                 | —                         | —   | 471                        | 1,770                    | 2,241                      | (205)                                    | 1999                       | 08/29/11 | 8 to 40<br>Years     |  |
| Nashville,<br>AR                   | (b)                      | 519                        | 697                   | —                         | —   | 519                        | 697                      | 1,216                      | (35)                                     | 1995                       | 03/31/14 | 1 to 20<br>Years     |  |
| Navasota,<br>TX                    | (c)                      | 781                        | 1,499                 | —                         | —   | 781                        | 1,499                    | 2,280                      | (500)                                    | 1992                       | 12/01/05 | 15 to<br>30<br>years |  |
| Northlake,<br>IL                   | (a)                      | 1,669                      | 4,007                 | —                         | —   | 1,669                      | 4,007                    | 5,676                      | (113)                                    | 2001                       | 03/28/14 | 15 to<br>30<br>Years |  |
| Omaha,<br>NE                       | (c)                      | 2,198                      | 3,328                 | —                         | —   | 2,198                      | 3,328                    | 5,526                      | (229)                                    | 1982                       | 12/17/13 | 4 to 20<br>Years     |  |
| Perryton,<br>TX                    | (a)                      | 1,029                      | 597                   | —                         | —   | 1,029                      | 597                      | 1,626                      | (187)                                    | 1997                       | 05/23/05 | 7 to 40<br>years     |  |
| Plainview,<br>TX                   | 4,065                    | 620                        | 5,415                 | —                         | —   | 620                        | 5,415                    | 6,035                      | (1,065)                                  | 2000                       | 08/25/05 | 15 to<br>40<br>years |  |
| Rogers,<br>AR                      | (a)                      | 1,028                      | 1,685                 | —                         | —   | 1,028                      | 1,685                    | 2,713                      | (70)                                     | 1985                       | 03/31/14 | 6 to 20<br>Years     |  |
| Snyder,<br>TX                      | (f)                      | 2,062                      | 2,963                 | —                         | —   | 2,062                      | 2,963                    | 5,025                      | (637)                                    | 1999                       | 05/23/05 | 14 to<br>40<br>years |  |
| St. Paul,<br>MN                    | (a)                      | 1,262                      | 1,016                 | —                         | —   | 1,262                      | 1,016                    | 2,278                      | (32)                                     | 1980                       | 03/31/14 | 15 to<br>30<br>Years |  |
| Timpson,<br>TX                     | (c)                      | 253                        | 312                   | —                         | —   | 253                        | 312                      | 565                        | (171)                                    | 1978                       | 12/01/05 | 20<br>years          |  |
| Vernon,<br>TX                      | (a)                      | 1,791                      | 2,550                 | —                         | —   | 1,791                      | 2,550                    | 4,341                      | (580)                                    | 1997                       | 05/23/05 | 12 to<br>40<br>years |  |
| West St.<br>Paul, MN               | (a)                      | 828                        | 1,026                 | —                         | —   | 828                        | 1,026                    | 1,854                      | (35)                                     | 1980                       | 03/31/14 | 15 to<br>30<br>Years |  |
| Wichita<br>Falls, TX               | (f)                      | —                          | 6,259                 | —                         | —   | —                          | 6,259                    | 6,259                      | (2,454)                                  | 1997                       | 05/23/05 | 13 to<br>20<br>years |  |
| Woodbury,<br>MN                    | (a)                      | 1,213                      | 1,706                 | —                         | —   | 1,213                      | 1,706                    | 2,919                      | (52)                                     | 1976                       | 03/31/14 | 15 to<br>30<br>Years |  |
| Apparel                            |                          | 37,101                     | 28,693                | 27,813                    | —   | —                          | 28,693                   | 27,813                     | 56,506                                   | (7,390)                    | 1962     | 02/01/06             |  |

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|                  |        |       |        |          |        |       |        |        |          |      |          |  |                |
|------------------|--------|-------|--------|----------|--------|-------|--------|--------|----------|------|----------|--|----------------|
| Canton, MA       |        |       |        |          |        |       |        |        |          |      |          |  | 15 to 30 years |
| Fort Smith, AR   | 9,385  | 3,124 | 8,264  | —        | —      | 3,124 | 8,264  | 11,388 | (823 )   | 2001 | 07/17/13 |  | 7 to 27 Years  |
| Grand Forks, ND  | (c )   | 1,516 | 10,008 | —        | —      | 1,516 | 10,008 | 11,524 | (408 )   | 2006 | 07/17/13 |  | 9 to 46 Years  |
| Lake Zurich, IL  | 9,075  | 4,860 | 6,935  | —        | —      | 4,860 | 6,935  | 11,795 | (528 )   | 2000 | 07/17/13 |  | 7 to 32 Years  |
| Lenexa, KS       | (b)    | 919   | 2,476  | —        | —      | 919   | 2,476  | 3,395  | (113 )   | 2005 | 07/17/13 |  | 2 to 47 Years  |
| Olathe, KS       | (c )   | 3,505 | 5,847  | —        | 279    | 3,505 | 6,126  | 9,631  | (409 )   | 1995 | 07/17/13 |  | 9 to 35 Years  |
| Tilton, NH       | (c )   | 3,959 | —      | —        | —      | 3,959 | —      | 3,959  | —        | (g)  | 07/17/13 |  | 13 to 13 Years |
| Tilton, NH       | (c )   | 7,421 | 19,607 | —        | —      | 7,421 | 19,607 | 27,028 | (1,768 ) | 1998 | 07/17/13 |  | 8 to 27 Years  |
| Voorhees, NJ     | (a)    | 2,027 | 6,776  | —        | —      | 2,027 | 6,776  | 8,803  | (742 )   | 1970 | 07/17/13 |  | 5 to 25 Years  |
| Wichita, KS      | (c )   | 2,163 | 7,036  | —        | —      | 2,163 | 7,036  | 9,199  | (420 )   | 1996 | 07/17/13 |  | 8 to 36 Years  |
| Home Furnishings |        |       |        |          |        |       |        |        |          |      |          |  |                |
| Abilene, TX      | (a)    | 1,316 | 2,649  | —        | —      | 1,316 | 2,649  | 3,965  | (725 )   | 2000 | 05/19/05 |  | 15 to 40 years |
| Alpharetta, GA   | (b)    | 2,819 | 3,139  | —        | —      | 2,819 | 3,139  | 5,958  | (152 )   | 2000 | 07/17/13 |  | 5 to 43 Years  |
| Amarillo, TX     | 4,026  | 1,481 | 4,999  | —        | —      | 1,481 | 4,999  | 6,480  | (304 )   | 1980 | 07/17/13 |  | 9 to 36 Years  |
| Ashland, KY      | (a)    | 775   | 2,037  | —        | —      | 775   | 2,037  | 2,812  | (606 )   | 1990 | 07/06/07 |  | 12 to 27 years |
| Ashland, KY      | (a)    | 629   | 754    | —        | —      | 629   | 754    | 1,383  | (259 )   | 1993 | 07/06/07 |  | 12 to 27 years |
| Bensalem, PA     | (a)    | 1,653 | 3,085  | —        | —      | 1,653 | 3,085  | 4,738  | (976 )   | 1987 | 01/03/07 |  | 15 to 30 years |
| Chicago, IL      | 17,026 | 4,893 | 1,000  | (2,352 ) | (471 ) | 2,541 | 529    | 3,070  | (70 )    | 2007 | 07/17/13 |  | 10 to 48 Years |
| Chillicothe, OH  | (a)    | 499   | 2,296  | —        | —      | 499   | 2,296  | 2,795  | (678 )   | 1995 | 07/06/07 |  | 12 to 27 years |
| Collierville, TN | (b)    | 1,114 | 6,726  | —        | —      | 1,114 | 6,726  | 7,840  | (418 )   | 2012 | 07/17/13 |  | 9 to 49 Years  |
|                  | (b)    | 596   | 872    | —        | 216    | 596   | 1,088  | 1,684  | (46 )    | 1998 | 07/17/13 |  |                |



Columbia,  
SC

13 to  
45  
Years

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|------------------------------------|--------------------------|----------------------------|-----------------------|---------------------------|---|----------------------------|--------------------------|----------------------------|--|----------------------------|----------|----------------------|------------------|--|
|                                    | Land and<br>Improvements | Buildings,<br>Improvements | Improvements/<br>Land | Improvements/<br>building | Land and<br>Improvements  | Buildings,<br>Improvements | Land and<br>Improvements | Buildings,<br>Improvements | Land and<br>Improvements                 | Buildings,<br>Improvements |          |                      |                  |  |
| Denver, CO                         | (c)                      | 7,840                      | 9,299                 | —                         | —   | 7,840                      | 9,299                    | 17,139                     | (1,143 )                                 | 1991                       | 07/17/13 | 5 to 20<br>Years     |                  |  |
| Eau Claire,<br>WI                  | (a)                      | 1,597                      | 6,964                 | —                         | —   | 1,597                      | 6,964                    | 8,561                      | (2,178 )                                 | 2004                       | 04/08/05 | 15 to<br>30<br>years |                  |  |
| El Paso, TX                        | (a)                      | 1,536                      | 3,852                 | —                         | —   | 1,536                      | 3,852                    | 5,388                      | (1,223 )                                 | 1973                       | 10/29/04 | 15 to<br>30<br>years |                  |  |
| Fairless Hills,<br>PA              | (a)                      | 3,655                      | 5,271                 | —                         | —   | 3,655                      | 5,271                    | 8,926                      | (1,762 )                                 | 1994                       | 01/03/07 | 15 to<br>30<br>years |                  |  |
| Fargo, ND                          |                          | 4,800                      | 2,095                 | 8,525                     | —   | —                          | 2,095                    | 8,525                      | 10,620                                   | (441 )                     | 2004     | 07/17/13             | 8 to 32<br>Years |  |
| Glendale, AZ                       | (b)                      | 1,395                      | 4,242                 | —                         | —   | 1,395                      | 4,242                    | 5,637                      | (242 )                                   | 2001                       | 07/17/13 | 2 to 45<br>Years     |                  |  |
| Hermantown,<br>MN                  | (a)                      | 1,881                      | 7,761                 | —                         | —   | 1,881                      | 7,761                    | 9,642                      | (1,808 )                                 | 2003                       | 04/08/05 | 15 to<br>40<br>years |                  |  |
| Hurricane,<br>WV                   | (a)                      | 727                        | 3,005                 | —                         | —   | 727                        | 3,005                    | 3,732                      | (856 )                                   | 1998                       | 07/06/07 | 12 to<br>27<br>years |                  |  |
| Independence,<br>MO                | (c)                      | 2,157                      | 2,597                 | —                         | —   | 2,157                      | 2,597                    | 4,754                      | (263 )                                   | 1999                       | 07/17/13 | 7 to 21<br>Years     |                  |  |
| Kentwood,<br>MI                    | (b)                      | 1,145                      | 4,085                 | —                         | —   | 1,145                      | 4,085                    | 5,230                      | (188 )                                   | 1986                       | 07/17/13 | 4 to 38<br>Years     |                  |  |
| Maple Shade,<br>NJ                 | (b)                      | 1,942                      | 3,792                 | —                         | —   | 1,942                      | 3,792                    | 5,734                      | (375 )                                   | 2007                       | 07/17/13 | 5 to 25<br>Years     |                  |  |
| Morrisville,<br>PA                 | (a)                      | 1,345                      | 8,288                 | —                         | —   | 1,345                      | 8,288                    | 9,633                      | (2,171 )                                 | 2004                       | 01/03/07 | 15 to<br>40<br>years |                  |  |
| Newington,<br>CT                   | (c)                      | 1,778                      | 4,496                 | —                         | —   | 1,778                      | 4,496                    | 6,274                      | (191 )                                   | 2006                       | 07/17/13 | 8 to 45<br>Years     |                  |  |
| Parkersburg,<br>WV                 | (a)                      | 1,800                      | 3,183                 | —                         | —   | 1,800                      | 3,183                    | 4,983                      | (1,054 )                                 | 1976                       | 07/06/07 | 12 to<br>27<br>years |                  |  |
| Pocatello, ID                      |                          | 17,250                     | 3,682                 | 10,658                    | —   | —                          | 3,682                    | 10,658                     | 14,340                                   | (688 )                     | 2006     | 07/17/13             | 5 to 38<br>Years |  |
| Portsmouth,<br>OH                  | (a)                      | 561                        | 1,563                 | —                         | —   | 561                        | 1,563                    | 2,124                      | (484 )                                   | 1988                       | 07/06/07 | 12 to<br>27<br>years |                  |  |
| Reading, PA                        |                          | 4,257                      | 449                   | 3,222                     | —   | —                          | 449                      | 3,222                      | 3,671                                    | (118 )                     | 1997     | 07/17/13             | 8 to 40<br>Years |  |

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|                      |       |       |       |          |          |       |       |        |        |      |          |                |
|----------------------|-------|-------|-------|----------|----------|-------|-------|--------|--------|------|----------|----------------|
| South Point, OH      | (a)   | 848   | 2,948 | —        | —        | 848   | 2,948 | 3,796  | (859 ) | 1990 | 07/06/07 | 12 to 27 years |
| St. Louis, MO        | (a)   | 785   | 1,023 | —        | —        | 785   | 1,023 | 1,808  | (46 )  | 1989 | 08/30/13 | 15 to 40 Years |
| Staunton, VA         | (b)   | 578   | 2,063 | —        | 264      | 578   | 2,327 | 2,905  | (213 ) | 1988 | 07/17/13 | 5 to 20 Years  |
| Victoria, TX         | 8,288 | 2,631 | 7,710 | —        | —        | 2,631 | 7,710 | 10,341 | (506 ) | 2006 | 07/17/13 | 3 to 43 Years  |
| Health and Fitness   |       |       |       |          |          |       |       |        |        |      |          |                |
| Aurora, CO           | 4,777 | 1,452 | 4,413 | —        | —        | 1,452 | 4,413 | 5,865  | (233 ) | 1995 | 07/17/13 | 11 to 30 Years |
| Brooklyn Park, MN    | (c)   | 3,176 | 7,771 | —        | —        | 3,176 | 7,771 | 10,947 | (450 ) | 2008 | 07/17/13 | 10 to 35 Years |
| Chandler, AZ         | (a)   | 1,028 | 5,318 | —        | —        | 1,028 | 5,318 | 6,346  | (233 ) | 2001 | 07/17/13 | 8 to 40 Years  |
| Chicago, IL          | (a)   | 1,009 | 2,965 | —        | —        | 1,009 | 2,965 | 3,974  | (105 ) | 2008 | 12/09/13 | 14 to 40 Years |
| Clinton Township, MI | (a)   | 5,430 | 7,254 | (2,562 ) | (1,160 ) | 2,868 | 6,094 | 8,962  | (251 ) | 1999 | 01/09/07 | 3 to 30 years  |
| Greenwood, IN        | (c)   | 1,973 | 9,764 | —        | —        | 1,973 | 9,764 | 11,737 | (417 ) | 2007 | 07/17/13 | 10 to 42 Years |
| Keizer, OR           | (a)   | 1,208 | 4,089 | —        | —        | 1,208 | 4,089 | 5,297  | (969 ) | 1988 | 12/01/05 | 15 to 40 years |
| League City, TX      | (c)   | 2,514 | 6,767 | —        | —        | 2,514 | 6,767 | 9,281  | (320 ) | 2008 | 07/17/13 | 10 to 42 Years |
| Matteson, IL         | (c)   | 4,587 | 6,328 | —        | —        | 4,587 | 6,328 | 10,915 | (372 ) | 2007 | 07/17/13 | 10 to 34 Years |
| Modesto, CA          | (b)   | 2,350 | 5,923 | —        | —        | 2,350 | 5,923 | 8,273  | (23 )  | 1964 | 12/05/14 | 10 to 30 Years |
| Naperville, IL       | (c)   | 5,015 | 6,946 | —        | —        | 5,015 | 6,946 | 11,961 | (368 ) | 2007 | 07/17/13 | 9 to 38 Years  |
| O'Fallon, MO         | 5,425 | 1,669 | 6,054 | —        | —        | 1,669 | 6,054 | 7,723  | (319 ) | 2007 | 07/17/13 | 9 to 34 Years  |
| O'Fallon, IL         | 3,650 | 2,243 | 5,002 | —        | —        | 2,243 | 5,002 | 7,245  | (283 ) | 2005 | 07/17/13 | 6 to 37 Years  |
| Olathe, KS           | 4,817 | 1,816 | 5,526 | —        | —        | 1,816 | 5,526 | 7,342  | (278 ) | 2007 | 07/17/13 | 12 to 39 Years |



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| Encumbrances Description (i) |       | Initial Cost to Company |                         |                    |                        | Cost Capitalized Subsequent to Acquisition including impairment |                         |        |          | Gross Amount at December 31, 2014 (h) |          | Total          | Final Accum |
|------------------------------|-------|-------------------------|-------------------------|--------------------|------------------------|---|-------------------------|--------|----------|---------------------------------------|----------|----------------|-------------|
|                              |       | Land and Improvements   | Buildings, Improvements | Improvements/ Land | Improvements/ building | Land and Improvements   | Buildings, Improvements |        |          |                                       |          |                |             |
| Phoenix, AZ                  | (b)   | 642                     | 2,245                   | —                  | —                      | 642   | 2,245                   | 2,887  | (23 )    | 1988                                  | 09/30/14 | 14 to 30 Years |             |
| Saint Cloud, MN              | (a)   | 912                     | 1,427                   | —                  | —                      | 912   | 1,427                   | 2,339  | —        | 1989                                  | 12/16/14 | 15 to 20 Years |             |
| Salem, OR                    | (a)   | 941                     | 2,620                   | 1,018              | 5,041                  | 1,959   | 7,661                   | 9,620  | (1,733 ) | 1996                                  | 12/01/05 | 15 to 40 years |             |
| Salem, OR                    | (a)   | 1,509                   | 5,635                   | —                  | —                      | 1,509   | 5,635                   | 7,144  | (1,327 ) | 2001                                  | 12/01/05 | 15 to 40 years |             |
| Salem, OR                    | (a)   | 1,214                   | 4,911                   | —                  | —                      | 1,214   | 4,911                   | 6,125  | (1,176 ) | 1980                                  | 12/01/05 | 15 to 40 years |             |
| Salem, OR                    | (a)   | 1,589                   | 3,834                   | —                  | —                      | 1,589   | 3,834                   | 5,423  | (1,225 ) | 1977                                  | 12/01/05 | 15 to 30 years |             |
| Sartell, MN                  | (a)   | 3,092                   | 3,765                   | —                  | —                      | 3,092   | 3,765                   | 6,857  | —        | 2001                                  | 12/16/14 | 15 to 30 Years |             |
| Southaven, MS                | (b)   | 1,187                   | 1,817                   | —                  | —                      | 1,187   | 1,817                   | 3,004  | (19 )    | 2014                                  | 09/17/14 | 15 to 40 Years |             |
| St. Peters, MO               | 4,721 | 1,814                   | 5,810                   | —                  | —                      | 1,814   | 5,810                   | 7,624  | (343 )   | 2007                                  | 07/17/13 | 9 to 34 Years  |             |
| West Chester, OH             | (c)   | 606                     | 9,832                   | —                  | —                      | 606   | 9,832                   | 10,438 | (369 )   | 2009                                  | 07/17/13 | 7 to 43 Years  |             |
| Education                    |       |                         |                         |                    |                        |   |                         |        |          |                                       |          |                |             |
| Alpena, MI                   | (a)   | 236                     | 2,051                   | —                  | —                      | 236   | 2,051                   | 2,287  | (922 )   | 1936                                  | 12/17/04 | 15 to 20 years |             |
| Anderson, SC                 | (c )  | 870                     | 1,909                   | —                  | —                      | 870   | 1,909                   | 2,779  | (114 )   | 2006                                  | 07/17/13 | 8 to 40 Years  |             |
| Arlington, TX                | (a)   | 365                     | 532                     | —                  | —                      | 365   | 532                     | 897    | (52 )    | 2006                                  | 07/17/13 | 10 to 33 Years |             |
| Barrington, IL               | (a)   | 1,180                   | 5,939                   | —                  | —                      | 1,180   | 5,939                   | 7,119  | (101 )   | 2009                                  | 05/30/14 | 15 to 40 Years |             |
| Chicago, IL                  | (a)   | 5,057                   | 5,939                   | —                  | —                      | 5,057   | 5,939                   | 10,996 | (94 )    | 2009                                  | 05/30/14 |                |             |

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|                       |     |       |       |     |       |       |       |       |         |      |          |                |
|-----------------------|-----|-------|-------|-----|-------|-------|-------|-------|---------|------|----------|----------------|
| Columbus, OH          | (a) | 417   | 5,100 | —   | 849   | 417   | 5,949 | 6,366 | (1,764) | 1980 | 11/15/04 | 15 to 40 Years |
| Columbus, OH          | (a) | 1,069 | 3,363 | 330 | 1,340 | 1,399 | 4,703 | 6,102 | (2,020) | 2004 | 12/17/04 | 15 to 20 years |
| Cummington, MA        | (a) | 1,177 | 4,439 | —   | —     | 1,177 | 4,439 | 5,616 | (1,477) | 1900 | 12/07/05 | 15 to 30 years |
| Cuyahoga Falls, OH    | (a) | 279   | 727   | —   | —     | 279   | 727   | 1,006 | (66)    | 1974 | 07/17/13 | 8 to 25 Years  |
| Duluth, GA            | (a) | 2,289 | 4,274 | —   | —     | 2,289 | 4,274 | 6,563 | (1,336) | 2007 | 09/27/07 | 13 to 48 years |
| Evans, GA             | (b) | 508   | 640   | —   | —     | 508   | 640   | 1,148 | (5)     | 2003 | 11/14/14 | 15 to 30 Years |
| Grand Chute, WI       | (c) | 1,524 | 1,666 | —   | —     | 1,524 | 1,666 | 3,190 | (561)   | 2005 | 07/18/05 | 15 to 50 years |
| Henderson, NV         | (e) | 2,757 | 6,113 | —   | —     | 2,757 | 6,113 | 8,870 | (132)   | 2010 | 05/16/14 | 15 to 40 Years |
| Hendersonville, NC    | (a) | 692   | 2,469 | —   | —     | 692   | 2,469 | 3,161 | (894)   | 1956 | 12/07/05 | 15 to 30 years |
| Humble, TX            | (e) | 2,108 | 7,208 | —   | —     | 2,108 | 7,208 | 9,316 | (291)   | 2012 | 12/10/13 | 15 to 40 Years |
| Lake Mary, FL         | (b) | 1,209 | 1,733 | —   | —     | 1,209 | 1,733 | 2,942 | (19)    | 2005 | 09/19/14 | 15 to 40 Years |
| Leawood, KS           | (a) | 1,854 | 3,914 | —   | —     | 1,854 | 3,914 | 5,768 | (1,314) | 1999 | 09/29/05 | 15 to 30 years |
| Lone Tree, CO         | (a) | 2,020 | 3,748 | —   | —     | 2,020 | 3,748 | 5,768 | (1,209) | 1999 | 09/29/05 | 15 to 30 years |
| Manchester Center, VT | (a) | 1,198 | 4,688 | —   | —     | 1,198 | 4,688 | 5,886 | (1,334) | 1935 | 12/07/05 | 15 to 40 years |
| Mesquite, TX          | (b) | 2,534 | 1,780 | —   | —     | 2,534 | 1,780 | 4,314 | (197)   | 1996 | 07/17/13 | 8 to 23 Years  |
| Modesto, CA           | (a) | 386   | 664   | —   | —     | 386   | 664   | 1,050 | (59)    | 1986 | 07/17/13 | 9 to 22 Years  |
| Mt. Laurel, NJ        | (a) | 1,404 | 5,655 | —   | —     | 1,404 | 5,655 | 7,059 | (1,096) | 2007 | 12/21/07 | 13 to 48 years |

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|                   |     |     |     |   |   |     |     |     |       |      |          |                |
|-------------------|-----|-----|-----|---|---|-----|-----|-----|-------|------|----------|----------------|
| Oklahoma City, OK | (a) | 290 | 341 | — | — | 290 | 341 | 631 | (37 ) | 1985 | 07/17/13 | 11 to 22 Years |
| Oklahoma City, OK | (a) | 277 | 473 | — | — | 277 | 473 | 750 | (44 ) | 1986 | 07/17/13 | 11 to 20 Years |

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| Encumbrances<br>Description<br>(i) | Initial Cost to Company  |                            |                       |                           | Cost Capitalized Subsequent to Acquisition including impairment |                            |                          |                            | Gross Amount at<br>December 31, 2014 (h) |                            | Total    | Final<br>Accum   |                |
|------------------------------------|--------------------------|----------------------------|-----------------------|---------------------------|---|----------------------------|--------------------------|----------------------------|--|----------------------------|----------|------------------|----------------|
|                                    | Land and<br>Improvements | Buildings,<br>Improvements | Improvements/<br>Land | Improvements/<br>building | Land and<br>Improvements  | Buildings,<br>Improvements | Land and<br>Improvements | Buildings,<br>Improvements | Land and<br>Improvements                 | Buildings,<br>Improvements |          |                  |                |
| Orlando, FL                        | (b)                      | 1,925                      | 2,529                 | —                         | —   | 1,925                      | 2,529                    | 4,454                      | (25 )                                    | 2008                       | 09/19/14 | 40               | 15 to<br>Years |
| Phoenix, AZ                        | (c)                      | 4,025                      | 24,772                | —                         | —   | 4,025                      | 24,772                   | 28,797                     | (4,937 )                                 | 2002                       | 05/16/05 | 40               | 15 to<br>years |
| Phoenix, AZ                        | (c)                      | 2,381                      | 9,051                 | —                         | —   | 2,381                      | 9,051                    | 11,432                     | (1,906 )                                 | 2002                       | 05/16/05 | 40               | 15 to<br>years |
| Phoenix, AZ                        | (a)                      | 1,912                      | 1,673                 | —                         | —   | 1,912                      | 1,673                    | 3,585                      | (568 )                                   | 1978                       | 02/10/05 | 30               | 15 to<br>years |
| Phoenix, AZ                        | (a)                      | 1,840                      | 3,582                 | 266                       | —   | 2,106                      | 3,582                    | 5,688                      | (973 )                                   | 1975                       | 02/10/05 | 40               | 15 to<br>years |
| Pittsburgh,<br>PA                  | (a)                      | 457                        | 693                   | —                         | —   | 457                        | 693                      | 1,150                      | (94 )                                    | 1985                       | 07/17/13 | 5 to 15<br>Years | 15 to          |
| Prineville,<br>OR                  | (a)                      | 571                        | 4,457                 | —                         | —   | 571                        | 4,457                    | 5,028                      | (1,480 )                                 | 1940                       | 12/22/05 | 30               | years          |
| Rochester,<br>NY                   | (a)                      | 242                        | 539                   | —                         | —   | 242                        | 539                      | 781                        | (42 )                                    | 1981                       | 07/17/13 | 8 to 28<br>Years | 14 to          |
| Romeoville,<br>IL                  | (a)                      | 1,684                      | 5,676                 | —                         | —   | 1,684                      | 5,676                    | 7,360                      | (992 )                                   | 2008                       | 06/23/08 | 49               | years          |
| Sanford, FL                        | (b)                      | 1,028                      | 1,310                 | —                         | —   | 1,028                      | 1,310                    | 2,338                      | (16 )                                    | 2003                       | 09/19/14 | 40               | 15 to<br>Years |
| Stockbridge,<br>GA                 | (b)                      | 533                        | 1,236                 | —                         | —   | 533                        | 1,236                    | 1,769                      | (9 )                                     | 2000                       | 10/31/14 | 30               | Years          |
| The<br>Woodlands,<br>TX            | (e)                      | 2,039                      | 7,154                 | —                         | —   | 2,039                      | 7,154                    | 9,193                      | (317 )                                   | 2011                       | 09/25/13 | 40               | 15 to<br>Years |
| Tucson, AZ                         | (a)                      | 983                        | 3,782                 | (7 )                      | —   | 976                        | 3,782                    | 4,758                      | (840 )                                   | 1978                       | 02/10/05 | 40               | years          |
| Warrenville,<br>IL                 | (a)                      | 2,542                      | 3,813                 | —                         | —   | 2,542                      | 3,813                    | 6,355                      | (1,339 )                                 | 1999                       | 09/29/05 | 30               | 15 to<br>years |
| Westmont,<br>IL                    | (a)                      | 1,375                      | 5,087                 | —                         | —   | 1,375                      | 5,087                    | 6,462                      | (1,128 )                                 | 2003                       | 12/28/05 | 15 to<br>40      |                |



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|                    |     |        |        |        |     |        |        |        |          |      |          |                               |
|--------------------|-----|--------|--------|--------|-----|--------|--------|--------|----------|------|----------|-------------------------------|
| Windermere, FL     | (b) | 2,912  | 2,670  | —      | —   | 2,912  | 2,670  | 5,582  | (28 )    | 2011 | 09/19/14 | years<br>15 to<br>40<br>Years |
| Winter Springs, FL | (b) | 534    | 746    | —      | —   | 534    | 746    | 1,280  | (10 )    | 1987 | 09/19/14 | years<br>15 to<br>30<br>Years |
| Home Improvement   |     |        |        |        |     |        |        |        |          |      |          |                               |
| Bedford Park, IL   | (c) | 10,243 | 11,839 | —      | —   | 10,243 | 11,839 | 22,082 | (1,142 ) | 1992 | 07/17/13 | 7 to 25<br>Years              |
| Blaine, MN         |     | 3,185  | 1,728  | 3,437  | —   | 1,728  | 3,437  | 5,165  | (168 )   | 2006 | 07/17/13 | 8 to 43<br>Years              |
| Chester, NY        | (d) | 6,433  | —      | —      | —   | 6,433  | —      | 6,433  | —        | (g)  | 07/17/13 | 20 to<br>20<br>Years          |
| Cincinnati, OH     |     | 13,800 | 6,087  | 10,984 | —   | 6,087  | 10,984 | 17,071 | (858 )   | 1998 | 07/17/13 | 4 to 28<br>Years              |
| Colma, CA          |     | 19,300 | 21,066 | 13,597 | —   | 21,066 | 13,597 | 34,663 | (765 )   | 1995 | 07/17/13 | 2 to 33<br>Years              |
| Enterprise, AL     | (b) | 1,924  | 5,083  | —      | 261 | 1,924  | 5,344  | 7,268  | (506 )   | 1995 | 07/17/13 | 1 to 27<br>Years              |
| Lakewood, CO       |     | 6,757  | 3,822  | —      | —   | 3,822  | —      | 3,822  | —        | (g)  | 07/17/13 | 18 to<br>18<br>Years          |
| Lubbock, TX        | (c) | 2,644  | 10,009 | —      | 371 | 2,644  | 10,380 | 13,024 | (610 )   | 1996 | 07/17/13 | 2 to 36<br>Years              |
| Midland, TX        | (c) | 5,827  | 6,633  | —      | 366 | 5,827  | 6,999  | 12,826 | (496 )   | 1996 | 07/17/13 | 2 to 35<br>Years              |
| Tilton, NH         | (c) | 13,186 | —      | —      | —   | 13,186 | —      | 13,186 | —        | (g)  | 07/17/13 | 12 to<br>12<br>Years          |
| Sporting Goods     |     |        |        |        |     |        |        |        |          |      |          |                               |
| Amherst, NY        |     | 6,321  | 1,868  | 7,503  | —   | 1,868  | 7,503  | 9,371  | (366 )   | 1986 | 07/17/13 | 2 to 40<br>Years              |
| Ankeny, IA         | (c) | 3,913  | 3,671  | —      | —   | 3,913  | 3,671  | 7,584  | (380 )   | 2003 | 10/15/12 | years<br>15 to<br>30<br>years |
| Aurora, CO         |     | 2,804  | 1,236  | 2,459  | —   | 1,236  | 2,459  | 3,695  | (132 )   | 2006 | 07/17/13 | 6 to 43<br>Years              |
| Bend, OR           | (a) | 1,516  | 4,850  | —      | —   | 1,516  | 4,850  | 6,366  | (201 )   | 2005 | 08/15/13 | 10 to<br>50<br>Years          |
| DePere, WI         |     | 4,133  | 1,937  | 1,563  | —   | 1,937  | 1,563  | 3,500  | (125 )   | 2004 | 07/17/13 | 10 to<br>36<br>Years          |
| Houston, TX        | (c) | 2,150  | —      | —      | —   | 2,150  | —      | 2,150  | —        | 1995 | 07/17/13 | 0 to 0<br>Years               |
| Houston, TX        |     | 4,625  | 6,876  | —      | —   | 6,876  | —      | 6,876  | —        | 1996 | 07/17/13 | 0 to 0<br>Years               |
| Houston, TX        |     | 3,045  | 2,060  | —      | —   | 2,060  | —      | 2,060  | —        | 1995 | 07/17/13 | 0 to 0<br>Years               |



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|------------------------------------|-------|-------------------------|-------------------------|--------------------|---|-----------------------|-------------------------|---------------------------------------|----------|-------|-------------|----------------|
|                                    |       | Land and Improvements   | Buildings, Improvements | Improvements/ Land | Improvements/ building  | Land and Improvements | Buildings, Improvements |                                       |          |       |             |                |
| Kenosha, WI                        | (a)   | 3,421                   | 7,407                   | —                  | —   | 3,421                 | 7,407                   | 10,828                                | (1,915 ) | 2004  | 09/30/04    | 15 to 40 years |
| Loveland, CO                       | (c)   | 2,329                   | 4,750                   | —                  | —   | 2,329                 | 4,750                   | 7,079                                 | (420 )   | 2001  | 10/15/12    | 15 to 30 years |
| Lufkin, TX                         | (c)   | 1,922                   | 2,735                   | —                  | —   | 1,922                 | 2,735                   | 4,657                                 | (200 )   | 2003  | 07/17/13    | 9 to 30 Years  |
| Macon, GA                          | 3,478 | 1,921                   | 4,890                   | —                  | —   | 1,921                 | 4,890                   | 6,811                                 | (329 )   | 2005  | 07/17/13    | 10 to 30 Years |
| Mesa, AZ                           | (c)   | 2,040                   | 5,696                   | —                  | —   | 2,040                 | 5,696                   | 7,736                                 | (506 )   | 2005  | 10/15/12    | 15 to 30 years |
| Midvale, UT                        | (c)   | 2,931                   | 4,844                   | —                  | —   | 2,931                 | 4,844                   | 7,775                                 | (442 )   | 2002  | 10/15/12    | 15 to 30 years |
| N. Richland Hills, TX              | 4,207 | 1,950                   | —                       | —                  | —   | 1,950                 | —                       | 1,950                                 | —        | 1996  | 07/17/13    | 0 to 0 Years   |
| New Hartford, NY                   | (a)   | 2,168                   | 4,851                   | —                  | —   | 2,168                 | 4,851                   | 7,019                                 | (1,588 ) | 2004  | 10/08/04    | 15 to 40 years |
| Newnan, GA                         | (b)   | 2,938                   | 4,471                   | —                  | —   | 2,938                 | 4,471                   | 7,409                                 | (12 )    | 2014  | 07/03/14    | 15 to 40 Years |
| Opelika, AL                        | (c)   | 2,117                   | 5,737                   | —                  | —   | 2,117                 | 5,737                   | 7,854                                 | (301 )   | 2012  | 06/14/13    | 14 to 40 Years |
| Phoenix, AZ                        | (c)   | 2,098                   | 5,338                   | —                  | —   | 2,098                 | 5,338                   | 7,436                                 | (483 )   | 2003  | 10/15/12    | 15 to 30 years |
| Thornton, CO                       | (c)   | 2,836                   | 5,069                   | —                  | —   | 2,836                 | 5,069                   | 7,905                                 | (498 )   | 2003  | 10/15/12    | 15 to 30 years |
| Tuscaloosa, AL                     | 4,033 | 3,321                   | 4,053                   | —                  | —   | 3,321                 | 4,053                   | 7,374                                 | (155 )   | 2013  | 09/30/13    | 14 to 50 Years |
| Valdosta, GA                       | (c)   | 2,930                   | 5,012                   | —                  | —   | 2,930                 | 5,012                   | 7,942                                 | (285 )   | 2012  | 06/14/13    | 14 to 40 Years |

Automotive Dealers

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|                   |        |       |        |     |     |       |        |        |          |      |          |                |
|-------------------|--------|-------|--------|-----|-----|-------|--------|--------|----------|------|----------|----------------|
| Caldwell, TX      | (a)    | 1,775 | 1,725  | —   | —   | 1,775 | 1,725  | 3,500  | (743 )   | 2000 | 12/31/07 | 11 to 36 years |
| Conroe, TX        | (a)    | 4,338 | 448    | 955 | 145 | 5,293 | 593    | 5,886  | (1,308 ) | 2005 | 11/17/06 | 12 to 47 years |
| Gettysburg, PA    | (a)    | 1,385 | 3,259  | —   | —   | 1,385 | 3,259  | 4,644  | (1,164 ) | 2005 | 02/16/07 | 5 to 30 years  |
| Greenville, SC    | 14,129 | 9,732 | 11,625 | —   | —   | 9,732 | 11,625 | 21,357 | (738 )   | 1998 | 07/17/13 | 3 to 40 Years  |
| Greenville, SC    | (a)    | 2,561 | 1,526  | —   | —   | 2,561 | 1,526  | 4,087  | (1,027 ) | 1999 | 12/28/05 | 15 to 30 years |
| Huntsville, AL    | (a)    | 778   | 1,686  | —   | —   | 778   | 1,686  | 2,464  | (550 )   | 1997 | 02/23/04 | 15 to 30 years |
| Independence, MO  | (b)    | 1,058 | 1,297  | —   | —   | 1,058 | 1,297  | 2,355  | (13 )    | 1968 | 11/25/14 | 4 to 15 Years  |
| Irving, TX        | (a)    | 7,348 | 970    | —   | —   | 7,348 | 970    | 8,318  | (1,789 ) | 1960 | 06/01/06 | 12 to 27 years |
| Irving, TX        | (a)    | 931   | 268    | —   | —   | 931   | 268    | 1,199  | (135 )   | 1965 | 04/19/07 | 12 to 18 years |
| Jacksonville, FL  | (c )   | 6,155 | 10,957 | —   | —   | 6,155 | 10,957 | 17,112 | (2,122 ) | 2005 | 06/30/05 | 15 to 40 years |
| Jacksonville, FL  | (a)    | 3,170 | 938    | —   | —   | 3,170 | 938    | 4,108  | (462 )   | 1989 | 12/28/05 | 15 to 30 years |
| Kennesaw, GA      | (b)    | 3,560 | 23,582 | —   | —   | 3,560 | 23,582 | 27,142 | (948 )   | 1998 | 07/17/13 | 8 to 45 Years  |
| Kennesaw, GA      | (a)    | 3,931 | 5,334  | —   | —   | 3,931 | 5,334  | 9,265  | (783 )   | 1995 | 02/16/12 | 15 to 30 years |
| Midlothian, VA    | (c )   | 4,775 | 6,056  | —   | —   | 4,775 | 6,056  | 10,831 | (1,162 ) | 2004 | 06/30/05 | 15 to 40 years |
| Ontario, CA       | (c )   | 7,981 | 6,937  | —   | —   | 7,981 | 6,937  | 14,918 | (1,322 ) | 2005 | 06/30/05 | 15 to 40 years |
| Pineville, NC     | (c )   | 4,865 | 1,902  | —   | —   | 4,865 | 1,902  | 6,767  | (193 )   | 2002 | 07/17/13 | 10 to 30 Years |
| Plano, TX         | (b)    | 3,064 | 2,707  | —   | —   | 3,064 | 2,707  | 5,771  | (1,121 ) | 1992 | 06/29/07 | 5 to 30 years  |
| Pompano Beach, FL | (c )   | 6,153 | 5,010  | —   | —   | 6,153 | 5,010  | 11,163 | (965 )   | 2004 | 06/30/05 | 15 to 40 years |
| Raleigh, NC       | (a)    | 4,163 | 4,017  | —   | —   | 4,163 | 4,017  | 8,180  | (499 )   | 1994 | 07/17/13 | 4 to 25 Years  |

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|               |     |       |       |   |   |       |       |       |          |      |          |                      |
|---------------|-----|-------|-------|---|---|-------|-------|-------|----------|------|----------|----------------------|
| Saukville, WI | (a) | 2,061 | 4,794 | — | — | 2,061 | 4,794 | 6,855 | (53 )    | 2014 | 09/30/14 | 15 to<br>40<br>Years |
| Tulsa, OK     | (a) | 1,225 | 373   | — | — | 1,225 | 373   | 1,598 | (530 )   | 1999 | 12/28/05 | 15 to<br>20<br>years |
| Tulsa, OK     | (a) | 1,808 | 4,539 | — | — | 1,808 | 4,539 | 6,347 | (1,548 ) | 1992 | 05/26/06 | 10 to<br>30<br>years |

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|------------------------------------|--------------------------|----------------------------|-----------------------|---------------------------|---|----------------------------|--------------------------|----------------------------|--|----------|-------|----------------|
|                                    | Land and<br>Improvements | Buildings,<br>Improvements | Improvements/<br>Land | Improvements/<br>building | Land and<br>Improvements  | Buildings,<br>Improvements | Land and<br>Improvements | Buildings,<br>Improvements | Year                                     | Year     |       |                |
| Entertainment                      |                          |                            |                       |                           |   |                            |                          |                            |  |          |       |                |
| Austin, TX (c)                     | 4,425                    | 8,142                      | —                     | —                         | 4,425   | 8,142                      | 12,567                   | (2,146)                    | 2005                                     | 09/30/05 | 40    | 15 to<br>years |
| Beaverton,<br>OR (a)               | 5,608                    | 8,733                      | —                     | —                         | 5,608   | 8,733                      | 14,341                   | (141)                      | 2010                                     | 06/30/14 | 40    | 15 to<br>Years |
| Conroe, TX (c)                     | 2,886                    | 5,763                      | —                     | —                         | 2,886   | 5,763                      | 8,649                    | (1,431)                    | 2004                                     | 09/30/05 | 40    | 15 to<br>years |
| Fort Worth,<br>TX (c)              | 2,468                    | 5,418                      | —                     | —                         | 2,468   | 5,418                      | 7,886                    | (1,355)                    | 2003                                     | 09/30/05 | 40    | 15 to<br>years |
| Grapevine,<br>TX (c)               | 2,554                    | 5,377                      | —                     | —                         | 2,554   | 5,377                      | 7,931                    | (1,359)                    | 2000                                     | 09/30/05 | 40    | 15 to<br>years |
| Las Vegas,<br>NV 41,315            | 3,225                    | 30,482                     | —                     | —                         | 3,225   | 30,482                     | 33,707                   | (1,039)                    | 2007                                     | 07/17/13 | 55    | 13 to<br>Years |
| Lewisville,<br>TX (c)              | 2,130                    | 4,630                      | —                     | —                         | 2,130   | 4,630                      | 6,760                    | (1,175)                    | 1998                                     | 09/30/05 | 40    | 15 to<br>years |
| Pflugerville,<br>TX (b)            | 6,183                    | 1,349                      | —                     | —                         | 6,183   | 1,349                      | 7,532                    | (37)                       | 2003                                     | 08/29/14 | 30    | 15 to<br>Years |
| Plano, TX (c)                      | 3,225                    | 6,302                      | —                     | —                         | 3,225   | 6,302                      | 9,527                    | (1,551)                    | 2001                                     | 09/30/05 | 40    | 15 to<br>years |
| Vancouver,<br>WA (a)               | 2,077                    | 9,395                      | —                     | —                         | 2,077   | 9,395                      | 11,472                   | (133)                      | 2010                                     | 06/30/14 | 40    | 15 to<br>Years |
| Manufacturing                      |                          |                            |                       |                           |   |                            |                          |                            |  |          |       |                |
| Annapolis<br>Junction, MD (a)      | 2,245                    | 1,105                      | (1,535)               | (547)                     | 710   | 558                        | 1,268                    | (185)                      | 1930                                     | 09/29/06 | 30    | 15 to<br>years |
| Avila, IN (b)                      | 642                      | 4,958                      | —                     | —                         | 642   | 4,958                      | 5,600                    | —                          | 1990                                     | 12/17/14 | 30    | 15 to<br>Years |
| Byron, IL (a)                      | 734                      | 4,334                      | —                     | —                         | 734   | 4,334                      | 5,068                    | (1,769)                    | 1965                                     | 12/29/06 | 20    | 10 to<br>years |
| Dublin, VA (a)                     | 491                      | 1,401                      | —                     | —                         | 491   | 1,401                      | 1,892                    | (661)                      | 1985                                     | 12/11/06 |       |                |

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|                       |     |       |        |         |         |       |        |        |         |      |          |                      |
|-----------------------|-----|-------|--------|---------|---------|-------|--------|--------|---------|------|----------|----------------------|
| Edon, OH              | (b) | 642   | 2,649  | —       | —       | 642   | 2,649  | 3,291  | (1,114) | 1953 | 02/21/07 | 15 to<br>20<br>years |
| Elk Grove Village, IL | (c) | 3,001 | 5,264  | (1,604) | (2,492) | 1,397 | 2,772  | 4,169  | (1,099) | 1970 | 12/28/06 | 15 to<br>20<br>years |
| Exton, PA             | (c) | 2,494 | 7,180  | (1,267) | (3,313) | 1,227 | 3,867  | 5,094  | (1,649) | 1999 | 12/28/06 | 10 to<br>30<br>years |
| Fremont, IN           | (a) | 427   | 2,176  | —       | —       | 427   | 2,176  | 2,603  | (649)   | 1960 | 02/21/07 | 14 to<br>40<br>years |
| Grand Chute, WI       | (c) | 1,738 | 12,133 | (743)   | (4,524) | 995   | 7,609  | 8,604  | (3,347) | 1966 | 12/28/06 | 15 to<br>30<br>years |
| Houston, TX           | (b) | 2,420 | 15,723 | —       | —       | 2,420 | 15,723 | 18,143 | (1,049) | 1983 | 07/17/13 | 2 to<br>35<br>Years  |
| Lenexa, KS            | (c) | 1,463 | 5,110  | (15)    | (192)   | 1,448 | 4,918  | 6,366  | (1,613) | 1985 | 12/28/06 | 12 to<br>30<br>years |
| Loudon, TN            | (b) | 1,188 | 4,904  | —       | —       | 1,188 | 4,904  | 6,092  | (1,491) | 1992 | 03/31/08 | 15 to<br>30<br>years |
| Merced, CA            | (b) | 3,456 | 9,007  | —       | —       | 3,456 | 9,007  | 12,463 | (2,347) | 1998 | 03/31/08 | 15 to<br>30<br>years |
| Meridian, CT          | (b) | 1,766 | 7,848  | —       | —       | 1,766 | 7,848  | 9,614  | —       | 1997 | 12/17/14 | 15 to<br>30<br>Years |
| Minerva, OH           | (b) | 649   | 3,920  | (217)   | (770)   | 432   | 3,150  | 3,582  | (1,436) | 1919 | 02/21/07 | 8 to<br>20<br>years  |
| Nashville, TN         | (c) | 459   | 3,261  | (91)    | (490)   | 368   | 2,771  | 3,139  | (849)   | 1960 | 12/28/06 | 14 to<br>30<br>years |
| New Castle, PA        | (b) | 1,084 | 5,507  | —       | —       | 1,084 | 5,507  | 6,591  | (399)   | 1999 | 07/17/13 | 8 to<br>28<br>Years  |
| Pulaski, VA           | (a) | 333   | 1,536  | —       | —       | 333   | 1,536  | 1,869  | (684)   | 1967 | 12/11/06 | 15 to<br>20<br>years |
| Royal Oak, MI         | (a) | 3,426 | 7,071  | —       | —       | 3,426 | 7,071  | 10,497 | (2,029) | 1952 | 03/10/06 | 15 to<br>30<br>years |
| Scottsdale, PA        | (c) | 607   | 11,008 | (114)   | (1,331) | 493   | 9,677  | 10,170 | (4,168) | 1959 | 12/28/06 | 14 to<br>20<br>years |

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|                      |     |       |       |       |        |       |       |        |          |      |          |                      |
|----------------------|-----|-------|-------|-------|--------|-------|-------|--------|----------|------|----------|----------------------|
| Shelbyville,<br>KY   | (c) | 442   | 3,028 | —     | —      | 442   | 3,028 | 3,470  | (796 )   | 1973 | 12/28/06 | 14 to<br>30<br>years |
| Sidney, OH           | (a) | 921   | 4,177 | —     | —      | 921   | 4,177 | 5,098  | (1,798 ) | 1987 | 12/22/05 | 13 to<br>20<br>years |
| Troy, MI             | (a) | 1,128 | 947   | —     | —      | 1,128 | 947   | 2,075  | (276 )   | 1952 | 03/10/06 | 15 to<br>30<br>years |
| Westfield, MA        | (c) | 3,258 | 8,090 | (94 ) | (260 ) | 3,164 | 7,830 | 10,994 | (3,240 ) | 1981 | 12/28/06 | 14 to<br>30<br>years |
| Winston-Salem,<br>NC | (c) | 927   | 3,455 | —     | —      | 927   | 3,455 | 4,382  | (248 )   | 1987 | 07/17/13 | 5 to<br>40<br>Years  |



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|------------------------------------|--------------------------|----------------------------|-----------------------|---------------------------|---|----------------------------|--------------------------|----------------------------|--|----------------------------|----------------------|----------------|--|
|                                    | Land and<br>Improvements | Buildings,<br>Improvements | Improvements/<br>Land | Improvements/<br>building | Land and<br>Improvements  | Buildings,<br>Improvements | Land and<br>Improvements | Buildings,<br>Improvements | Land and<br>Improvements                 | Buildings,<br>Improvements |                      |                |  |
| Worcester,<br>MA<br>(c)            | 3,731                    | 5,193                      | (1,248)               | (1,019)                   | 2,483   | 4,174                      | 6,657                    | (2,870)                    | 1971                                     | 12/28/06                   | 13 to<br>20<br>years |                |  |
| Specialty<br>Retail                |                          |                            |                       |                           |   |                            |                          |                            |  |                            |                      |                |  |
| Algonquin,<br>IL<br>(a)            | 4,171                    | 5,613                      | —                     | —                         | 4,171   | 5,613                      | 9,784                    | (1,379)                    | 2007                                     | 09/05/07                   | 13 to<br>38<br>years |                |  |
| Alpharetta,<br>GA<br>(a)           | 2,497                    | 2,160                      | —                     | —                         | 2,497   | 2,160                      | 4,657                    | (894)                      | 1994                                     | 06/15/04                   | 15 to<br>30<br>years |                |  |
| Alpharetta,<br>GA<br>(a)           | 4,079                    | 1,948                      | —                     | —                         | 4,079   | 1,948                      | 6,027                    | (1,127)                    | 1983                                     | 06/15/04                   | 15 to<br>20<br>years |                |  |
| Atlanta, GA<br>(a)                 | 4,863                    | 815                        | —                     | —                         | 4,863   | 815                        | 5,678                    | (559)                      | 1970                                     | 06/15/04                   | 15 to<br>20<br>years |                |  |
| Aurora, IL<br>(a)                  | 1,979                    | 4,111                      | —                     | —                         | 1,979   | 4,111                      | 6,090                    | (1,186)                    | 1989                                     | 09/05/07                   | 13 to<br>28<br>years |                |  |
| Avon, OH<br>(a)                    | 1,550                    | 2,749                      | —                     | —                         | 1,550   | 2,749                      | 4,299                    | (704)                      | 2007                                     | 08/31/07                   | 13 to<br>38<br>years |                |  |
| Batavia, IL<br>(a)                 | 1,857                    | 3,441                      | —                     | —                         | 1,857   | 3,441                      | 5,298                    | (1,055)                    | 2001                                     | 08/31/07                   | 13 to<br>28<br>years |                |  |
| Davenport,<br>IA<br>(a)            | 2,823                    | 4,475                      | —                     | —                         | 2,823   | 4,475                      | 7,298                    | (1,218)                    | 2007                                     | 08/31/07                   | 13 to<br>38<br>years |                |  |
| Downers<br>Grove, IL<br>(a)        | 1,772                    | 2,227                      | —                     | —                         | 1,772   | 2,227                      | 3,999                    | (741)                      | 1994                                     | 08/31/07                   | 13 to<br>28<br>years |                |  |
| Gurnee, IL<br>(a)                  | 767                      | 1,632                      | —                     | —                         | 767   | 1,632                      | 2,399                    | (549)                      | 1999                                     | 08/31/07                   | 13 to<br>28<br>years |                |  |
| Joliet, IL<br>(a)                  | 1,700                    | 5,698                      | —                     | —                         | 1,700   | 5,698                      | 7,398                    | (1,299)                    | 2004                                     | 08/31/07                   | 13 to<br>38<br>years |                |  |
| Loves Park,<br>IL<br>(a)           | 1,551                    | 6,447                      | —                     | —                         | 1,551   | 6,447                      | 7,998                    | (1,412)                    | 2004                                     | 08/31/07                   | 13 to<br>38<br>years |                |  |
|                                    | (a)                      | 4,675                      | 854                   | —                         | —   | 4,675                      | 854                      | 5,529                      | (581)                                    | 1996                       | 06/15/04             |                |  |

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|                      |        |       |        |   |     |       |        |        |          |      |          |  |                |
|----------------------|--------|-------|--------|---|-----|-------|--------|--------|----------|------|----------|--|----------------|
| Marietta, GA         |        |       |        |   |     |       |        |        |          |      |          |  | 15 to 30 years |
| Marietta, GA         | (a)    | 2,610 | 865    | — | —   | 2,610 | 865    | 3,475  | (559 )   | 1977 | 06/15/04 |  | 15 to 20 years |
| Merrillville, IN     | (a)    | 1,324 | 3,975  | — | —   | 1,324 | 3,975  | 5,299  | (1,233 ) | 1986 | 08/31/07 |  | 13 to 28 years |
| Mundelein, IL        | (a)    | 1,991 | 4,308  | — | —   | 1,991 | 4,308  | 6,299  | (1,293 ) | 2002 | 08/31/07 |  | 13 to 28 years |
| Peoria, IL           | (a)    | 2,497 | 4,401  | — | —   | 2,497 | 4,401  | 6,898  | (1,158 ) | 2004 | 08/31/07 |  | 13 to 38 years |
| Rapid City, SD       | 4,393  | 575   | 2,568  | — | —   | 575   | 2,568  | 3,143  | (136 )   | 1999 | 07/17/13 |  | 2 to 45 Years  |
| San Antonio, TX      | (b)    | 1,724 | 2,403  | — | 625 | 1,724 | 3,028  | 4,752  | (122 )   | 2002 | 07/17/13 |  | 3 to 41 Years  |
| Schaumburg, IL       | (a)    | 2,067 | 2,632  | — | —   | 2,067 | 2,632  | 4,699  | (823 )   | 2002 | 08/31/07 |  | 13 to 28 years |
| Soldotna, AK         | (a)    | 1,177 | 2,245  | — | —   | 1,177 | 2,245  | 3,422  | (41 )    | 1983 | 05/22/14 |  | 15 to 40 Years |
| Tinley Park, IL      | (a)    | 1,108 | 2,091  | — | —   | 1,108 | 2,091  | 3,199  | (613 )   | 1990 | 08/31/07 |  | 13 to 28 years |
| Consumer Electronics |        |       |        |   |     |       |        |        |          |      |          |  |                |
| Beaumont, TX         | 8,592  | 778   | 9,297  | — | —   | 778   | 9,297  | 10,075 | (738 )   | 1971 | 07/17/13 |  | 3 to 25 Years  |
| Fairview Heights, IL | 35,432 | 8,638 | 23,417 | — | 208 | 8,638 | 23,625 | 32,263 | (1,685 ) | 1998 | 07/17/13 |  | 6 to 39 Years  |
| Fayetteville, NC     | (c)    | 1,560 | 6,893  | — | —   | 1,560 | 6,893  | 8,453  | (324 )   | 1999 | 07/17/13 |  | 6 to 41 Years  |
| Greensboro, NC       | (c)    | 2,776 | 3,990  | — | —   | 2,776 | 3,990  | 6,766  | (183 )   | 2007 | 07/17/13 |  | 10 to 47 Years |
| Grove City, OH       | (c)    | 2,050 | 3,288  | — | —   | 2,050 | 3,288  | 5,338  | (178 )   | 2008 | 07/17/13 |  | 9 to 38 Years  |
| Kansas City, KS      | (b)    | 1,932 | 5,629  | — | —   | 1,932 | 5,629  | 7,561  | (268 )   | 2009 | 07/17/13 |  | 6 to 43 Years  |
| Las Cruces, NM       | (b)    | 1,328 | 2,616  | — | —   | 1,328 | 2,616  | 3,944  | (134 )   | 2002 | 07/17/13 |  | 8 to 41 Years  |
| Mt Juliet, TN        | (c)    | 2,049 | 4,604  | — | —   | 2,049 | 4,604  | 6,653  | (213 )   | 2008 | 07/17/13 |  | 10 to 45 Years |
| Salt Lake City, UT   | 18,000 | 4,955 | 18,250 | — | —   | 4,955 | 18,250 | 23,205 | (912 )   | 1999 | 07/17/13 |  | 3 to 40 Years  |
| Santa Clara, CA      | (d)    | 2,873 | 8,252  | — | —   | 2,873 | 8,252  | 11,125 | (370 )   | 2002 | 07/17/13 |  | 5 to 48 Years  |

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|                |       |       |       |   |   |       |       |       |      |   |      |          |                  |
|----------------|-------|-------|-------|---|---|-------|-------|-------|------|---|------|----------|------------------|
| Taunton,<br>MA | (f)   | 1,592 | 3,608 | — | — | 1,592 | 3,608 | 5,200 | (258 | ) | 2001 | 07/17/13 | 9 to 28<br>Years |
| Topeka, KS     | 2,000 | 542   | 2,251 | — | — | 542   | 2,251 | 2,793 | (91  | ) | 2006 | 07/17/13 | 3 to 48<br>Years |

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|------------------------------------|--------------------------|----------------------------|-----------------------|---------------------------|---|----------------------------|--------------------------|----------------------------|--|----------------------------|-------------------|------------------|--|
|                                    | Land and<br>Improvements | Buildings,<br>Improvements | Improvements/<br>Land | Improvements/<br>building | Land and<br>Improvements  | Buildings,<br>Improvements | Land and<br>Improvements | Buildings,<br>Improvements | Land and<br>Improvements                 | Buildings,<br>Improvements |                   |                  |  |
| Wayland, MI (b)                    | 1,947                    | 5,105                      | —                     | —                         | 1,947   | 5,105                      | 7,052                    | (600 )                     | 2000                                     | 07/17/13                   | 7 to 22<br>Years  |                  |  |
| Wichita, KS (c)                    | 3,368                    | 6,312                      | —                     | —                         | 3,368   | 6,312                      | 9,680                    | (434 )                     | 1984                                     | 07/17/13                   | 7 to 29<br>Years  |                  |  |
| Pet Supplies & Service             |                          |                            |                       |                           |   |                            |                          |                            |  |                            |                   |                  |  |
| Bridgeton, MO (b)                  | 11,465                   | 9,907                      | —                     | —                         | 11,465  | 9,907                      | 21,372                   | (1,058 )                   | 1991                                     | 07/17/13                   | 7 to 25<br>Years  |                  |  |
| Chattanooga, TN (c)                | 1,689                    | 2,837                      | —                     | —                         | 1,689   | 2,837                      | 4,526                    | (142 )                     | 1996                                     | 07/17/13                   | 8 to 40<br>Years  |                  |  |
| Daytona Beach, FL (c)              | 775                      | 3,880                      | —                     | —                         | 775   | 3,880                      | 4,655                    | (166 )                     | 1996                                     | 07/17/13                   | 8 to 42<br>Years  |                  |  |
| Fredericksburg, VA (c)             | 1,783                    | 3,491                      | —                     | —                         | 1,783   | 3,491                      | 5,274                    | (164 )                     | 1997                                     | 07/17/13                   | 8 to 44<br>Years  |                  |  |
| McCarran, NV                       | 22,000                   | 8,334                      | 37,762                | —                         | —   | 8,334                      | 37,762                   | 46,096                     | (2,091 )                                 | 2008                       | 07/17/13          | 8 to 40<br>Years |  |
| Office Supplies                    |                          |                            |                       |                           |   |                            |                          |                            |  |                            |                   |                  |  |
| Alcoa, TN (b)                      | 918                      | 3,170                      | —                     | —                         | 918   | 3,170                      | 4,088                    | (145 )                     | 1999                                     | 07/17/13                   | 8 to 40<br>Years  |                  |  |
| Angola, IN (b)                     | 431                      | 2,488                      | —                     | —                         | 431   | 2,488                      | 2,919                    | (110 )                     | 1999                                     | 07/17/13                   | 1 to 44<br>Years  |                  |  |
| Balcones Heights, TX (c)           | 1,888                    | 2,117                      | —                     | —                         | 1,888   | 2,117                      | 4,005                    | (105 )                     | 2009                                     | 07/17/13                   | 11 to 46<br>Years |                  |  |
| Benton, AR                         | 2,130                    | 1,236                      | 1,926                 | —                         | —   | 1,236                      | 1,926                    | 3,162                      | (108 )                                   | 2001                       | 07/17/13          | 3 to 38<br>Years |  |
| Clarksville, IN                    | 2,900                    | 991                        | 3,161                 | —                         | —   | 991                        | 3,161                    | 4,152                      | (126 )                                   | 2006                       | 07/17/13          | 3 to 48<br>Years |  |
| Crossville, TN (b)                 | 668                      | 2,705                      | —                     | —                         | 668   | 2,705                      | 3,373                    | (120 )                     | 2001                                     | 07/17/13                   | 3 to 46<br>Years  |                  |  |
| Dayton, OH                         | 2,130                    | 710                        | 2,417                 | —                         | —   | 710                        | 2,417                    | 3,127                      | (106 )                                   | 2005                       | 07/17/13          | 8 to 47<br>Years |  |
| Enterprise, AL                     | 1,850                    | 675                        | 2,239                 | —                         | —   | 675                        | 2,239                    | 2,914                      | (107 )                                   | 2006                       | 07/17/13          | 8 to 43<br>Years |  |
| Greenville, MS (b)                 | 583                      | 2,315                      | —                     | —                         | 583   | 2,315                      | 2,898                    | (120 )                     | 2000                                     | 07/17/13                   | 1 to 35<br>Years  |                  |  |
| Greenville, SC                     | 2,955                    | 742                        | 3,026                 | —                         | —   | 742                        | 3,026                    | 3,768                      | (111 )                                   | 2007                       | 07/17/13          | 3 to 48<br>Years |  |
| Guntersville, AL (b)               | 1,039                    | 2,535                      | —                     | —                         | 1,039   | 2,535                      | 3,574                    | (112 )                     | 2001                                     | 07/17/13                   | 2 to 46<br>Years  |                  |  |
| Laurel, MS (b)                     | 401                      | 2,164                      | —                     | —                         | 401   | 2,164                      | 2,565                    | (113 )                     | 2002                                     | 07/17/13                   | 3 to 35<br>Years  |                  |  |
| London, KY (b)                     | 1,398                    | 2,061                      | —                     | —                         | 1,398   | 2,061                      | 3,459                    | (103 )                     | 2001                                     | 07/17/13                   |                   |                  |  |

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|                    |     |       |        |       |   |       |        |        |        |      |          |  |
|--------------------|-----|-------|--------|-------|---|-------|--------|--------|--------|------|----------|--|
| Moraine, OH        | (b) | 781   | 2,649  | —     | — | 781   | 2,649  | 3,430  | (120 ) | 2006 | 07/17/13 | 3 to 46<br>Years<br>2 to 43<br>Years   |
| Morrisville, NC    | (c) | 408   | 2,732  | —     | — | 408   | 2,732  | 3,140  | (113 ) | 2008 | 07/17/13 | 11 to 47<br>Years<br>12 to 45<br>Years |
| Orangeburg, SC     | (b) | 621   | 2,208  | —     | — | 621   | 2,208  | 2,829  | (100 ) | 1999 | 07/17/13 | 9 to 33<br>Years                       |
| Oxford, MS         |     | 2,295 | 1,625  | 1,024 | — | 1,625 | 1,024  | 2,649  | (79 )  | 2006 | 07/17/13 | 1 to 35<br>Years                       |
| Peru, IL           | (b) | 963   | 2,033  | —     | — | 963   | 2,033  | 2,996  | (122 ) | 1998 | 07/17/13 | 3 to 38<br>Years                       |
| Warrensburg, MO    | (b) | 651   | 2,261  | —     | — | 651   | 2,261  | 2,912  | (121 ) | 2001 | 07/17/13 | 11 to 44<br>Years                      |
| Warsaw, IN         |     | 1,850 | 590    | 2,504 | — | 590   | 2,504  | 3,094  | (117 ) | 1998 | 07/17/13 |  |
| Financial Services |     |       |        |       |   |       |        |        |        |      |          |  |
| Cross Plains, WI   | (b) | 1,117 | 1,479  | —     | — | 1,117 | 1,479  | 2,596  | (260 ) | 2007 | 07/17/13 | 1 to 22<br>Years                       |
| Delray Beach, FL   | (c) | 3,831 | 16,789 | —     | — | 3,831 | 16,789 | 20,620 | (592 ) | 1975 | 07/17/13 | 8 to 50<br>Years                       |
| Yuma, AZ           | (c) | 2,583 | 5,221  | —     | — | 2,583 | 5,221  | 7,804  | (327 ) | 2008 | 07/17/13 | 4 to 46<br>Years                       |

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| Encumbrances<br>Description<br>(i) | Initial Cost to Company |                         |                    | Cost Capitalized Subsequent to Acquisition including impairment |                       |                         | Gross Amount at December 31, 2014 (h) |                         |                       | Total    | Final Accum    |                |
|------------------------------------|-------------------------|-------------------------|--------------------|---|-----------------------|-------------------------|---------------------------------------|-------------------------|-----------------------|----------|----------------|----------------|
|                                    | Land and Improvements   | Buildings, Improvements | Improvements/ Land | Improvements/ building  | Land and Improvements | Buildings, Improvements | Land and Improvements                 | Buildings, Improvements | Land and Improvements |          |                |                |
| <b>Wholesale Clubs</b>             |                         |                         |                    |   |                       |                         |                                       |                         |                       |          |                |                |
| Ft Lauderdale, FL (c)              | 6,776                   | 18,649                  | —                  | —   | 6,776                 | 18,649                  | 25,425                                | (921)                   | ) 2007                | 07/17/13 | 12 to 37 Years |                |
| Haverhill, MA                      | 9,100                   | 3,192                   | 15,353             | —   | —                     | 3,192                   | 15,353                                | 18,545                  | (876)                 | ) 2006   | 07/17/13       | 11 to 32 Years |
| Woodstock, GA (c)                  | 4,383                   | 16,588                  | —                  | —   | 4,383                 | 16,588                  | 20,971                                | (967)                   | ) 2002                | 07/17/13 | 8 to 33 Years  |                |
| <b>Dollar Stores</b>               |                         |                         |                    |   |                       |                         |                                       |                         |                       |          |                |                |
| Adair, OK (c)                      | 264                     | 855                     | —                  | —   | 264                   | 855                     | 1,119                                 | (32)                    | ) 2012                | 10/29/13 | 13 to 40 Years |                |
| Altus, OK (c)                      | 315                     | 918                     | —                  | —   | 315                   | 918                     | 1,233                                 | (33)                    | ) 2012                | 10/29/13 | 13 to 40 Years |                |
| Ardmore, TN                        | 1,804                   | 950                     | 1,847              | —   | —                     | 950                     | 1,847                                 | 2,797                   | (126)                 | ) 2005   | 07/17/13       | 8 to 40 Years  |
| Atoka, OK (c)                      | 466                     | 1,304                   | —                  | —   | 466                   | 1,304                   | 1,770                                 | (48)                    | ) 2012                | 10/29/13 | 13 to 40 Years |                |
| Cabot, AR (a)                      | 132                     | 404                     | —                  | —   | 132                   | 404                     | 536                                   | (32)                    | ) 1970                | 03/31/14 | 1 to 15 Years  |                |
| Centre, AL (c)                     | 233                     | 767                     | —                  | —   | 233                   | 767                     | 1,000                                 | (32)                    | ) 2001                | 09/17/13 | 12 to 40 Years |                |
| Claremore, OK (c)                  | 243                     | 928                     | —                  | —   | 243                   | 928                     | 1,171                                 | (34)                    | ) 2012                | 10/29/13 | 13 to 40 Years |                |
| Cowarts, AL (c)                    | 396                     | 836                     | —                  | —   | 396                   | 836                     | 1,232                                 | (34)                    | ) 2011                | 09/17/13 | 12 to 40 Years |                |
| Crossville, AL (c)                 | 264                     | 849                     | —                  | —   | 264                   | 849                     | 1,113                                 | (35)                    | ) 2011                | 09/17/13 | 12 to 40 Years |                |
| Crossville, TN                     | 1,950                   | 1,041                   | 1,871              | —   | —                     | 1,041                   | 1,871                                 | 2,912                   | (125)                 | ) 2006   | 07/17/13       | 7 to 40 Years  |
| Crystal City, TX (c)               | 295                     | 939                     | —                  | —   | 295                   | 939                     | 1,234                                 | (34)                    | ) 2012                | 10/29/13 | 13 to 40 Years |                |
| De Soto, KS (c)                    | 301                     | 1,049                   | —                  | —   | 301                   | 1,049                   | 1,350                                 | (45)                    | ) 2012                | 10/29/13 | 13 to 40 Years |                |

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|                    |       |       |       |   |   |       |       |       |       |   |      |          |    |               |
|--------------------|-------|-------|-------|---|---|-------|-------|-------|-------|---|------|----------|----|---------------|
| Eastaboga, AL      | (c)   | 223   | 937   | — | — | 223   | 937   | 1,160 | (37)  | ) | 2001 | 09/17/13 | 40 | Years 12 to   |
| Emporia, KS        | (c)   | 292   | 1,176 | — | — | 292   | 1,176 | 1,468 | (46)  | ) | 2012 | 10/29/13 | 40 | Years 13 to   |
| Enterprise, TN     | (c)   | 255   | 803   | — | — | 255   | 803   | 1,058 | (32)  | ) | 2011 | 09/17/13 | 40 | Years 12 to   |
| Fruita, CO         | (c)   | 255   | 1,025 | — | — | 255   | 1,025 | 1,280 | (39)  | ) | 2012 | 10/29/13 | 40 | Years 13 to   |
| Gore, OK           | (c)   | 182   | 924   | — | — | 182   | 924   | 1,106 | (36)  | ) | 2012 | 10/29/13 | 40 | Years 13 to   |
| Hill City, KS      | (c)   | 243   | 815   | — | — | 243   | 815   | 1,058 | (36)  | ) | 2012 | 10/29/13 | 40 | Years 13 to   |
| Hobart, OK         | (c)   | 230   | 910   | — | — | 230   | 910   | 1,140 | (36)  | ) | 2012 | 10/29/13 | 40 | Years 13 to   |
| Hobbs, NM          | (c)   | 405   | 949   | — | — | 405   | 949   | 1,354 | (41)  | ) | 2012 | 10/29/13 | 40 | Years 13 to   |
| Jasper, AL         | (c)   | 365   | 1,052 | — | — | 365   | 1,052 | 1,417 | (42)  | ) | 2011 | 09/17/13 | 40 | Years 12 to   |
| Ketchum, OK        | (c)   | 297   | 760   | — | — | 297   | 760   | 1,057 | (35)  | ) | 2012 | 10/29/13 | 40 | Years 13 to   |
| La Cygne, KS       | (c)   | 120   | 833   | — | — | 120   | 833   | 953   | (32)  | ) | 2012 | 10/29/13 | 40 | Years 13 to   |
| Las Cruces, NM     | (c)   | 452   | 900   | — | — | 452   | 900   | 1,352 | (38)  | ) | 2012 | 10/29/13 | 40 | Years 13 to   |
| Livingston, TN     | 1,856 | 1,073 | 1,889 | — | — | 1,073 | 1,889 | 2,962 | (138) | ) | 2006 | 07/17/13 | 40 | Years 7 to 40 |
| Okay, OK           | (c)   | 200   | 901   | — | — | 200   | 901   | 1,101 | (34)  | ) | 2012 | 10/29/13 | 40 | Years 13 to   |
| Ord, NE            | (c)   | 222   | 1,010 | — | — | 222   | 1,010 | 1,232 | (39)  | ) | 2012 | 10/29/13 | 40 | Years 13 to   |
| Orrville, AL       | (c)   | 192   | 826   | — | — | 192   | 826   | 1,018 | (36)  | ) | 2011 | 09/17/13 | 40 | Years 12 to   |
| Pagosa Springs, CO | (c)   | 253   | 1,031 | — | — | 253   | 1,031 | 1,284 | (38)  | ) | 2012 | 10/29/13 | 40 | Years 13 to   |

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|                        |     |     |       |   |   |     |       |       |      |   |      |          |                      |
|------------------------|-----|-----|-------|---|---|-----|-------|-------|------|---|------|----------|----------------------|
| Rehobeth,<br>AL        | (c) | 259 | 774   | — | — | 259 | 774   | 1,033 | (31) | ) | 2011 | 09/17/13 | 12 to<br>40<br>Years |
| Sand<br>Springs,<br>OK | (c) | 396 | 1,039 | — | — | 396 | 1,039 | 1,435 | (40) | ) | 2012 | 10/29/13 | 13 to<br>40<br>Years |
| Silt, CO               | (c) | 334 | 894   | — | — | 334 | 894   | 1,228 | (33) | ) | 2012 | 10/29/13 | 13 to<br>40<br>Years |
| Spiro, OK              | (c) | 263 | 1,099 | — | — | 263 | 1,099 | 1,362 | (46) | ) | 2012 | 10/29/13 | 13 to<br>40<br>Years |



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| Encumbrances<br>Description<br>(i) | Initial Cost to Company  |                            |                       |                           | Cost Capitalized Subsequent to Acquisition including impairment |                            |                          |                            | Gross Amount at<br>December 31, 2014 (h) |          | Total | Final<br>Accum       |
|------------------------------------|--------------------------|----------------------------|-----------------------|---------------------------|---|----------------------------|--------------------------|----------------------------|--|----------|-------|----------------------|
|                                    | Land and<br>Improvements | Buildings,<br>Improvements | Improvements/<br>Land | Improvements/<br>building | Land and<br>Improvements  | Buildings,<br>Improvements | Land and<br>Improvements | Buildings,<br>Improvements |  |          |       |                      |
| Stigler, OK (c)                    | 610                      | 809                        | —                     | —                         | 610   | 809                        | 1,419                    | (37)                       | ) 2012                                   | 10/29/13 | 40    | 13 to<br>40<br>Years |
| Tallassee, AL (c)                  | 141                      | 895                        | —                     | —                         | 141   | 895                        | 1,036                    | (34)                       | ) 2011                                   | 09/17/13 | 40    | 12 to<br>40<br>Years |
| Temple, TX (c)                     | 414                      | 897                        | —                     | —                         | 414   | 897                        | 1,311                    | (36)                       | ) 2012                                   | 10/29/13 | 40    | 13 to<br>40<br>Years |
| Texarkana, AR (a)                  | 303                      | 201                        | —                     | —                         | 303   | 201                        | 504                      | (12)                       | ) 1998                                   | 03/31/14 | 4     | 4 to 20<br>Years     |
| Topeka, KS (c)                     | 313                      | 882                        | —                     | —                         | 313   | 882                        | 1,195                    | (36)                       | ) 2012                                   | 10/29/13 | 40    | 13 to<br>40<br>Years |
| Tornillo, TX (c)                   | 255                      | 818                        | —                     | —                         | 255   | 818                        | 1,073                    | (35)                       | ) 2012                                   | 10/29/13 | 40    | 13 to<br>40<br>Years |
| Walters, OK (c)                    | 173                      | 1,042                      | —                     | —                         | 173   | 1,042                      | 1,215                    | (39)                       | ) 2012                                   | 10/29/13 | 40    | 13 to<br>40<br>Years |
| Wetumpka, AL (c)                   | 303                      | 784                        | —                     | —                         | 303   | 784                        | 1,087                    | (33)                       | ) 2011                                   | 09/17/13 | 40    | 12 to<br>40<br>Years |
| Other                              |                          |                            |                       |                           |   |                            |                          |                            |  |          |       |                      |
| Bullhead City, NV (a)              | 147                      | 489                        | —                     | —                         | 147   | 489                        | 636                      | (19)                       | ) 1970                                   | 0        |       |                      |
| Chicago, IL (a)                    | 186                      | 1,780                      | —                     | —                         | 186   | 1,780                      | 1,966                    | (44)                       | ) 2007                                   | 0        |       |                      |
| Corpus Christi, TX (b)             | 1,790                    | 1,267                      | —                     | —                         | 1,790   | 1,267                      | 3,057                    | (29)                       | ) 2014                                   | 0        |       |                      |
| Gillette, WY (b)                   | 1,520                    | 4,561                      | —                     | —                         | 1,520   | 4,561                      | 6,081                    | —                          |  |          |       | 2001 1               |
| Henderson, CO (b)                  | 3,240                    | 5,720                      | —                     | —                         | 3,240   | 5,720                      | 8,960                    | —                          |  |          |       | 1977 1               |
| Jenison, MI (b)                    | 1,111                    | 2,207                      | —                     | —                         | 1,111   | 2,207                      | 3,318                    | (307)                      | ) 1993                                   | 0        |       |                      |

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|                    |     |           |             |             |            |          |             |             |             |             |
|--------------------|-----|-----------|-------------|-------------|------------|----------|-------------|-------------|-------------|-------------|
| Kings Mountain, NC | (b) | 1,774     | 5,902       | —           | —          | 1,774    | 5,902       | 7,676       | (357)       | ) 2007 0    |
| Las Vegas, NV      | (a) | 430       | 3,589       | —           | —          | 430      | 3,589       | 4,019       | (102)       | ) 2002 0    |
| Mesa, AZ           | (a) | 372       | 1,398       | —           | —          | 372      | 1,398       | 1,770       | (42)        | ) 2003 0    |
| Phoenix, AZ        | (a) | 352       | 2,435       | —           | —          | 352      | 2,435       | 2,787       | (66)        | ) 1973 0    |
|                    |     | \$795,107 | \$2,625,950 | \$4,558,426 | \$(11,320) | \$20,740 | \$2,614,630 | \$4,579,166 | \$7,193,796 | \$(752,210) |

- (a) Represents properties collateralized with Master Trust Debt of \$1,710,380.
- (b) Represents properties collateralized with our Credit Facility. No balance outstanding.
- (c) Represents properties collateralized with Fixed CMBS Debt of \$977,315.
- (d) Represents properties collateralized with Variable CMBS Debt of \$110,685.
- (e) Represents properties collateralized with our Line of Credit of \$15,181.
- (f) Represents unencumbered Properties.
- (g) Subject to ground lease and therefore date constructed is not applicable.
- (h) The aggregate cost of properties for federal income tax purposes is approximately \$5.79 billion at December 31, 2014.
- (i) As of December 31, 2014, certain properties held for sale had Fixed CMBS encumbrances of \$63,759 and are not included in the table above.

|  | 2014                 | 2013                    | 2012                     |             |                                  |
|--|----------------------|-------------------------|--------------------------|-------------|----------------------------------|
| Land, buildings, and improvements                              |                      |                         |                          |             |                                  |
| Balance at the beginning of the year                           | \$6,519,293          | \$3,365,424             | \$3,272,728              |             |                                  |
| Additions:   |                      |                         |                          |             |                                  |
| Acquisitions - Cole/Merger                                     | —                    | 3,148,943               | —                        |             |                                  |
| Acquisitions/capital expenditures/other additions - non-merger | 936,916              | 402,519                 | 159,112                  |             |                                  |
| Deductions:  |                      |                         |                          |             |                                  |
| Dispositions of land, buildings, and improvements              | (99,798 )            | (371,960 )              | (49,201 )                |             |                                  |
| Held for sale  | (123,776 )           | (19,611 )               | (6,433 )                 |             |                                  |
| Impairment   | (38,839 )            | (6,022 )                | (10,782 )                |             |                                  |
| Gross Real Estate Balance at close of the year                 | \$7,193,796          | \$6,519,293             | \$3,365,424              |             |                                  |
| Accumulated depreciation and amortization                      |                      |                         |                          |             |                                  |
| Balance at the beginning of the year                           | \$(590,067 )         | \$(490,938 )            | \$(405,426 )             |             |                                  |
| Additions:   |                      |                         |                          |             |                                  |
| Depreciation expense   | (194,382 )           | (130,285 )              | (94,020 )                |             |                                  |
| Deductions:  |                      |                         |                          |             |                                  |
| Dispositions of land, buildings, and improvements              | 13,528               | 26,335                  | 7,414                    |             |                                  |
| Held for sale  | 18,711               | 4,821                   | 1,094                    |             |                                  |
| Balance at close of the year                                   | (752,210 )           | (590,067 )              | (490,938 )               |             |                                  |
| Net Real Estate Investment                                     | \$6,441,586          | \$5,929,226             | \$2,874,486              |             |                                  |
| Mortgage   | Stated Interest Rate | Final Maturity Date (1) | Periodic Payment Terms   | Face Amount | Carrying Amount of Mortgages (4) |
| Automotive parts and service <3%                               | 8.60% - 9.35%        | 1/1/2021 3/1/2021       | Principal & Interest (2) | \$30,588    | \$26,825                         |
| Restaurants <3%  | 9.00% - 10.47%       | 10/31/2017 7/1/2028     | Principal & Interest (3) | 81,453      | 82,221                           |
|  |                      |                         |                          | \$112,041   | \$109,046                        |

(1) Reflects current maturity of the investment and does not consider any options to extend beyond the current maturity

(2) Balloon payments of \$11.9 million at maturity

(3) Balloon payments of \$38.5 million at maturity

(4) Carrying amount of restaurant and automotive parts and services mortgages acquired in the Cole II Merger include calculated premium balances which resulted in the aggregate carrying amounts of mortgages in excess of the initial recorded face amounts.

## SPIRIT REALTY CAPITAL, INC.

## Schedule IV

## Mortgage Loans on Real Estate

As of December 31, 2014

(In thousands)

|  | 2014      | 2013      | 2012     |
|--|-----------|-----------|----------|
| Reconciliation of Mortgage Loans on Real Estate    |           |           |          |
| Balance January 1,                                 | \$117,291 | \$44,916  | \$54,644 |
| Additions during period                            |           |           |          |
| Mortgage loans acquired in Merger Transaction      | —         | 66,238    | —        |
| Premium on mortgage loans acquired in Merger       | —         | 15,195    | —        |
| New mortgage loans                                 | —         | 650       | —        |
| Other capitalized loan origination costs           | —         | —         | —        |
| Deductions during period                           |           |           |          |
| Collections of principal                           | (5,720 )  | (4,499 )  | (9,529 ) |
| Sales  | —         | —         | —        |
| Foreclosures                                       | —         | (3,863 )  | —        |
| Amortization of premium                            | (2,525 )  | (1,334 )  | (176 )   |
| Amortization of capitalized loan origination costs | —         | (12 )     | (23 )    |
| Mortgage loans receivable December 31,             | 109,046   | 117,291   | 44,916   |
| Mortgage loan loss provisions                      | —         | —         | (4,840 ) |
|  | 109,046   | 117,291   | 40,076   |
| Equipment and other loans receivable               | 379       | 430       | 12,043   |
| Provision for other loan loss                      | —         | —         | (257 )   |
|  | 379       | 430       | 11,786   |
| Total loans receivable                             | \$109,425 | \$117,721 | \$51,862 |

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## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

SPIRIT REALTY CAPITAL, INC.  
(Registrant)

By: /s/ Michael A. Bender  
Name: Michael A. Bender  
Title: Chief Financial Officer, Executive Vice President and  
Treasurer (Principal Financial and Accounting Officer)

Date: February 26, 2015

## POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below does hereby constitute and appoint Thomas H. Nolan Jr., Michael A. Bender and Ryan A. Berry, and each of them singly, our true and lawful attorneys with full power to them, and each of them singly, to sign for us and in our names in the capacities indicated below, the Form 10-K filed herewith and any and all amendments to said Form 10-K, and generally to do all such things in our names and in our capacities as officers and directors to enable Spirit Realty Capital, Inc. to comply with the provisions of the Securities Exchange Act of 1934, as amended, and all requirements of the Securities and Exchange Commission in connection therewith, hereby ratifying and confirming our signatures as they may be signed by our said attorneys, or any of them, to said Form 10-K and any and all amendments thereto.

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

| Name                     | Title   | Date              |
|--------------------------|---|-------------------|
| /s/ Thomas H. Nolan Jr.  | Chairman of the Board of Directors<br>and Chief Executive Officer (principal<br>executive officer)                    | February 26, 2015 |
| /s/ Michael A. Bender    | Chief Financial Officer, Executive<br>Vice President and Treasurer<br>(Principal Financial and Accounting<br>Officer) | February 26, 2015 |
| /s/ Kevin M. Charlton    | Director  | February 26, 2015 |
| /s/ Todd A. Dunn         | Director  | February 26, 2015 |
| /s/ David J. Gilbert     | Director  | February 26, 2015 |
| /s/ Richard I. Gilchrist | Director  | February 26, 2015 |
| /s/ Diane M. Morefield   | Director  | February 26, 2015 |
| /s/ Sheli Z. Rosenberg   | Director  | February 26, 2015 |
| /s/ Thomas D. Senkbeil   | Director  | February 26, 2015 |
| /s/ Nicholas P. Shepherd | Director  | February 26, 2015 |

