

REALTY INCOME CORP  
Form 10-K  
February 11, 2010

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549

FORM 10-K  
ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D)  
OF THE SECURITIES EXCHANGE ACT OF 1934  
For the Fiscal Year Ended December 31, 2009

Commission File Number 1-13374

REALTY INCOME CORPORATION  
(Exact name of registrant as specified in its charter)

|   |   |
|---|---|
| Maryland<br>(State or Other<br>Jurisdiction of<br>Incorporation or<br>Organization) | 33-0580106<br>(IRS Employer<br>Identification Number) |
|---|---|

600 La Terraza Boulevard, Escondido, California 92025-3873  
(Address of Principal Executive Offices)

Registrant's telephone number, including area code: (760) 741-2111

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

| Title of Each Class                          | Name of Each<br>Exchange<br>On Which Registered |
|--|---|
| Common Stock, \$1.00<br>Par Value            | New York Stock<br>Exchange                      |
| Class D Preferred<br>Stock, \$1.00 Par Value | New York Stock<br>Exchange                      |
| Class E Preferred<br>Stock, \$1.00 Par Value | New York Stock<br>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

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

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

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

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

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

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

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

At June 30, 2009, the aggregate market value of the Registrant's shares of common stock, \$1.00 par value, held by non-affiliates of the Registrant was \$2.3 billion based upon the last reported sale price of \$21.92 per share on the New York Stock Exchange on June 30, 2009, the last business day of the Registrant's most recently completed second fiscal quarter.

At February 8, 2010, the number of shares of common stock outstanding was 104,400,757, the number of shares of Class D preferred stock outstanding was 5,100,000 and the number of shares of Class E preferred stock outstanding was 8,800,000.

### DOCUMENTS INCORPORATED BY REFERENCE

Part III, Items 10, 11, 12, 13 and 14 incorporate by reference certain specific portions of the definitive Proxy Statement for Realty Income Corporation's Annual Meeting to be held on May 12, 2010, to be filed pursuant to Regulation 14A. Only those portions of the proxy statement which are specifically incorporated by reference herein shall constitute a part of this annual report.

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PART I

Item 1: Business

THE COMPANY

Realty Income Corporation, The Monthly Dividend Company®, is a Maryland corporation organized to operate as an equity real estate investment trust, or REIT. Our primary business objective is to generate dependable monthly cash distributions from a consistent and predictable level of funds from operations, or FFO, per share. Our monthly distributions are supported by the cash flow from our portfolio of retail properties leased to regional and national retail chains. We have in-house acquisition, leasing, legal, credit research, real estate research, portfolio management and capital markets expertise. Over the past 40 years, Realty Income and its predecessors have been acquiring and owning freestanding retail properties that generate rental revenue under long-term lease agreements (primarily 15 to 20 years).

In addition, we seek to increase distributions to common stockholders and FFO per share through both active portfolio management and the acquisition of additional properties. Our portfolio management focus includes:

Contractual rent increases on existing leases;  
Rent increases at the termination of existing leases, when market conditions permit; and  
The active management of our property portfolio, including re-leasing vacant properties and selectively selling properties, thereby mitigating our exposure to certain tenants and markets.

In acquiring additional properties, we adhere to a focused strategy of primarily acquiring properties that are:

Freestanding, single-tenant, retail locations;  
Leased to regional and national retail chains; and  
Leased under long-term, net-lease agreements.

At December 31, 2009, we owned a diversified portfolio:

Of 2,339 retail properties;  
With an occupancy rate of 96.8%, or 2,264 properties occupied and only 75 properties available for lease;  
Leased to 118 different retail chains doing business in 30 separate retail industries;  
Located in 49 states;  
With over 19.1 million square feet of leasable space; and  
With an average leasable retail space per property of approximately 8,200 square feet.

Of the 2,339 properties in the portfolio, 2,328, or 99.5%, are single-tenant, retail properties and the remaining 11 are multi-tenant, distribution and office properties. At December 31, 2009, of the 2,328 single-tenant properties, 2,254 were leased with a weighted average remaining lease term (excluding extension options) of approximately 11.2 years.

In addition, at December 31, 2009, our wholly-owned taxable REIT subsidiary, Crest Net Lease, Inc. ("Crest"), had an inventory of three properties valued at \$3.8 million, which are classified as held for sale. Crest was created to buy and sell properties, primarily to individual investors who are involved in tax-deferred exchanges under Section 1031 of the Internal Revenue Code of 1986, as amended (the "Code"). In addition to the three properties, Crest also holds notes receivable on properties previously sold of \$22.2 million at December 31, 2009.

We typically acquire retail store properties under long-term leases with retail chain store operators. These transactions generally provide capital to owners of retail real estate and retail chains for expansion or other corporate purposes.

Our acquisition and investment activities are concentrated in well-defined target markets and generally focus on retail chains providing goods and services that satisfy basic consumer needs.

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Our net-lease agreements generally:

Are for initial terms of 15 to 20 years;

Require the tenant to pay minimum monthly rent and property operating expenses (taxes, insurance and maintenance); and

Provide for future rent increases based on increases in the consumer price index (typically subject to ceilings), fixed increases, or additional rent calculated as a percentage of the tenants' gross sales above a specified level.

We commenced operations as a REIT on August 15, 1994 through the merger of 25 public and private real estate limited partnerships. Each of the partnerships was formed between 1970 and 1989 for the purpose of acquiring and managing long-term, net-leased properties.

The seven senior officers of Realty Income owned 1.1% of our outstanding common stock with a market value of \$28.9 million at February 8, 2010. The directors and seven senior officers of Realty Income, as a group, owned 1.3% of our outstanding common stock with a market value of \$35.6 million at February 8, 2010.

Our common stock is listed on The New York Stock Exchange ("NYSE") under the ticker symbol "O" with a cusip number of 756109-104. Our central index key number is 726728.

Our Class D cumulative redeemable preferred stock is listed on the NYSE under the ticker symbol "OprD" with a cusip number of 756109-609.

Our Class E cumulative redeemable preferred stock is listed on the NYSE under the ticker symbol "OprE" with a cusip number of 756109-708.

In February 2010, we had 72 employees as compared to 69 employees in February 2009.

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

## RECENT DEVELOPMENTS

### Increases in Monthly Distributions to Common Stockholders

We have continued our 40-year policy of paying distributions monthly. Monthly distributions per share increased in January 2010 by \$0.0003125 to \$0.143. The increase in January 2010 was our 49th consecutive quarterly increase and the 56th increase in the amount of our dividend since our listing on the NYSE in 1994. In 2009, we paid three monthly cash distributions per share in the amount of \$0.14175, three in the amount of \$0.1420625, three in the amount of \$0.142375 and three in the amount of \$0.1426875, totaling \$1.706625. In December 2009 and January 2010, we declared distributions of \$0.143 per share, which were paid in January 2010 and will be paid in February 2010, respectively.

The monthly distribution of \$0.143 per share represents a current annualized distribution of \$1.716 per share, and an annualized distribution yield of approximately 6.7% based on the last reported sale price of our common stock on the NYSE of \$25.74 on February 8, 2010. Although we expect to continue our policy of paying monthly distributions, we cannot guarantee that we will maintain our current level of distributions, that we will continue our pattern of



increasing distributions per share, or what our actual distribution yield will be in any future period.

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### Acquisitions During 2009

During 2009, we invested \$57.9 million in 16 new properties with an initial weighted average contractual lease rate of 9.7%. These 16 properties are located in five states, contain over 278,000 leasable square feet, and are 100% leased with an average lease term of 17.9 years. The 16 new properties we acquired are net-leased to four different retail chains. There were no acquisitions by Crest in 2009.

We made fewer portfolio acquisitions in 2008 and 2009 than in previous years because we felt that preserving our capital resources and maintaining a high level of liquidity until property prices adjusted and the general economy improved was the prudent course of action. In late 2009, we felt that market conditions had become more attractive for acquisitions, and we currently believe that there are many retail chains, with solid operating concepts, that are in need of capital. We believe that our solid financial position, strong balance sheet and access to capital give us the ability to expand our acquisition activities in 2010 and invest in new retail properties that have the potential to contribute to our earnings.

The initial weighted average contractual lease rate is computed as estimated contractual net operating income (in a net-leased property that is equal to the aggregate base cash flow or, in the case of properties under development, the estimated aggregate base cash flow under the lease) for the first year of each lease, divided by the estimated total cost of the properties. Since it is possible that a tenant could default on the payment of contractual rent, we cannot assure you that the actual return on the funds invested will remain at the percentages listed above.

### Investments in Existing Properties

In 2009, we capitalized costs of \$3.1 million on existing properties in our portfolio, consisting of \$1.2 million for re-leasing costs and \$1.9 million for building improvements.

### Net Income Available to Common Stockholders

Net income available to common stockholders was \$106.9 million in 2009 versus \$107.6 million in 2008, a decrease of \$714,000. On a diluted per common share basis, net income was \$1.03 per share in 2009 as compared to \$1.06 per share in 2008.

The calculation to determine net income available to common stockholders includes gains from the sale of properties. The amount of gains varies from period to period based on the timing of property sales and can significantly impact net income available to common stockholders.

The gain from the sale of properties during 2009 was \$8.1 million, as compared to \$13.6 million during 2008.

### Funds from Operations (FFO)

In 2009, our FFO increased by \$4.9 million, or 2.6%, to \$190.4 million versus \$185.5 million in 2008. On a diluted per common share basis, FFO was \$1.84 in 2009 compared to \$1.83 in 2008, an increase of \$0.01, or 0.5%.

See our discussion of FFO in the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" in this annual report, which includes a reconciliation of net income available to common stockholders to FFO.

### Crest's Property Sales

During 2009, Crest sold two properties from its inventory for an aggregate of \$2.0 million, which resulted in no gain.

### Crest's Property Inventory

Crest's had an inventory of three properties valued at \$3.8 million at December 31, 2009, which is included in "real estate held for sale, net" on our consolidated balance sheet at December 31, 2009.



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Note Redemption

Upon their maturity in January 2009, we redeemed, using cash on hand, the \$20 million outstanding principal amount of our 8% Notes due 2009, or 2009 Notes. The 2009 Notes were redeemed at a redemption price equal to 100% of the principal amount, plus accrued and unpaid interest. We have no debt maturities until March 2013.

Retirement of Board Members

William E. Clark, our previous non-executive chairman, retired from the Board of Directors in February 2009. Mr. Clark had served as our Chairman of the Board since the inception of Realty Income. Our Corporate Governance and Nominating Committee recommended, and the Board of Directors elected, Donald R. Cameron as our new non-executive chairman.

Roger P. Kuppinger and Willard H Smith Jr retired from the Board of Directors in May 2009, at which time Ronald L. Merriman succeeded Mr. Kuppinger as chairman of the Audit Committee.

### DISTRIBUTION POLICY

Distributions are paid monthly to our common, Class D preferred and Class E preferred stockholders if, and when, declared by our Board of Directors.

In order to maintain our status as a REIT for federal income tax purposes, we generally are required to distribute dividends to our stockholders aggregating annually at least 90% of our REIT taxable income (determined without regard to the dividends paid deduction and excluding net capital gains), and we are subject to income tax to the extent we distribute less than 100% of our REIT taxable income (including net capital gains). In 2009, our cash distributions totaled \$202.3 million, or approximately 130.5% of our estimated REIT taxable income of \$155.0 million. Our estimated REIT taxable income reflects non-cash deductions for depreciation and amortization. Our estimated REIT taxable income is presented to show our compliance with REIT distribution requirements and is not a measure of our liquidity or performance.

We intend to continue to make distributions to our stockholders that are sufficient to meet this distribution requirement and that will reduce our exposure to income taxes. Furthermore, we believe our funds from operations are more than sufficient to support our current level of cash distributions to our stockholders. Our 2009 cash distributions to common stockholders totaled \$178.0 million, representing 93.5% of our funds from operations available to common stockholders of \$190.4 million.

The Class D preferred stockholders receive cumulative distributions at a rate of 7.375% per annum on the \$25 per share liquidation preference (equivalent to \$1.84375 per annum per share). The Class E preferred stockholders receive cumulative distributions at a rate of 6.75% per annum on the \$25 per share liquidation preference (equivalent to \$1.6875 per annum per share). Dividends on our Class D and Class E preferred stock are current.

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



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Distributions of our current and accumulated earnings and profits for federal income tax purposes generally will be taxable to stockholders as ordinary income, except to the extent that we recognize capital gains and declare a capital gains dividend, or that such amounts constitute "qualified dividend income" subject to a reduced tax rate. The maximum tax rate of non-corporate taxpayers for "qualified dividend income" has generally been reduced to 15% (until it "sunset" or reverts to the provisions of prior law, which under current law will occur with respect to taxable years beginning after December 31, 2010). In general, dividends payable by REITs are not eligible for the reduced tax rate on corporate dividends, except to the extent the REIT's dividends are attributable to dividends received from taxable corporations (such as our taxable REIT subsidiary, Crest), to income that was subject to tax at the corporate or REIT level (for example, if we distribute taxable income that we retained and paid tax on in the prior taxable year) or, as discussed above, dividends properly designated by us as "capital gain dividends." Distributions in excess of earnings and profits generally will be treated as a non-taxable reduction in the stockholders' basis in their stock. Distributions above that basis, generally, will be taxable as a capital gain to stockholders who hold their shares as a capital asset. Approximately 24.1% of the distributions to our common stockholders, made or deemed to have been made in 2009, were classified as a return of capital for federal income tax purposes. We are unable to predict the portion of future distributions that may be classified as a return of capital.

## BUSINESS PHILOSOPHY AND STRATEGY

### Capital Philosophy

Historically, we have met our long-term capital needs through the issuance of common stock, preferred stock and long-term unsecured notes and bonds. Over the long term, we believe that common stock should be the majority of our capital structure. However, we may issue additional preferred stock or debt securities from time to time. We may issue common stock when we believe that our share price is at a level that allows for the proceeds of any offering to be accretively invested into additional properties. In addition, we may issue common stock to permanently finance properties that were financed by our credit facility or debt securities. However, we cannot assure you that we will have access to the capital markets at times and at terms that are acceptable to us.

### Conservative Capital Structure

We believe that our stockholders are best served by a conservative capital structure. Therefore, we seek to maintain a conservative debt level on our balance sheet and solid interest and fixed charge coverage ratios. At December 31, 2009, our total outstanding credit facility borrowings and outstanding notes were \$1.355 billion, or approximately 30.8% of our total market capitalization of \$4.40 billion.

We define our total market capitalization at December 31, 2009 as the sum of:

- Shares of our common stock outstanding of 104,286,705 multiplied by the last reported sales price of our common stock on the NYSE of \$25.91 per share on December 31, 2009, or \$2.70 billion;
- Aggregate liquidation value (par value of \$25 per share) of the Class D preferred stock of \$127.5 million;
- Aggregate liquidation value (par value of \$25 per share) of the Class E preferred stock of \$220 million;
- Outstanding notes of \$1.35 billion; and
- Outstanding borrowings of \$4.6 million on our credit facility.

### Investment Philosophy

We believe that owning an actively managed, diversified portfolio of retail properties under long-term, net leases produces consistent and predictable income. Net leases typically require the tenant to be responsible for monthly rent and property operating expenses including property taxes, insurance and maintenance. In addition, tenants are typically responsible for future rent increases based on increases in the consumer price index (typically subject to ceilings), fixed increases or additional rent calculated as a percentage of the tenants' gross sales above a specified

level. We believe that a portfolio of properties under long-term leases, coupled with the tenant's responsibility for property expenses, generally produces a more predictable income stream than many other types of real estate portfolios, while continuing to offer the potential for growth in rental income.

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### Investment Strategy

When identifying new properties for acquisition, our focus is generally on providing capital to retail chain owners and operators by acquiring, then leasing back, retail store locations. We categorize retail tenants as: 1) venture market, 2) middle market, and 3) upper market. Venture companies typically offer a new retail concept in one geographic region of the country and operate between five and 50 retail locations. Middle market retail chains typically have 50 to 500 retail locations, operations in more than one geographic region, have been successful through one or more economic cycles, and have a proven, replicable concept. The upper market retail chains typically consist of companies with 500 or more locations, operating nationally, in a proven, mature retail concept. Upper market retail chains generally have strong operating histories and access to several sources of capital.

We primarily focus on acquiring properties leased to middle market retail chains that we believe are attractive for investment because:

- They generally have overcome many of the operational and managerial obstacles that can adversely affect venture retailers;

- They typically require capital to fund expansion but have more limited financing options than upper market retail chains;

- They generally have provided us with attractive risk-adjusted returns over time since their financial strength has, in many cases, tended to improve as their businesses have matured;

- Their relatively large size allows them to spread corporate expenses across a greater number of stores; and
- Middle market retailers typically have the critical mass to survive if a number of locations are closed due to underperformance.

Historically, our investment focus has primarily been on retail industries that have a service component because we believe the lease revenue from these types of businesses is more stable. Because of this investment focus, for the quarter ended December 31, 2009, approximately 84.3% of our rental revenue was derived from retailers with a service component in their business. Furthermore, we believe these service-oriented businesses would be difficult to duplicate over the Internet and that our properties continue to perform well relative to competition from Internet businesses.

### Credit Strategy

We generally provide sale-leaseback financing to less than investment grade retail chains. We typically acquire and lease back properties to regional and national retail chains and believe that within this market we can achieve an attractive risk-adjusted return on the financing we provide to retailers. Since 1970, our overall weighted average occupancy rate at the end of each year has been 98.3%, and our occupancy rate at the end of each year has never been below 96%.

We believe the principal financial obligations of most retailers typically include their bank and other debt, payment obligations to suppliers and real estate lease obligations. Because we typically own the land and building in which a tenant conducts its retail business, we believe the risk of default on a retailers' lease obligations is less than the retailers' unsecured general obligations. It has been our experience that since retailers must retain their profitable retail locations in order to survive, in the event of reorganization they are less likely to reject a lease for a profitable location because this would terminate their right to use the property. Thus, as the property owner, we believe we will fare better than unsecured creditors of the same retailer in the event of reorganization. If a property is rejected by the tenant during reorganization, we own the property and can either lease it to a new tenant or sell the property. In addition, we believe that the risk of default on the real estate leases can be further mitigated by monitoring the performance of the retailers' individual unit locations and considering whether to sell locations that are weaker performers.





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In order to qualify for inclusion in our portfolio, new property acquisitions must meet stringent investment and credit requirements. The properties must generate attractive current yields and the tenant must meet our credit profile. We have established a three-part analysis that examines each potential investment based on:

- Industry, company, market conditions and credit profile;
- Store profitability, if profitability data is available; and
- Overall real estate characteristics, including property value and comparative rental rates.

The typical profile of companies whose properties have been approved for acquisition are those with 50 or more retail locations. Generally the properties:

- Are located in highly visible areas;
- Have easy access to major thoroughfares; and
- Have attractive demographics.

Acquisition Strategy

We seek to invest in industries in which several, well-organized, regional and national retail chains are capturing market share through service, quality control, economies of scale, advertising and the selection of prime retail locations. We execute our acquisition strategy by acting as a source of capital to regional and national retail chain store owners and operators, doing business in a variety of industries, by acquiring and leasing back retail store locations. We undertake thorough research and analysis to identify what we consider to be appropriate industries, tenants and property locations for investment. Our research expertise is fundamental to uncovering net-lease opportunities in markets where our real estate financing program adds value. In selecting real estate for potential investment, we generally seek to acquire properties that have the following characteristics:

- Freestanding, commercially-zoned property with a single tenant;
- Properties that are important retail locations for regional and national retail chains;
- Properties that we deem to be profitable for the retailers;
- Properties that are located within attractive demographic areas relative to the business of our tenants, with high visibility and easy access to major thoroughfares; and
- Properties that can be purchased with the simultaneous execution or assumption of long-term, net-lease agreements, offering both current income and the potential for rent increases.

Impact of Real Estate and Credit Markets

In the commercial retail real estate market throughout 2008 and 2009, property prices generally continued to decline and lease rates rose. Likewise, the U.S. credit markets have experienced significant price volatility, dislocations and liquidity disruptions, which have impacted our access to and the cost of our capital. We continue to monitor the commercial retail real estate and U.S. credit markets carefully and, if required, will make decisions to adjust our business strategy accordingly. See Item 1A entitled "Risk Factors" in this annual report.

Portfolio Management Strategy

The active management of the property portfolio is an essential component of our long-term strategy. We continually monitor our portfolio for any changes that could affect the performance of the industries, tenants and locations in which we have invested. We also regularly analyze our portfolio with a view toward optimizing its returns and enhancing its credit quality. Our executives review industry research, tenant research, property due diligence and significant portfolio management activities. This monitoring typically includes regular review and analysis of:

- The performance of various retail industries; and
- The operation, management, business planning and financial condition of the tenants.



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We have an active portfolio management program that incorporates the sale of assets when we believe the reinvestment of the sale proceeds will:

generate higher returns;  
enhance the credit quality of our real estate portfolio;  
extend our average remaining lease term; or  
decrease tenant or industry concentration.

At December 31, 2009, we classified real estate with a carrying amount of \$8.3 million as held for sale on our balance sheet, which includes three properties owned by Crest, valued at \$3.8 million. Additionally, we anticipate selling investment properties in our portfolio that have not yet been specifically identified, from which we anticipate receiving between \$10 million and \$35 million in proceeds during the next 12 months. We intend to invest these proceeds into new property acquisitions, if there are attractive opportunities available. However, we cannot guarantee that we will sell properties during the next 12 months or be able to invest the proceeds from the sales of any properties in new properties.

Universal Shelf Registration

In March 2009, we filed a shelf registration statement with the SEC, which is effective for a term of three years, to replace our prior shelf registration statement which was set to expire in April 2009. Our new shelf registration statement expires in March 2012. In accordance with the SEC rules, the amount of securities to be issued pursuant to this shelf registration statement was not specified when it was filed and there is no specific dollar limit. The securities covered by this registration statement include common stock, preferred stock, debt securities, or any combination of these securities. We may periodically offer one or more of these securities in amounts, prices and on terms to be announced when and if the securities are offered. The specifics of any future offerings, along with the use of proceeds of any securities offered, will be described in detail in a prospectus supplement, or other offering materials, at the time of any offering.

\$355 Million Acquisition Credit Facility

In May 2008, we entered into a \$355 million revolving, unsecured credit facility which replaced our previous \$300 million acquisition credit facility. The term of our credit facility is for three years, until May 2011, plus two, one-year extension options. Under our credit facility, our investment grade credit ratings provide for financing at the London Interbank Offered Rate, commonly referred to as LIBOR, plus 100 basis points with a facility fee of 27.5 basis points, for all-in drawn pricing of 127.5 basis points over LIBOR. We also have other interest rate options available to us. At December 31, 2009, we had a borrowing capacity of \$350.4 million available on our credit facility and an outstanding balance of \$4.6 million at an effective interest rate of 1.23%.

We expect to use our credit facility to acquire additional retail properties and for other corporate purposes. Any additional borrowings will increase our exposure to interest rate risk. We have the right to request an increase in the borrowing capacity of the credit facility, up to \$100 million, to a total borrowing capacity of \$455 million. Any increase in the borrowing capacity is subject to approval by the banks participating in our credit facility.

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

Credit Agency Ratings

We are currently assigned investment grade corporate credit ratings on our senior unsecured notes. Fitch Ratings has assigned a rating of BBB+, Moody's Investors Service has assigned a rating of Baa1 and Standard & Poor's Ratings Group has assigned a rating of BBB to our senior notes. All of these ratings have "stable" outlooks.

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We have also been assigned credit ratings on our preferred stock. Fitch Ratings has assigned a rating of BBB-, Moody's has assigned a rating of Baa2 and Standard & Poor's has assigned a rating of BB+ to our preferred stock. All of these ratings have "stable" outlooks.

The credit ratings assigned to us could change based upon, among other things, our results of operations and financial condition. These ratings are subject to ongoing evaluation by credit rating agencies and we cannot assure you that our ratings will not be changed or withdrawn by a rating agency in the future if, in its judgment, circumstances warrant. Moreover, a rating is not a recommendation to buy, sell or hold our debt securities, preferred stock or common stock.

### Mortgage Debt

We have no mortgage debt on any of our properties.

### No Off-Balance Sheet Arrangements or Unconsolidated Investments

We have no unconsolidated or off-balance sheet investments in "variable interest entities" or off-balance sheet financing, nor do we engage in trading activities involving energy or commodity contracts or other derivative instruments. Additionally, we have no joint ventures or mandatorily redeemable preferred stock. As such, our financial position and results of operations are not affected by accounting regulations regarding the consolidation of off-balance sheet entities and classification of financial instruments with characteristics of both liabilities and equity.

### Competitive Strategy

We believe that to successfully pursue our investment philosophy and strategy, we must seek to maintain the following competitive advantages:

**Size and Type of Investment Properties:** We believe smaller (\$500,000 to \$10,000,000) net-leased retail properties represent an attractive investment opportunity in today's real estate environment. Due to the complexities of acquiring and managing a large portfolio of relatively small assets, we believe these types of properties have not experienced significant institutional ownership interest or the corresponding yield reduction experienced by larger income-producing properties. We believe the less intensive day-to-day property management required by net-lease agreements, coupled with the active management of a large portfolio of smaller properties, is an effective investment strategy. The tenants of our freestanding retail properties generally provide goods and services that satisfy basic consumer needs. In order to grow and expand, they generally need capital. Since the acquisition of real estate is typically the single largest capital expenditure of many of these retailers, our method of purchasing the property and then leasing it back, under a net-lease arrangement, allows the retail chain to free up capital.

**Investment in New Retail Industries:** We will seek to further diversify our portfolio among a variety of retail industries. We believe diversification will allow us to invest in retail industries that currently are growing and have characteristics we find attractive. These characteristics include, but are not limited to, retail industries that are dominated by local store operators where regional and national chain store operators can increase market share and dominance by consolidating local operators and streamlining their operations, as well as capitalizing on major demographic shifts in a population base.

**Diversification:** Diversification of the portfolio by retail industry type, tenant, and geographic location is key to our objective of providing predictable investment results for our stockholders, therefore further diversification of our portfolio is a continuing objective. At December 31, 2009, our retail property portfolio consisted of 2,339 properties located in 49 states, leased to 118 retail chains doing business in 30 industry segments. Each of the 30 industry segments, represented in our property portfolio, individually accounted for no more than 21.3% of our rental revenue for the quarter ended December 31, 2009.

Management Specialization: We believe that our management's specialization in single-tenant retail properties, operated under net-lease agreements, is important to meeting our objectives. We plan to maintain this specialization and will seek to employ and train high-quality professionals in this specialized area of real estate ownership, finance and management.

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Technology: We intend to stay at the forefront of technology in our efforts to efficiently and economically carry out our operations. We maintain sophisticated information systems that allow us to analyze our portfolio's performance and actively manage our investments. We believe that technology and information-based systems play an important role in our competitiveness as an investment manager and source of capital to a variety of industries and tenants.

PROPERTY PORTFOLIO INFORMATION

At December 31, 2009, we owned a diversified portfolio:

- Of 2,339 retail properties;
- With an occupancy rate of 96.8%, or 2,264 properties occupied and only 75 properties available for lease;
- Leased to 118 different retail chains doing business in 30 separate retail industries;
- Located in 49 states;
- With over 19.1 million square feet of leasable space; and
- With an average leasable retail space per property of approximately 8,200 square feet.

In addition to our real estate portfolio, our subsidiary, Crest, had an inventory of three properties located in three states at December 31, 2009. These properties are valued at \$3.8 million and are classified as held for sale.

At December 31, 2009, of our 2,339 retail properties, 2,254 were leased under net-lease agreements. A net lease typically requires the tenant to be responsible for minimum monthly rent and property operating expenses including property taxes, insurance and maintenance. In addition, our tenants are typically responsible for future rent increases based on increases in the consumer price index (typically subject to ceilings), fixed increases or additional rent calculated as a percentage of the tenants' gross sales above a specified level.

Our net-leased retail properties primarily are leased to regional and national retail chain store operators. Most buildings are single-story structures with adequate parking on site to accommodate peak retail traffic periods. The properties tend to be on major thoroughfares with relatively high traffic counts, adequate access and proximity to a sufficient population base to constitute a suitable market or trade area for the retailer's business.

Our net-lease agreements generally:

- Are for initial terms of 15 to 20 years;
- Require the tenant to pay minimum monthly rents and property operating expenses (taxes, insurance and maintenance); and
- Provide for future rent increases based on increases in the consumer price index (typically subject to ceilings), fixed increases, or additional rent calculated as a percentage of the tenants' gross sales above a specified level. Where leases provide for rent increases based on increases in the consumer price index, generally these increases become part of the new permanent base rent. Where leases provide for percentage rent, this additional rent is typically payable only if the tenants' gross sales, for a given period (usually one year), exceed a specified level and is then typically calculated as a percentage of only the amount of gross sales in excess of that level.



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## Industry Diversification

The following table sets forth certain information regarding Realty Income's property portfolio (excluding properties owned by Crest) classified according to the business of the respective tenants, expressed as a percentage of our total rental revenue:

| Industries                    | Percentage of Rental Revenue(1)         |   |              |   |              |   |              |   |              |   |              |   |              |   |
|-------------------------------|---|---|--------------|---|--------------|---|--------------|---|--------------|---|--------------|---|--------------|---|
|                               | For the Quarter Ended December 31, 2009 |   | Dec 31, 2009 |   | Dec 31, 2008 |   | Dec 31, 2007 |   | Dec 31, 2006 |   | Dec 31, 2005 |   | Dec 31, 2004 |   |
|                               |   | % |              | % |              | % |              | % |              | % |              | % |              | % |
| Apparel stores                | 1.1                                     | % | 1.1          | % | 1.1          | % | 1.2          | % | 1.7          | % | 1.6          | % | 1.8          | % |
| Automotive collision services | 1.1                                     |   | 1.1          |   | 1.0          |   | 1.1          |   | 1.3          |   | 1.3          |   | 1.0          |   |
| Automotive parts              | 1.6                                     |   | 1.5          |   | 1.6          |   | 2.1          |   | 2.8          |   | 3.4          |   | 3.8          |   |
| Automotive service            | 4.8                                     |   | 4.8          |   | 4.8          |   | 5.2          |   | 6.9          |   | 7.6          |   | 7.7          |   |
| Automotive tire services      | 6.7                                     |   | 6.9          |   | 6.7          |   | 7.3          |   | 6.1          |   | 7.2          |   | 7.8          |   |
| Book stores                   | 0.2                                     |   | 0.2          |   | 0.2          |   | 0.2          |   | 0.2          |   | 0.3          |   | 0.3          |   |
| Business services             | *                                       |   | *            |   | *            |   | 0.1          |   | 0.1          |   | 0.1          |   | 0.1          |   |
| Child care                    | 6.9                                     |   | 7.3          |   | 7.6          |   | 8.4          |   | 10.3         |   | 12.7         |   | 14.4         |   |
| Consumer electronics          | 0.6                                     |   | 0.7          |   | 0.8          |   | 0.9          |   | 1.1          |   | 1.3          |   | 2.1          |   |
| Convenience stores            | 17.0                                    |   | 16.9         |   | 15.8         |   | 14.0         |   | 16.1         |   | 18.7         |   | 19.2         |   |
| Crafts and novelties          | 0.3                                     |   | 0.3          |   | 0.3          |   | 0.3          |   | 0.4          |   | 0.4          |   | 0.5          |   |
| Distribution and office       | 1.1                                     |   | 1.0          |   | 1.0          |   | 0.6          |   | --           |   | --           |   | --           |   |
| Drug stores                   | 4.3                                     |   | 4.3          |   | 4.1          |   | 2.7          |   | 2.9          |   | 2.8          |   | 0.1          |   |
| Entertainment                 | 1.3                                     |   | 1.3          |   | 1.2          |   | 1.4          |   | 1.6          |   | 2.1          |   | 2.3          |   |
| Equipment rental services     | 0.2                                     |   | 0.2          |   | 0.2          |   | 0.2          |   | 0.2          |   | 0.4          |   | 0.3          |   |
| Financial services            | 0.2                                     |   | 0.2          |   | 0.2          |   | 0.2          |   | 0.1          |   | 0.1          |   | 0.1          |   |
| General merchandise           | 0.8                                     |   | 0.8          |   | 0.8          |   | 0.7          |   | 0.6          |   | 0.5          |   | 0.4          |   |
| Grocery stores                | 0.7                                     |   | 0.7          |   | 0.7          |   | 0.7          |   | 0.7          |   | 0.7          |   | 0.8          |   |
| Health and fitness            | 6.1                                     |   | 5.9          |   | 5.6          |   | 5.1          |   | 4.3          |   | 3.7          |   | 4.0          |   |
| Home furnishings              | 1.3                                     |   | 1.3          |   | 2.4          |   | 2.6          |   | 3.1          |   | 3.7          |   | 4.1          |   |
| Home improvement              | 1.9                                     |   | 1.9          |   | 1.9          |   | 2.1          |   | 3.4          |   | 1.1          |   | 1.0          |   |
| Motor vehicle dealerships     | 2.8                                     |   | 2.7          |   | 3.1          |   | 3.1          |   | 3.4          |   | 2.6          |   | 0.6          |   |
| Office supplies               | 1.0                                     |   | 1.0          |   | 1.0          |   | 1.1          |   | 1.3          |   | 1.5          |   | 1.6          |   |
| Pet supplies and services     | 0.9                                     |   | 0.9          |   | 0.8          |   | 0.9          |   | 1.1          |   | 1.3          |   | 1.4          |   |
| Private education             | 0.9                                     |   | 0.9          |   | 0.8          |   | 0.8          |   | 0.8          |   | 0.8          |   | 1.1          |   |
| Restaurants                   | 21.3                                    |   | 21.3         |   | 21.8         |   | 21.2         |   | 11.9         |   | 9.4          |   | 9.7          |   |

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|                |       |     |       |     |       |     |       |   |       |   |       |   |
|----------------|-------|-----|-------|-----|-------|-----|-------|---|-------|---|-------|---|
| Shoe stores    | --    | --  | --    | --  | --    | 0.3 | 0.3   |   |       |   |       |   |
| Sporting goods | 2.5   | 2.6 | 2.3   | 2.6 | 2.9   | 3.4 | 3.4   |   |       |   |       |   |
| Theaters       | 9.3   | 9.2 | 9.0   | 9.0 | 9.6   | 5.2 | 3.5   |   |       |   |       |   |
| Travel plazas  | 0.2   | 0.2 | 0.2   | 0.2 | 0.3   | 0.3 | 0.4   |   |       |   |       |   |
| Video rental   | 1.1   | 1.0 | 1.1   | 1.7 | 2.1   | 2.5 | 2.8   |   |       |   |       |   |
| Other          | 1.8   | 1.8 | 1.9   | 2.3 | 2.7   | 3.0 | 3.4   |   |       |   |       |   |
| Totals         | 100.0 | %   | 100.0 | %   | 100.0 | %   | 100.0 | % | 100.0 | % | 100.0 | % |

\* Less than 0.1%

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

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## Service Category Diversification

The following table sets forth certain information regarding the properties owned by Realty Income (excluding properties owned by Crest) at December 31, 2009, classified according to the retail business types and the level of services they provide (dollars in thousands):

| Industry                                  | Number of Properties | Rental Revenue for the Quarter Ended December 31, 2009(1) | Percentage of Rental Revenue |   |
|---|----------------------|---|------------------------------|---|
| <b>Tenants Providing Services</b>         |                      |   |                              |   |
| Automotive collision services             | 13                   | \$884   | 1.1                          | % |
| Automotive service                        | 236                  | 3,902   | 4.8                          |   |
| Child care                                | 252                  | 5,665   | 6.9                          |   |
| Entertainment                             | 8                    | 1,083   | 1.3                          |   |
| Equipment rental services                 | 2                    | 150   | 0.2                          |   |
| Financial services                        | 13                   | 188   | 0.2                          |   |
| Health and fitness                        | 31                   | 4,999   | 6.1                          |   |
| Private education                         | 11                   | 719   | 0.9                          |   |
| Theaters                                  | 34                   | 7,585   | 9.3                          |   |
| Other                                     | 12                   | 1,465   | 1.8                          |   |
|   | 612                  | 26,640  | 32.6                         |   |
| <b>Tenants Selling Goods and Services</b> |                      |   |                              |   |
| Automotive parts (with installation)      | 23                   | 468   | 0.5                          |   |
| Automotive tire services                  | 154                  | 5,447   | 6.7                          |   |
| Business services                         | 1                    | 5   | *                            |   |
| Convenience stores                        | 584                  | 13,898  | 17.0                         |   |
| Distribution and office                   | 3                    | 864   | 1.1                          |   |
| Home improvement                          | 3                    | 111   | 0.1                          |   |
| Motor vehicle dealerships                 | 17                   | 2,252   | 2.8                          |   |
| Pet supplies and services                 | 12                   | 702   | 0.9                          |   |
| Restaurants                               | 637                  | 17,461  | 21.3                         |   |
| Travel plazas                             | 1                    | 187   | 0.2                          |   |
| Video rental                              | 27                   | 866   | 1.1                          |   |
|   | 1,462                | 42,261  | 51.7                         |   |
| <b>Tenants Selling Goods</b>              |                      |   |                              |   |
| Apparel stores                            | 6                    | 902   | 1.1                          |   |
| Automotive parts                          | 49                   | 884   | 1.1                          |   |
| Book stores                               | 2                    | 146   | 0.2                          |   |
| Consumer electronics                      | 9                    | 524   | 0.6                          |   |
| Crafts and novelties                      | 5                    | 227   | 0.3                          |   |
| Drug stores                               | 51                   | 3,482   | 4.3                          |   |
| General merchandise                       | 33                   | 684   | 0.8                          |   |
| Grocery stores                            | 9                    | 578   | 0.7                          |   |
| Home furnishings                          | 43                   | 1,101   | 1.3                          |   |
| Home improvement                          | 29                   | 1,451   | 1.8                          |   |
| Office supplies                           | 10                   | 788   | 1.0                          |   |
| Pet supplies                              | 2                    | 40  | *                            |   |

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|                |       |          |       |   |
|----------------|-------|----------|-------|---|
| Sporting goods | 17    | 2,087    | 2.5   |   |
|                | 265   | 12,894   | 15.7  |   |
| Totals         | 2,339 | \$81,795 | 100.0 | % |

\* Less than 0.1%

(1) Includes rental revenue for all properties owned by Realty Income at December 31, 2009, including revenue from properties reclassified as discontinued operations of \$169.

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## Lease Expirations

The following table sets forth certain information regarding Realty Income's property portfolio (excluding properties owned by Crest) regarding the timing of the lease term expirations (excluding extension options) on our 2,254 net leased, single-tenant retail properties as of December 31, 2009 (dollars in thousands):

| Year   | Total Portfolio                    |   |                           | Initial Expirations(3)    |  |                           | Subsequent Expirations(4) |  |                           |
|--------|------------------------------------|---|---------------------------|---------------------------|--|---------------------------|---------------------------|--|---------------------------|
|        | Total Number of Leases Expiring(1) | Rental Revenue for the Quarter Ended December 31, 2009(2) | % of Total Rental Revenue | Number of Leases Expiring | Rental Revenue for the Quarter Ended December 31, 2009 | % of Total Rental Revenue | Number of Leases Expiring | Rental Revenue for the Quarter Ended December 31, 2009 | % of Total Rental Revenue |
| 2010   | 141                                | \$ 2,776  | 3.5 %                     | 45                        | \$ 997   | 1.3 %                     | 96                        | \$ 1,779   | 2.2 %                     |
| 2011   | 115                                | 3,384   | 4.3                       | 53                        | 1,909  | 2.4                       | 62                        | 1,475  | 1.9                       |
| 2012   | 135                                | 3,189   | 4.0                       | 72                        | 1,861  | 2.3                       | 63                        | 1,328  | 1.7                       |
| 2013   | 140                                | 5,040   | 6.3                       | 98                        | 3,447  | 4.3                       | 42                        | 1,593  | 2.0                       |
| 2014   | 107                                | 3,305   | 4.2                       | 71                        | 2,457  | 3.1                       | 36                        | 848  | 1.1                       |
| 2015   | 115                                | 2,986   | 3.8                       | 81                        | 2,218  | 2.8                       | 34                        | 768  | 1.0                       |
| 2016   | 115                                | 2,085   | 2.6                       | 112                       | 2,006  | 2.5                       | 3                         | 79   | 0.1                       |
| 2017   | 49                                 | 1,835   | 2.3                       | 42                        | 1,662  | 2.1                       | 7                         | 173  | 0.2                       |
| 2018   | 42                                 | 1,869   | 2.4                       | 33                        | 1,553  | 2.0                       | 9                         | 316  | 0.4                       |
| 2019   | 99                                 | 5,148   | 6.5                       | 92                        | 4,665  | 5.9                       | 7                         | 483  | 0.6                       |
| 2020   | 80                                 | 3,224   | 4.1                       | 74                        | 3,059  | 3.9                       | 6                         | 165  | 0.2                       |
| 2021   | 177                                | 7,553   | 9.5                       | 170                       | 7,163  | 9.0                       | 7                         | 390  | 0.5                       |
| 2022   | 100                                | 2,938   | 3.7                       | 98                        | 2,858  | 3.6                       | 2                         | 80   | 0.1                       |
| 2023   | 249                                | 8,169   | 10.3                      | 248                       | 8,124  | 10.2                      | 1                         | 45   | 0.1                       |
| 2024   | 62                                 | 1,697   | 2.1                       | 61                        | 1,675  | 2.1                       | 1                         | 22   | *                         |
| 2025   | 69                                 | 5,389   | 6.8                       | 65                        | 5,317  | 6.7                       | 4                         | 72   | 0.1                       |
| 2026   | 108                                | 6,169   | 7.8                       | 105                       | 5,932  | 7.5                       | 3                         | 237  | 0.3                       |
| 2027   | 159                                | 4,642   | 5.8                       | 158                       | 4,625  | 5.8                       | 1                         | 17   | *                         |
| 2028   | 82                                 | 4,143   | 5.2                       | 81                        | 4,119  | 5.2                       | 1                         | 24   | *                         |
| 2029   | 49                                 | 1,151   | 1.4                       | 49                        | 1,151  | 1.4                       | --                        | --   | --                        |
| 2030   | 20                                 | 929   | 1.2                       | 20                        | 929  | 1.2                       | --                        | --   | --                        |
| 2031   | 27                                 | 650   | 0.8                       | 27                        | 650  | 0.8                       | --                        | --   | --                        |
| 2032   | 2                                  | 57  | 0.1                       | 2                         | 57   | 0.1                       | --                        | --   | --                        |
| 2033   | 7                                  | 460   | 0.6                       | 7                         | 460  | 0.6                       | --                        | --   | --                        |
| 2034   | 2                                  | 276   | 0.3                       | 2                         | 276  | 0.3                       | --                        | --   | --                        |
| 2037   | 2                                  | 354   | 0.4                       | 2                         | 354  | 0.4                       | --                        | --   | --                        |
| 2043   | 1                                  | 13  | *                         | --                        | --   | --                        | 1                         | 13   | *                         |
| Totals | 2,254                              | \$ 79,431   | 100.0 %                   | 1,868                     | \$ 69,524  | 87.5 %                    | 386                       | \$ 9,907   | 12.5 %                    |

\*Less than 0.1%

(1)Excludes ten multi-tenant properties and 75 vacant unleased properties. The lease expirations for properties under construction are based on the estimated date of completion of those properties.

(2)Includes rental revenue of \$169 from properties reclassified as discontinued operations and excludes revenue of \$2,364 from ten multi-tenant properties and from 75 vacant and unleased properties at December 31, 2009.

- (3) Represents leases to the initial tenant of the property that are expiring for the first time.
- (4) Represents lease expirations on properties in the portfolio, which have previously been renewed, extended or re-tenanted.

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## State Diversification

The following table sets forth certain state-by-state information regarding Realty Income's property portfolio (excluding properties owned by Crest) as of December 31, 2009 (dollars in thousands):

| State          | Number of Properties | Percent Leased | Approximate Leasable Square Feet | Rental Revenue for the Quarter Ended December 31, 2009(1) | Percentage of Rental Revenue |
|----------------|----------------------|----------------|----------------------------------|---|------------------------------|
| Alabama        | 63                   | 97 %           | 425,300                          | \$1,822   | 2.2 %                        |
| Alaska         | 2                    | 100            | 128,500                          | 277   | 0.3                          |
| Arizona        | 79                   | 99             | 392,700                          | 2,479   | 3.0                          |
| Arkansas       | 17                   | 94             | 92,400                           | 377   | 0.5                          |
| California     | 65                   | 97             | 1,178,900                        | 4,390   | 5.4                          |
| Colorado       | 51                   | 98             | 471,500                          | 1,865   | 2.3                          |
| Connecticut    | 24                   | 96             | 276,600                          | 1,194   | 1.5                          |
| Delaware       | 17                   | 100            | 33,300                           | 429   | 0.5                          |
| Florida        | 166                  | 93             | 1,426,700                        | 6,534   | 8.0                          |
| Georgia        | 131                  | 96             | 914,300                          | 3,872   | 4.7                          |
| Idaho          | 12                   | 100            | 80,700                           | 339   | 0.4                          |
| Illinois       | 85                   | 98             | 1,008,800                        | 4,216   | 5.1                          |
| Indiana        | 81                   | 96             | 686,400                          | 3,244   | 4.0                          |
| Iowa           | 21                   | 100            | 290,600                          | 1,013   | 1.2                          |
| Kansas         | 33                   | 88             | 573,200                          | 1,118   | 1.4                          |
| Kentucky       | 22                   | 100            | 110,600                          | 679   | 0.8                          |
| Louisiana      | 32                   | 100            | 184,900                          | 899   | 1.1                          |
| Maine          | 3                    | 100            | 22,500                           | 161   | 0.2                          |
| Maryland       | 28                   | 100            | 266,600                          | 1,613   | 2.0                          |
| Massachusetts  | 64                   | 98             | 575,400                          | 2,576   | 3.1                          |
| Michigan       | 52                   | 98             | 257,300                          | 1,249   | 1.5                          |
| Minnesota      | 21                   | 95             | 392,100                          | 1,557   | 1.9                          |
| Mississippi    | 71                   | 96             | 347,600                          | 1,470   | 1.8                          |
| Missouri       | 62                   | 94             | 640,100                          | 2,109   | 2.6                          |
| Montana        | 2                    | 100            | 30,000                           | 76  | 0.1                          |
| Nebraska       | 19                   | 95             | 196,300                          | 478   | 0.6                          |
| Nevada         | 14                   | 100            | 153,300                          | 750   | 0.9                          |
| New Hampshire  | 14                   | 100            | 109,900                          | 585   | 0.7                          |
| New Jersey     | 33                   | 100            | 261,300                          | 1,936   | 2.4                          |
| New Mexico     | 8                    | 100            | 56,400                           | 182   | 0.2                          |
| New York       | 40                   | 93             | 502,300                          | 2,383   | 2.9                          |
| North Carolina | 96                   | 97             | 548,300                          | 2,850   | 3.5                          |
| North Dakota   | 6                    | 100            | 36,600                           | 68  | 0.1                          |
| Ohio           | 136                  | 96             | 845,500                          | 3,323   | 4.1                          |
| Oklahoma       | 24                   | 100            | 137,400                          | 587   | 0.7                          |
| Oregon         | 18                   | 94             | 297,300                          | 894   | 1.1                          |
| Pennsylvania   | 98                   | 99             | 677,200                          | 3,507   | 4.3                          |
| Rhode Island   | 3                    | 100            | 11,000                           | 58  | 0.1                          |

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|                |       |     |              |          |         |
|----------------|-------|-----|--------------|----------|---------|
| South Carolina | 100   | 100 | 374,400      | 2,252    | 2.8     |
| South Dakota   | 9     | 100 | 24,900       | 102      | 0.1     |
| Tennessee      | 133   | 96  | 621,800      | 2,925    | 3.6     |
| Texas          | 212   | 97  | 2,280,000    | 7,918    | 9.7     |
| Utah           | 4     | 100 | 25,200       | 91       | 0.1     |
| Vermont        | 4     | 100 | 12,700       | 127      | 0.2     |
| Virginia       | 104   | 98  | 637,100      | 3,513    | 4.3     |
| Washington     | 36    | 94  | 286,200      | 790      | 1.0     |
| West Virginia  | 2     | 100 | 23,000       | 121      | 0.1     |
| Wisconsin      | 21    | 90  | 252,700      | 779      | 0.9     |
| Wyoming        | 1     | 100 | 4,200        | 18       | *       |
| Totals/Average | 2,339 | 97  | % 19,182,000 | \$81,795 | 100.0 % |

\* Less than 0.1%

Includes rental revenue for all properties owned by Realty Income at December 31, 2009, including revenue from (1) properties reclassified as discontinued operations of \$169.



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FORWARD-LOOKING STATEMENTS

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

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

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

- Our continued qualification as a real estate investment trust;
  - General business and economic conditions;
  - Competition;
  - Fluctuating interest rates;
  - Access to debt and equity capital markets;
- Continued volatility and uncertainty in the credit markets and broader financial markets;
- Other risks inherent in the real estate business including tenant defaults, potential liability relating to environmental matters, illiquidity of real estate investments, and potential damages from natural disasters;
  - Impairments in the value of our real estate assets;
  - Changes in the tax laws of the United States of America;
  - The outcome of any legal proceedings to which we are a party; and
  - Acts of terrorism and war.

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

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

Item 1A: Risk Factors

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

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

We face competition in the acquisition, operation and sale of property. We expect competition from:

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

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

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

Cash flow from operations depends in part on the ability to lease space to tenants on economically favorable terms.

We could be adversely affected by various facts and events over which we have limited or no control, such as:

- Lack of demand in areas where our properties are located;
- Inability to retain existing tenants and attract new tenants;
- Oversupply of space and changes in market rental rates;

Our tenants' creditworthiness and ability to pay rent, which may be affected by their operations, the current economic situation and competition within their industries from other operators;

Defaults by and bankruptcies of tenants, failure of tenants to pay rent on a timely basis, or failure of tenants to comply with their contractual obligations; and

Economic or physical decline of the areas where the properties are located.

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

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

Further, the occurrence of a tenant bankruptcy or insolvency could diminish the income we receive from the tenant's lease or leases. In addition, a bankruptcy court might authorize the tenant to terminate its leases with us. If that happens, our claim against the bankrupt tenant for unpaid future rent would be subject to statutory limitations that most likely would be substantially less than the remaining rent we are owed under the leases. In addition, any claim we have for unpaid past rent, if any, may not be paid in full. As a result, tenant bankruptcies may have a material adverse effect on our results of operations.



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Seventy-five of our properties were available for lease or sale at December 31, 2009, of which all but one were single-tenant properties. As of February 8, 2010, transactions to lease or sell ten of the 75 properties were underway or completed. At December 31, 2009, 36 of our properties under lease were unoccupied and available for sublease by the tenants, all of which were current with their rent and other obligations. During 2009, each of our tenants accounted for less than 10% of our rental revenue.

For 2009, our tenants in the restaurant and convenience store industries accounted for approximately 21.3% and 17.0%, respectively, of our rental revenue. A downturn in either of these industries, whether nationwide or limited to specific sectors of the United States, could adversely affect our tenants in these industries, which in turn could have a material adverse affect on our financial position, results of operations and our ability to pay the principal of and interest on our debt securities and other indebtedness and to make distributions on our common stock and preferred stock. Individually, each of the other industries in our property portfolio accounted for less than 10% of our rental revenue for 2009. Nevertheless, downturns in these other industries could also adversely affect our tenants, which in turn could also have a material adverse affect on our financial position, results of operations and our ability to make debt payments and distributions on our common and preferred stock.

In addition, a substantial number of our properties are leased to middle-market retail chains that generally have more limited financial and other resources than certain upper-market retail chains, and therefore they are more likely to be adversely affected by a downturn in their respective businesses or in the regional or national economy.

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

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

Our knowledge of the contamination;

The timing of the contamination;

The cause of the contamination; or

The party responsible for the contamination of the property.

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

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



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

It is also possible that some of our properties may contain or develop harmful mold, which could lead to liability for adverse health effects and costs of remediation of the problem. 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, which would reduce our cash available for distribution. In addition, exposure to mold by our tenants or others could expose us to liability if property damage or health concerns arise.

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

**Insurance and Indemnity.** In June 2005, we entered into a seven-year environmental insurance policy ("June 2005 policy") which expires on June 1, 2012 on our property portfolio which replaced the previous five-year environmental insurance policy. The limits on our current policy are \$10 million per occurrence, and \$50 million in the aggregate, subject to a \$40,000 self insurance retention, per occurrence, for properties with underground storage tanks and a \$100,000 self insurance retention, per occurrence, for all other properties.

Additionally, in December 2009, we entered into a ten-year environmental insurance policy that expires in December 2019 that will initially act in an excess capacity to our June 2005 policy. On June 1, 2012, this policy will become our primary environmental policy with the same limits as the June 2005 policy, except that once we pay a total of \$1 million for self insurance retention, there will be a \$50,000 per loss maintenance fee, rather than the \$100,000 self insurance retention, per occurrence, for general environmental claims.

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

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

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



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

For example, in order to qualify as a REIT, at least 95% of our gross income in each year must be derived from qualifying sources, and we must pay distributions to stockholders aggregating annually at least 90% of our REIT taxable income (as defined in the Code and determined without regard to the dividends paid deduction and by excluding net capital gains).

In the future, it is possible that legislation, new regulations, administrative interpretations or court decisions will change the tax laws with respect to qualification as a REIT, or the federal income tax consequences of such qualification.

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

- We would be required to pay federal income tax (including any applicable alternative minimum tax) on our taxable income at regular corporate rates;

- We would not be allowed a deduction in computing our taxable income for amounts distributed to our stockholders;

- We could be disqualified from treatment as a REIT for the four taxable years following the year during which qualification is lost;

  - We would no longer be required to make distributions to stockholders; and

- This treatment would substantially reduce amounts available for investment or distribution to stockholders because of the additional tax liability for the years involved, which could have a material adverse effect on the market price of our capital stock and the value of our debt securities.

Even if we qualify for and maintain our REIT status, we may be subject to certain federal, state and local taxes on our income and property. For example, if we have net income from a prohibited transaction, that income will be subject to a 100% tax. Our subsidiary, Crest, is subject to federal and state taxes at the applicable tax rates on its income and property.

Distributions requirements imposed by law limit our flexibility.

To maintain our status as a REIT for federal income tax purposes, we generally are required to distribute to our stockholders at least 90% of our REIT taxable income, determined without regard to the dividends paid deduction and by excluding net capital gains each year. We also are subject to tax at regular corporate rates to the extent that we distribute less than 100% of our REIT taxable income (including net capital gains) each year.

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

We intend to continue to make distributions to our stockholders to comply with the distribution requirements of the Code as well as to reduce our exposure to federal income taxes and the nondeductible excise tax. Differences in timing between the receipt of income and the payment of expenses to arrive at taxable income, along with the effect of required debt amortization payments, could require us to borrow funds on a short-term basis to meet the distribution requirements that are necessary to achieve the tax benefits associated with qualifying as a REIT.



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

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

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

We intend to incur additional indebtedness in the future, including borrowings under our \$355 million acquisition credit facility. At December 31, 2009, we had borrowings outstanding under our \$355 million acquisition credit facility of \$4.6 million and we had a total of \$1.355 billion of outstanding credit facility borrowings and aggregate principal amount of outstanding unsecured senior debt securities. To the extent that new indebtedness is added to our current debt levels, the related risks that we now face would increase. As a result, we are and will be subject to risks associated with debt financing, including the risk that our cash flow could be insufficient to meet required payments on our debt. We also face variable interest rate risk as the interest rate on our \$355 million credit facility is variable and could therefore increase over time. We also face the risk that we may be unable to refinance or repay our debt as it comes due. Given the recent disruptions in the financial markets, we also face the risk that one or more of the participants in our credit facility may not be able to lend us money.

In addition, our \$355 million credit facility contains provisions that could limit the amount of distributions payable by us on our common stock and preferred stock. In particular, our \$355 million acquisition credit facility provides that the aggregate amount of cash distributions paid on, plus any payments made to repurchase, our common stock and preferred stock may not exceed the sum of (a) 95% of our funds from operations (as defined in the credit facility) plus (b) cash distributions on our preferred stock, determined as of the end of each fiscal quarter for the four fiscal quarters then ending, except that we may repurchase preferred stock with the net proceeds from the issuance of our common stock or preferred stock. The credit facility further provides that, in the event of a failure to pay principal, interest or any other amount payable thereunder when due or upon the occurrence of certain events of bankruptcy, insolvency or reorganization with respect to us or any of our subsidiaries, we and our subsidiaries may not pay any distributions on, or repurchase, any shares of our capital stock, including our common stock and preferred stock. In addition, the credit facility provides that, if any other event of default (as defined in the credit facility) thereunder exists, we and our subsidiaries may not pay any distributions on, or repurchase, any shares of our capital stock, including our common stock and preferred stock, except that we may pay cash distributions to stockholders in the minimum amount necessary to maintain our status as a REIT. If this were to occur, it would likely have a material adverse effect on the market price of our outstanding common and preferred stock and on the value of our debt securities and may adversely affect our ability to qualify as a REIT or our tax treatment as a REIT.

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

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

Putting us at a disadvantage compared to our competitors with less indebtedness.

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

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

The market value of our capital stock and debt securities could be substantially affected by various factors. The market value of our capital stock and debt securities will depend on many factors, which may change from time to time, including:

Prevailing interest rates, increases in which may have an adverse effect on the market value of our capital stock and debt securities;

The market for similar securities issued by other REITs;

General economic and financial market conditions;

The financial condition, performance and prospects of us, our tenants and our competitors;

Changes in financial estimates or recommendations by securities analysts with respect to us, our competitors or our industry;

Changes in our credit ratings; and

Actual or anticipated variations in quarterly operating results.

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

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

Adverse changes in general or local economic conditions;

Changes in supply of, or demand for, similar or competing properties;

Changes in interest rates and operating expenses;

Competition for tenants;

Changes in market rental rates;

Inability to lease properties upon termination of existing leases;

Renewal of leases at lower rental rates;

Inability to collect rents from tenants due to financial hardship, including bankruptcy;

Changes in tax, real estate, zoning and environmental laws that may have an adverse impact upon the value of real estate;

Uninsured property liability;

Property damage or casualty losses;

Unexpected expenditures for capital improvements or to bring properties into compliance with applicable federal, state and local laws;

The need to periodically renovate and repair our properties;

Physical or weather-related damage to properties;  
The potential risk of functional obsolescence of properties over time;  
Acts of terrorism and war; and  
Acts of God and other factors beyond the control of our management.

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

Under the terms and conditions of the leases currently in force on our properties, tenants generally are required to indemnify and hold us harmless from liabilities resulting from injury to persons, air, water, land or property, due to activities conducted on the properties, except for claims arising from the negligence or intentional misconduct of us or our agents. Additionally, tenants are generally required, at the tenant's expense, to obtain and keep in full force during the term of the lease, liability and property damage insurance policies. The insurance policies our tenants are required to maintain for property damage are generally in amounts not less than the full replacement cost of the improvements less slab, foundations, supports and other customarily excluded improvements. Our tenants are generally required to maintain general liability coverage varying between \$1,000,000 and \$10,000,000 depending on the tenant and the industry in which the tenant operates.

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

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

Our properties are generally required to comply with the Americans with Disabilities Act of 1990, or the ADA. The ADA has separate compliance requirements for "public accommodations" and "commercial facilities," but generally requires that buildings be made accessible to people with disabilities. Compliance with the ADA requirements could require removal of access barriers and non-compliance could result in imposition of fines by the U.S. government or an award of damages to private litigants. The retailers to whom we lease properties are obligated by law to comply with the ADA provisions, and we believe that these retailers may be obligated to cover costs associated with compliance. If required changes involve greater expenditures than anticipated, or if the changes must be made on a more accelerated basis than anticipated, the ability of these retailers to cover costs could be adversely affected and we could be required to expend our own funds to comply with the provisions of the ADA, which could materially adversely affect our results of operations or financial condition and our ability to pay the principal of and interest on our debt securities and other indebtedness and to make distributions to our stockholders. In addition, we are required to operate our properties in compliance with fire and safety regulations, building codes and other land use regulations, as they may be adopted by governmental agencies and bodies and become applicable to our properties. We may be required to make substantial capital expenditures to comply with those requirements and these expenditures could have a material adverse effect on our results of operations or financial condition and our ability to pay the principal of and interest on our debt securities and other indebtedness and to make distributions to our stockholders.

Property taxes may increase without notice.

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





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We depend on key personnel.

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

Terrorist attacks and other acts of violence or war may affect the value of our debt and equity securities, the markets in which we operate and our results of operations.

Terrorist attacks may negatively affect our operations, the market price of our capital stock and the value of our debt securities. There can be no assurance that there will not be further terrorist attacks against the United States or U.S. businesses. These attacks, or armed conflicts, may directly impact our physical facilities or the businesses of our tenants.

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

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

Over the last two years, the United States stock and credit markets have experienced significant price volatility, dislocations and liquidity disruptions, which have caused market prices of many stocks to fluctuate substantially and the spreads on prospective debt financings to widen considerably. These circumstances have materially impacted liquidity in the financial markets, making terms for certain financings less attractive, and in certain cases have resulted in the unavailability of certain types of financing. Continued uncertainty in the stock and credit markets may negatively impact our ability to access additional financing at reasonable terms, which may negatively affect our ability to make acquisitions. A prolonged downturn in the stock or credit markets may cause us to seek alternative sources of potentially less attractive financing, and may require us to adjust our business plan accordingly. In addition, these factors may make it more difficult for us to sell properties or may adversely affect the price we receive for properties that we do sell, as prospective buyers may experience increased costs of financing or difficulties in obtaining financing. These events in the stock and credit markets may make it more difficult or costly for us to raise capital through the issuance of our common stock or preferred stock. These disruptions in the financial markets also may have a material adverse effect on the market value of our common stock, the income we receive from our properties and the lease rates we can charge for our properties, and may have other unknown adverse effects on us or the economy in general.

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

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

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

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

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Item 1B: Unresolved Staff comments

There are no unresolved staff comments.

Item 2: Properties

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

Item 3: Legal Proceedings

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

Item 4: Submission of Matters to a Vote of Security Holders

No matters were submitted to stockholders during the fourth quarter of the fiscal year.

## PART II

Item 5: Market For The Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

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

|                | Price Per Share<br>of Common Stock |         | Distributions<br>Declared(1) |
|----------------|------------------------------------|---------|------------------------------|
|                | High                               | Low     |                              |
| 2009           |                                    |         |                              |
| First quarter  | \$23.41                            | \$14.26 | \$ 0.425563                  |
| Second quarter | 23.23                              | 17.90   | 0.426500                     |
| Third quarter  | 28.20                              | 19.83   | 0.427438                     |
| Fourth quarter | 27.53                              | 22.17   | 0.428375                     |
| Total          |                                    |         | \$ 1.707876                  |
| 2008           |                                    |         |                              |
| First quarter  | \$27.16                            | \$20.27 | \$ 0.410875                  |
| Second quarter | 28.15                              | 22.67   | 0.412750                     |
| Third quarter  | 34.86                              | 21.38   | 0.419625                     |
| Fourth quarter | 26.50                              | 15.00   | 0.424000                     |
| Total          |                                    |         | \$ 1.667250                  |

(1) Common stock cash distributions currently are declared monthly by us based on financial results for the prior months. At December 31, 2009, a distribution of \$0.143 per common share had been declared and was paid in January 2010.

There were 8,755 registered holders of record of our common stock as of January 1, 2010. We estimate that our total number of shareholders is approximately 99,000 when we include both registered and beneficial holders of our common stock.

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

| As of or for the years ended<br>December 31,                 | 2009        | 2008        | 2007        | 2006        | 2005        |
|--|-------------|-------------|-------------|-------------|-------------|
| Total assets (book value)                                    | \$2,914,787 | \$2,994,179 | \$3,077,352 | \$2,546,508 | \$1,920,988 |
| Cash and cash equivalents                                    | 10,026      | 46,815      | 193,101     | 10,573      | 65,704      |
| Lines of credit and notes payable                            | 1,354,600   | 1,370,000   | 1,470,000   | 920,000     | 891,700     |
| Total liabilities  | 1,426,778   | 1,439,518   | 1,539,260   | 970,516     | 931,774     |
| Total stockholders' equity                                   | 1,488,009   | 1,554,661   | 1,538,092   | 1,575,992   | 989,214     |
| Net cash provided by operating activities                    | 226,707     | 246,155     | 318,169     | 86,945      | 109,557     |
| Net change in cash and cash equivalents                      | (36,789 )   | (146,286 )  | 182,528     | (55,131 )   | 63,563      |
| Total revenue  | 327,581     | 327,773     | 291,483     | 234,527     | 190,460     |
| Income from continuing operations                            | 122,133     | 115,427     | 123,778     | 102,227     | 84,717      |
| Income from discontinued operations                          | 8,994       | 16,414      | 16,631      | 8,554       | 14,402      |
| Net income   | 131,127     | 131,841     | 140,409     | 110,781     | 99,119      |
| Preferred stock cash dividends                               | (24,253 )   | (24,253 )   | (24,253 )   | (11,362 )   | (9,403 )    |
| Net income available to common stockholders                  | 106,874     | 107,588     | 116,156     | 99,419      | 89,716      |
| Cash distributions paid to common stockholders               | 178,008     | 169,655     | 157,659     | 129,667     | 108,575     |
| Basic and diluted net income per common share                | 1.03        | 1.06        | 1.16        | 1.11        | 1.12        |
| Cash distributions paid per common share                     | 1.706625    | 1.662250    | 1.560250    | 1.437250    | 1.346250    |
| Cash distributions declared per common share                 | 1.707876    | 1.667250    | 1.570500    | 1.447500    | 1.352500    |
| Basic weighted average number of common shares outstanding   | 103,577,507 | 101,178,191 | 100,195,031 | 89,766,714  | 79,950,255  |
| Diluted weighted average number of common shares outstanding | 103,581,053 | 101,209,883 | 100,333,966 | 89,917,554  | 80,208,593  |

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

GENERAL

Realty Income Corporation, The Monthly Dividend Company®, is a Maryland corporation organized to operate as an equity real estate investment trust, or REIT. Our primary business objective is to generate dependable monthly cash distributions from a consistent and predictable level of funds from operations, or FFO, per share. Our monthly distributions are supported by the cash flow from our portfolio of retail properties leased to regional and national retail chains. We have in-house acquisition, leasing, legal, credit research, real estate research, portfolio management and capital markets expertise. Over the past 40 years, Realty Income and its predecessors have been acquiring and owning freestanding retail properties that generate rental revenue under long-term lease agreements (primarily 15 to 20 years).

In addition, we seek to increase distributions to stockholders and FFO per share through both active portfolio management and the acquisition of additional properties.

At December 31, 2009, we owned a diversified portfolio:

- Of 2,339 retail properties;
- With an occupancy rate of 96.8%, or 2,264 properties occupied and only 75 properties available for lease;
- Leased to 118 different retail chains doing business in 30 separate retail industries;
- Located in 49 states;
- With over 19.1 million square feet of leasable space; and
- With an average leasable retail space per property of approximately 8,200 square feet.

Of the 2,339 properties in the portfolio, 2,328, or 99.5%, are single-tenant, retail properties and the remaining 11 are multi-tenant, distribution and office properties. At December 31, 2009, of the 2,328 single-tenant properties, 2,254 were leased with a weighted average remaining lease term (excluding extension options) of approximately 11.2 years.

In addition, at December 31, 2009, our wholly-owned taxable REIT subsidiary, Crest Net Lease, Inc. ("Crest"), had an inventory of three properties valued at \$3.8 million, which are classified as held for sale. Crest was created to buy and sell properties, primarily to individual investors who are involved in tax-deferred exchanges under Section 1031 of the Internal Revenue Code of 1986, as amended (the "Code"). In addition to the three properties, Crest also holds notes receivable of \$22.2 million at December 31, 2009. Crest did not acquire any properties in 2009.

LIQUIDITY AND CAPITAL RESOURCES

Capital Philosophy

Historically, we have met our long-term capital needs through the issuance of common stock, preferred stock and long-term unsecured notes and bonds. Over the long term, we believe that common stock should be the majority of our capital structure. However, we may issue additional preferred stock or debt securities from time to time. We may issue common stock when we believe that our share price is at a level that allows for the proceeds of any offering to be accretively invested into additional properties. In addition, we may issue common stock to permanently finance properties that were financed by our credit facility or debt securities. However, we cannot assure you that we will have access to the capital markets at times and at terms that are acceptable to us.

Conservative Capital Structure

We believe that our stockholders are best served by a conservative capital structure. Therefore, we seek to maintain a conservative debt level on our balance sheet and solid interest and fixed charge coverage ratios. At December 31,

2009, our total outstanding credit facility borrowings and outstanding notes were \$1.355 billion, or approximately 30.8% of our total market capitalization of \$4.40 billion.

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We define our total market capitalization at December 31, 2009 as the sum of:

Shares of our common stock outstanding of 104,286,705 multiplied by the last reported sales price of our common stock on the NYSE of \$25.91 per share on December 31, 2009, or \$2.70 billion;  
Aggregate liquidation value (par value of \$25 per share) of the Class D preferred stock of \$127.5 million;  
Aggregate liquidation value (par value of \$25 per share) of the Class E preferred stock of \$220 million;  
Outstanding notes of \$1.35 billion; and  
Outstanding borrowings of \$4.6 million on our credit facility.

### Mortgage Debt

We have no mortgage debt on any of our properties.

### \$355 Million Acquisition Credit Facility

In May 2008, we entered into a \$355 million revolving, unsecured credit facility that replaced our previous \$300 million acquisition credit facility. The term of our credit facility is for three years, until May 2011, plus two, one-year extension options. Under our credit facility, our investment grade credit ratings provide for financing at the London Interbank Offered Rate, commonly referred to as LIBOR, plus 100 basis points with a facility fee of 27.5 basis points, for all-in drawn pricing of 127.5 basis points over LIBOR. We also have other interest rate options available to us. At December 31, 2009, we had a borrowing capacity of \$350.4 million available on our credit facility and an outstanding balance of \$4.6 million at an effective interest rate of 1.23%.

We expect to use the credit facility to acquire additional retail properties and for other corporate purposes. Any additional borrowings will increase our exposure to interest rate risk. We have the right to request an increase in the borrowing capacity of the credit facility, up to \$100 million, to a total borrowing capacity of \$455 million. Any increase in the borrowing capacity is subject to approval by the lending banks participating in our credit facility.

### Cash Reserves

We are organized to operate as an equity REIT that acquires and leases properties and distributes to stockholders, in the form of monthly cash distributions, a substantial portion of our net cash flow generated from leases on our retail properties. We intend to retain an appropriate amount of cash as working capital. At December 31, 2009, we had cash and cash equivalents totaling \$10 million.

We believe that our cash and cash equivalents on hand, cash provided from operating activities and borrowing capacity is sufficient to meet our liquidity needs for the foreseeable future. We intend, however, to use additional sources of capital to fund property acquisitions and to repay future borrowings under our credit facility.

### Acquisitions During 2009

During 2009, we invested \$57.9 million in 16 new properties with an initial weighted average contractual lease rate of 9.7%. These 16 properties are located in five states, contain over 278,000 leasable square feet, and are 100% leased with an average lease term of 17.9 years. The 16 new properties we acquired are net-leased to four different retail chains. There were no acquisitions by Crest in 2009.

We made fewer portfolio acquisitions in 2008 and 2009 than in previous years because we felt that preserving our capital resources and maintaining a high level of liquidity until property prices adjusted and the general economy improved was the prudent course of action. In late 2009, we felt that market conditions had become more attractive for acquisitions, and we currently believe that there are many retail chains, with solid operating concepts, that are in need of capital. We believe that our solid financial position, strong balance sheet and access to capital give us the ability to expand our acquisition activities in 2010 and invest in new retail properties that have the potential to contribute to our earnings.



The initial weighted average contractual lease rate is computed as estimated contractual net operating income (in a net-leased property that is equal to the aggregate base cash flow or, in the case of properties under development, the estimated aggregate base cash flow under the lease) for the first year of each lease, divided by the estimated total cost of the properties. Since it is possible that a tenant could default on the payment of contractual rent, we cannot assure you that the actual return on the funds invested will remain at the percentages listed above.

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### Impact of Real Estate and Credit Markets

In the commercial retail real estate market, property prices generally continued to decline and lease rates rose throughout 2008 and 2009. Likewise, the U.S. credit markets have experienced significant price volatility, dislocations and liquidity disruptions, which have impacted our access to and cost of capital. We continue to monitor the commercial retail real estate and U.S. credit markets carefully and, if required, will make decisions to adjust our business strategy accordingly. See our discussion of "Risk Factors" in this annual report.

### Increases in Monthly Distributions to Common Stockholders

We have continued our 40-year policy of paying distributions monthly. Monthly distributions per share were increased in January 2010 by \$0.0003125 to \$0.143. The increase in January 2010 was our 49th consecutive quarterly increase and the 56th increase in the amount of our dividend since our listing on the New York Stock Exchange, or NYSE, in 1994. In 2009, we paid three monthly cash distributions per share in the amount of \$0.14175, three in the amount of \$0.1420625, three in the amount of \$0.142375 and three in the amount of \$0.1426875, totaling \$1.706625. In December 2009 and January 2010, we declared distributions of \$0.143 per share, which were paid in January 2010 and will be paid in February 2010, respectively.

The monthly distribution of \$0.143 per share represents a current annualized distribution of \$1.716 per share, and an annualized distribution yield of approximately 6.7% based on the last reported sale price of our common stock on the NYSE of \$25.74 on February 8, 2010. Although we expect to continue our policy of paying monthly distributions, we cannot guarantee that we will maintain our current level of distributions, that we will continue our pattern of increasing distributions per share, or what our actual distribution yield will be in any future period.

### Note Redemptions

Upon their maturity in January 2009, we redeemed, using cash on hand, the \$20 million outstanding principal amount of our 8% Notes due 2009, or 2009 Notes. The 2009 Notes were redeemed at a redemption price equal to 100% of the principal amount, plus accrued and unpaid interest. We have no debt maturities until March 2013.

### Universal Shelf Registration

In March 2009, we filed a shelf registration statement with the SEC, which is effective for a term of three years, to replace our prior shelf registration statement which was set to expire in April 2009. Our new shelf registration statement expires in March 2012. In accordance with the SEC rules, the amount of the securities to be issued pursuant to this shelf registration statement was not specified when it was filed and there is no specific dollar limit. The securities covered by this registration statement include common stock, preferred stock, debt securities, or any combination of these securities. We may periodically offer one or more of these securities in amounts, prices and on terms to be announced when and if the securities are offered. The specifics of any future offerings, along with the use of proceeds of any securities offered, will be described in detail in a prospectus supplement, or other offering materials, at the time of the offering.

### Credit Agency Ratings

We are currently assigned investment grade corporate credit ratings on our senior unsecured notes. Fitch Ratings has assigned a rating of BBB+, Moody's Investors Service has assigned a rating of Baa1 and Standard & Poor's Ratings Group has assigned a rating of BBB to our senior notes. All of these ratings have "stable" outlooks.

We have also been assigned credit ratings on our preferred stock. Fitch Ratings has assigned a rating of BBB-, Moody's has assigned a rating of Baa2 and Standard & Poor's has assigned a rating of BB+ to our preferred stock. All of these ratings have "stable" outlooks.

The credit ratings assigned to us could change based upon, among other things, our results of operations and financial condition. These ratings are subject to ongoing evaluation by credit rating agencies and we cannot assure you that our

ratings will not be changed or withdrawn by a rating agency in the future if, in its judgment, circumstances warrant. Moreover, a rating is not a recommendation to buy, sell or hold our debt securities, preferred stock or common stock.

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## Notes Outstanding

Our senior unsecured note obligations consist of the following as of December 31, 2009, sorted by maturity date (dollars in millions):

|  |           |
|--|-----------|
| 5.375% notes, issued in March 2003 and due in March 2013         | \$ 100.0  |
| 5.5% notes, issued in November 2003 and due in November 2015     | 150.0     |
| 5.95% notes, issued in September 2006 and due in September 2016  | 275.0     |
| 5.375% notes, issued in September 2005 and due in September 2017 | 175.0     |
| 6.75% notes, issued in September 2007 and due in August 2019     | 550.0     |
| 5.875% bonds, issued in March 2005 and due in March 2035         | 100.0     |
|  | \$1,350.0 |

All of our outstanding notes and bonds have fixed interest rates. Interest on all of our senior note and bond obligations is paid semiannually. All of these notes and bonds contain various covenants, including: (i) a limitation on incurrence of any debt which would cause our debt to total adjusted assets ratio to exceed 60%; (ii) a limitation on incurrence of any secured debt which would cause our secured debt to total adjusted assets ratio to exceed 40%; (iii) a limitation on incurrence of any debt which would cause our debt service coverage ratio to be less than 1.5 times; and (iv) the maintenance at all times of total unencumbered assets not less than 150% of our outstanding unsecured debt. We have been in compliance with these covenants since each of the notes and bonds was issued.

The following is a summary of the key financial covenants for our senior unsecured notes, as defined and calculated per the terms of our notes. These calculations, which are not based on U.S. generally accepted accounting principles, or GAAP, measurements, are presented to investors to show our ability to incur additional debt under the terms of our notes only and are not measures of our liquidity or performance. The actual amounts as of December 31, 2009 are:

| Note Covenants                             | Required                 | Actual |
|--|--------------------------|--------|
| Limitation on incurrence of total debt     | ≤ 60%                    | 38.6%  |
| Limitation on incurrence of secured debt   | ≤ 40%                    | 0.0%   |
| Debt service coverage (trailing 12 months) | ≥ 1.5 x                  | 3.6 x  |
| Maintenance of total unencumbered assets   | ≥ 150% of unsecured debt | 259%   |

The following table summarizes the maturity of each of our obligations as of December 31, 2009 (dollars in millions):

| Table of Obligations |                    |            |             | Ground<br>Leases<br>Paid by | Ground<br>Leases<br>Paid by |          |            |
|----------------------|--------------------|------------|-------------|-----------------------------|-----------------------------|----------|------------|
| Year of<br>Maturity  | Credit<br>Facility | Notes      | Interest(1) | Realty<br>Income(2)         | Our<br>Tenants(3)           | Other(4) | Totals     |
| 2010                 | \$ --              | \$ --      | \$82.4      | \$0.1                       | \$3.7                       | \$1.5    | \$87.7     |
| 2011                 | 4.6                | --         | 82.4        | 0.1                         | 3.7                         | --       | 90.8       |
| 2012                 | --                 | --         | 82.4        | 0.1                         | 3.6                         | --       | 86.1       |
| 2013                 | --                 | 100.0      | 78.1        | 0.1                         | 3.5                         | --       | 181.7      |
| 2014                 | --                 | --         | 77.0        | 0.1                         | 3.3                         | --       | 80.4       |
| Thereafter           | --                 | 1,250.0    | 350.9       | 0.8                         | 37.7                        | --       | 1,639.4    |
| Totals               | \$ 4.6             | \$ 1,350.0 | \$ 753.2    | \$ 1.3                      | \$ 55.5                     | \$ 1.5   | \$ 2,166.1 |

- (1) Interest on the credit facility and notes has been calculated based on outstanding balances as of December 31, 2009 through their respective maturity dates.
- (2) Realty Income currently pays the ground lessors directly for the rent under the ground leases. A majority of this rent is reimbursed to Realty Income as additional rent from our tenants.
- (3) Our tenants, who are generally sub-tenants under the ground leases, are responsible for paying the rent under these ground leases. In the event a tenant fails to pay the ground lease rent, we are primarily responsible.
- (4) "Other" consists of \$295,000 of commitments under construction contracts and \$1.2 million of contingent payments for tenant improvements and leasing costs.

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

Preferred Stock Outstanding

In 2004, we issued 5.1 million shares of 7.375% Class D cumulative redeemable preferred stock. In May 2009, shares of Class D preferred stock became redeemable at our option for \$25 per share, plus any accrued and unpaid dividends. Dividends on shares of Class D preferred stock are paid monthly in arrears.

In 2006, we issued 8.8 million shares of 6.75% Class E cumulative redeemable preferred stock. Beginning December 7, 2011, shares of Class E preferred stock are redeemable at our option for \$25 per share, plus any accrued and unpaid dividends. Dividends on shares of Class E preferred stock are paid monthly in arrears.

Dividends on our Class D and Class E preferred stock are current.

No Off-Balance Sheet Arrangements or Unconsolidated Investments

We have no unconsolidated or off-balance sheet investments in "variable interest entities" or off-balance sheet financing, nor do we engage in trading activities involving energy or commodity contracts or other derivative instruments. Additionally, we have no joint ventures or mandatorily redeemable preferred stock. As such, our financial position and results of operations are not affected by accounting regulations regarding the consolidation of off-balance sheet entities and classification of financial instruments with characteristics of both liabilities and equity.

## RESULTS OF OPERATIONS

Critical Accounting Policies

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

In order to prepare our consolidated financial statements according to the rules and guidelines set forth by GAAP, many subjective judgments must be made with regard to critical accounting policies. One of these judgments is our estimate for useful lives in determining depreciation expense for our properties. Depreciation of buildings and improvements is generally computed using the straight-line method over an estimated useful life of 25 years. If we use a shorter or longer estimated useful life, it could have a material impact on our results of operations. We believe that 25 years is an appropriate estimate of useful life. No depreciation has been recorded on Crest's properties that are classified as held for sale.

When acquiring a property for investment purposes, we allocate the fair value of real estate acquired with in-place operating leases to: (1) land, (2) building and improvements, (3) identified intangible assets and liabilities, based in each case on their fair values. Intangible assets and liabilities consist of above-market and below-market leases, the value of in-place leases and tenant relationships.

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Another significant judgment must be made as to if, and when, impairment losses should be taken on our properties when events or a change in circumstances indicate that the carrying amount of the asset may not be recoverable. Generally, a provision is made for impairment if estimated future operating cash flows (undiscounted and without interest charges) plus estimated disposition proceeds (undiscounted) are less than the current book value of the property. Key inputs that we estimate in this analysis include projected rental rates, capital expenditures and property sales capitalization rates. If a property is held for sale, it is carried at the lower of carrying cost or estimated fair value, less estimated cost to sell. The carrying value of our real estate is the largest component of our consolidated balance sheet. If events should occur that require us to reduce the carrying value of our real estate by recording provisions for impairment, it could have a material impact on our results of operations.

The following is a comparison of our results of operations for the years ended December 31, 2009, 2008 and 2007.

Rental Revenue

Rental revenue was \$326.1 million for 2009 versus \$325.9 million for 2008, an increase of \$249,000, or 0.1%. Rental revenue was \$285.1 million in 2007. The increase in rental revenue in 2009 compared to 2008 is primarily attributable to:

- The 16 retail properties acquired by Realty Income in 2009, which generated \$490,000 of rent in 2009;
- The 107 retail properties acquired by Realty Income in 2008, which generated \$16.08 million of rent in 2009 compared to \$13.04 million in 2008, an increase of \$3.0 million;
- Same store rents generated on 2,063 properties during the entire years of 2009 and 2008, increased by \$1.3 million, or 0.4%, to \$299.15 million from \$297.84 million; net of
- A net decrease of \$3.7 million relating to the aggregate of (i) development properties acquired before 2008 that started paying rent in 2008, (ii) properties that were vacant during part of 2009 or 2008, (iii) properties sold during 2009 and 2008 and (iv) lease termination settlements, which in aggregate, totaled \$9.2 million in 2009 compared to \$12.9 million in 2008; and
- A decrease in straight-line rent and other non-cash adjustments to rent of \$879,000 in 2009 as compared to 2008.

Overall, comparing 2009 versus 2008, revenue has been generally flat as we own 2,339 properties at December 31, 2009, compared to 2,348 properties at December 31, 2008.

Of the 2,339 properties in the portfolio at December 31, 2009, 2,328, or 99.5%, are single-tenant properties and the remaining 11 are multi-tenant, distribution and office properties. Of the 2,328 single-tenant properties, 2,254, or 96.8%, were net leased with a weighted average remaining lease term (excluding rights to extend a lease at the option of the tenant) of approximately 11.2 years at December 31, 2009. Of our 2,254 leased single-tenant properties, 2,071 or 91.9% were under leases that provide for increases in rents through:

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

Percentage rent, which is included in rental revenue, was \$1.3 million in 2009, \$1.2 million in 2008 and \$795,000 in 2007 (excluding percentage rent reclassified to discontinued operations of \$22,000 in 2008 and \$55,000 in 2007). Percentage rent in 2009 was less than 1% of rental revenue and we anticipate percentage rent to be less than 1% of rental revenue in 2010.

Our portfolio of retail real estate, leased primarily to regional and national chains under net leases, continues to perform well and provide dependable lease revenue supporting the payment of monthly dividends to our

stockholders. At December 31, 2009, our portfolio of 2,339 retail properties was 96.8% leased with 75 properties available for lease as compared to 70 at December 31, 2008.

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As of February 8, 2010, transactions to lease or sell ten of the 75 properties available for lease at December 31, 2009 were underway or completed. We anticipate these transactions will be completed during the next several months, although we cannot guarantee that all of these properties can be leased or sold within this period. It has been our experience that approximately 1% to 4% of our property portfolio will be unleased at any given time; however, we cannot assure you that the number of properties available for lease will not exceed these levels.

**Depreciation and Amortization**

Depreciation and amortization was \$91.4 million in 2009 versus \$89.9 million in 2008 and \$75.9 million in 2007. The increases in depreciation and amortization in 2009 and 2008 were primarily due to the acquisition of properties in 2009, 2008 and 2007, which was partially offset by property sales in these years. As discussed in the section entitled "Funds from Operations Available to Common Stockholders," depreciation and amortization is a non-cash item that is added back to net income available to common stockholders for our calculation of FFO.

**Interest Expense**

Interest expense was \$85.5 million in 2009 versus \$94.0 million in 2008 and \$64.3 million in 2007. Interest expense decreased in 2009 primarily due to lower average outstanding balances and, to a lesser extent, lower interest rates. We redeemed, in November 2008, the \$100 million outstanding principal amount of our 8.25% Monthly Income Senior Notes and, in January 2009, the \$20 million outstanding principal amount of our 8% Notes, both of which contributed to the decrease in average outstanding balances and lower average interest rates on our debt.

In May 2008, as a result of entering into our current credit facility, we incurred \$3.2 million of credit facility origination costs that were capitalized and are being amortized over three years. At December 31, 2009, \$1.5 million of the \$3.2 million is included in "other assets" on our consolidated balance sheet.

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

|  | 2009        | 2008        | 2007        |
|--|-------------|-------------|-------------|
| Interest on our credit facility and notes  | \$82,460    | \$91,213    | \$67,964    |
| Interest included in discontinued operations from real estate acquired for resale by Crest | (595 )      | (1,797 )    | (6,201 )    |
| Credit facility commitment fees  | 990         | 795         | 456         |
| Amortization of credit facility origination costs and deferred bond financing costs        | 2,678       | 3,078       | 2,235       |
| Amortization of settlements on treasury lock agreement                                     | --          | 759         | 870         |
| Interest capitalized   | (5 )        | (92 )       | (993 )      |
| Interest expense   | \$85,528    | \$93,956    | \$64,331    |
| Credit facility and notes outstanding  | 2009        | 2008        | 2007        |
| Average outstanding balances (dollars in thousands)  | \$1,350,791 | \$1,457,222 | \$1,111,914 |
| Average interest rates   | 6.10 %      | 6.26 %      | 6.11 %      |

At December 31, 2009, the weighted average interest rate on our:

Notes payable of \$1.35 billion was 6.10%;  
 Credit facility outstanding borrowings of \$4.6 million was 1.23%; and  
 Combined outstanding notes and credit facility borrowings of \$1.355 billion was 6.10%.

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## Interest Coverage Ratio

Our interest coverage ratio for 2009 was 3.5 times, for 2008 was 3.2 times and for 2007 was 4.1 times. Interest coverage ratio is calculated as: the interest coverage amount (as calculated in the following table) divided by interest expense, including interest recorded as discontinued operations. We consider interest coverage ratio to be an appropriate supplemental measure of a company's ability to meet its interest expense obligations. Our calculation of interest coverage ratio may be different from the calculation used by other companies and, therefore, comparability may be limited. This information should not be considered as an alternative to any GAAP liquidity measures.

The following is a reconciliation of net cash provided by operating activities on our consolidated statements of cash flow to our interest coverage amount (dollars in thousands):

|   | 2009      | 2008      | 2007       |
|---|-----------|-----------|------------|
| Net cash provided by operating activities                     | \$226,707 | \$246,155 | \$318,169  |
| Interest expense  | 85,528    | 93,956    | 64,331     |
| Interest expense included in discontinued operations(1)       | 595       | 1,797     | 6,201      |
| Income taxes  | 677       | 1,230     | 1,392      |
| Income taxes (benefit) included in discontinued operations(1) | (645 )    | 225       | 3,039      |
| Investment in real estate acquired for resale(1)              | --        | 9         | 29,886     |
| Proceeds from sales of real estate acquired for resale(1)     | (1,987 )  | (31,455 ) | (119,790 ) |
| Collection of note receivables by Crest(1)                    | (129 )    | (87 )     | (651 )     |
| Crest provisions for impairment(1)                            | (277 )    | (3,374 )  | --         |
| Gain on sales of real estate acquired for resale(1)           | --        | 4,642     | 12,319     |
| Amortization of share-based compensation                      | (4,726 )  | (5,049 )  | (3,857 )   |
| Changes in assets and liabilities:                            |           |           |            |
| Accounts receivable and other assets                          | (3,607 )  | 930       | 49         |
| Accounts payable, accrued expenses and other liabilities      | (856 )    | (1,675 )  | (21,675 )  |
| Interest coverage amount                                      | \$301,280 | \$307,304 | \$289,413  |
| Divided by interest expense(2)                                | \$86,123  | \$95,753  | \$70,532   |
| Interest coverage ratio                                       | 3.5       | 3.2       | 4.1        |

(1) Crest activities.

(2) Includes interest expense recorded to "income from discontinued operations, real estate acquired for resale by Crest" on our consolidated statements of income.

## Fixed Charge Coverage Ratio

Our fixed charge coverage ratio for 2009 was 2.7 times, for 2008 was 2.6 times and for 2007 was 3.1 times. Fixed charge coverage ratio is calculated in exactly the same manner as interest coverage ratio, except that preferred stock dividends are also added to the denominator. We consider fixed charge coverage ratio to be an appropriate supplemental measure of a company's ability to make its interest and preferred stock dividend payments. Our calculation of the fixed charge coverage ratio may be different from the calculation used by other companies and, therefore, comparability may be limited. This information should not be considered as an alternative to any GAAP liquidity measures or information presented in Exhibit 12.1 to this Annual Report.

Interest coverage amount divided by interest expense plus preferred stock dividends (dollars in thousands):

|   | 2009       | 2008       | 2007      |
|---|------------|------------|-----------|
| Interest coverage amount                                      | \$301,280  | \$307,304  | \$289,413 |
| Divided by interest expense plus preferred stock dividends(1) | \$ 110,376 | \$ 120,006 | \$ 94,785 |
| Fixed charge coverage ratio                                   | 2.7        | 2.6        | 3.1       |

(1) Includes interest expense recorded to “income from discontinued operations, real estate acquired for resale by Crest” on our consolidated statements of income.

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General and Administrative Expenses

General and administrative expenses decreased by \$672,000 to \$20.9 million in 2009 as compared to \$21.6 million in 2008. General and administrative expenses were \$22.7 million in 2007. In 2009, general and administrative expenses as a percentage of total revenue were 6.4% as compared to 6.6% in 2008 and 7.8% in 2007. General and administrative expenses decreased during 2009 primarily due to decreases in employee costs. For 2009, general and administrative expenses include transaction costs of \$62,000 related to the acquisition of 16 new properties during 2009. Prior to 2009, these transaction costs would have been capitalized as part of the property investments.

In February 2010, we had 72 employees as compared to 69 employees in February 2009.

Property Expenses

Property expenses are broken down into costs associated with non-net leased multi-tenant properties, unleased single-tenant properties and general portfolio expenses. Expenses related to the multi-tenant and unleased single-tenant properties include, but are not limited to, property taxes, maintenance, insurance, utilities, property inspections, bad debt expense and legal fees. General portfolio costs include, but are not limited to, insurance, legal, bad debt expense, property inspections and title search fees. At December 31, 2009, 75 properties were available for lease, as compared to 70 at December 31, 2008 and 48 at December 31, 2007.

Property expenses were \$6.9 million in 2009, \$5.6 million in 2008 and \$3.4 million in 2007. The increase in property expenses in 2009 is primarily attributable to an increase in maintenance and utilities associated with properties available for lease and an increase in bad debt expense, partially offset by lower property taxes and legal fees. In 2007, property expenses included provisions for impairment of \$138,000 recorded for one property.

Income Taxes

Income taxes were \$677,000 in 2009 as compared to \$1.2 million in 2008 and \$1.4 million in 2007. These amounts are for city and state income taxes paid by Realty Income. After conducting an extensive review of our recent state tax filings, we determined that it was appropriate to amend some prior year tax returns from which we realized a tax benefit of \$308,000.

In addition, Crest recorded state and federal income tax benefits of \$645,000 in 2009 as compared to income tax expense of \$225,000 in 2008 and \$3.0 million in 2007. These amounts are included in "income from discontinued operations, real estate acquired for resale by Crest" on our consolidated statements of income. The Crest 2009 tax benefit includes a benefit of \$303,000 attributable to amendments of certain prior year state tax returns.

Discontinued Operations

Crest acquires properties with the intention of reselling them rather than holding them as investments and operating the properties. Consequently, we typically classify properties acquired by Crest as held for sale at the date of acquisition and do not depreciate them. The operation of Crest's properties is classified as "income from discontinued operations, real estate acquired for resale by Crest" on our consolidated statements of income.

If we decide not to sell a property previously classified as held for sale, the property is reclassified as real estate held for investment. A property that is reclassified to held for investment is measured and recorded at the lower of (i) its carrying amount before the property was classified as held for sale, adjusted for any depreciation expense that would have been recognized had the property been continuously classified as held for investment, and (ii) the fair value at the date of the subsequent decision not to sell.

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The following is a summary of Crest's "income from discontinued operations, real estate acquired for resale" on our consolidated statements of income (dollars in thousands, except per share data):

| Crest's income from discontinued operations, real estate acquired for resale  | 2009   | 2008     | 2007     |
|---|--------|----------|----------|
| Rental revenue  | \$246  | \$1,830  | \$8,165  |
| Other revenue   | 1,403  | 914      | 190      |
| Gain on sales of real estate acquired for resale                              | --     | 4,642    | 12,319   |
| Interest expense  | (595 ) | (1,797 ) | (6,201 ) |
| General and administrative expense  | (336 ) | (511 )   | (691 )   |
| Property expenses   | (128 ) | (133 )   | (40 )    |
| Provisions for impairment   | (277 ) | (3,374 ) | --       |
| Depreciation(1)   | --     | (771 )   | --       |
| Income taxes  | 645    | (225 )   | (3,039 ) |
| Income from discontinued operations, real estate acquired for resale by Crest | \$958  | \$575    | \$10,703 |
| Per common share, basic and diluted   | \$0.01 | \$0.01   | \$0.11   |

(1) Depreciation was recorded on one property that was classified as held for investment. This property was sold in 2008.

Realty Income's operations from seven investment properties classified as held for sale at December 31, 2009, plus properties sold in 2009, 2008 and 2007 have been classified as discontinued operations. The following is a summary of Realty Income's "income from discontinued operations, real estate held for investment" on our consolidated statements of income (dollars in thousands, except per share data):

| Realty Income's income from discontinued operations, real estate held for investment | 2009    | 2008     | 2007     |
|--|---------|----------|----------|
| Gain on sales of investment properties   | \$8,044 | \$13,314 | \$1,724  |
| Rental revenue   | 1,178   | 3,831    | 5,907    |
| Other revenue  | 35      | 96       | 6        |
| Depreciation and amortization  | (564 )  | (1,093 ) | (1,390 ) |
| Property expenses  | (547 )  | (309 )   | (185 )   |
| Provisions for impairment  | (110 )  | --       | (134 )   |
| Income from discontinued operations, real estate held for investment                 | \$8,036 | \$15,839 | \$5,928  |
| Per common share, basic and diluted  | \$0.08  | \$0.16   | \$0.06   |

The following is a summary of our total income from discontinued operations (dollars in thousands, except per share data):

| Total discontinued operations            | 2009    | 2008     | 2007     |
|--|---------|----------|----------|
| Real estate acquired for resale by Crest | \$958   | \$575    | \$10,703 |
| Real estate held for investment          | 8,036   | 15,839   | 5,928    |
| Income from discontinued operations      | \$8,994 | \$16,414 | \$16,631 |
| Per common share, basic and diluted      | \$0.09  | \$0.16   | \$0.17   |

The above per share amounts have each been calculated independently.

## Crest's Property Sales

In 2009, Crest sold two properties for \$2.0 million, which resulted in no gain. In 2008, Crest sold 25 properties for \$50.7 million, which resulted in a gain of \$4.6 million. In 2008, as part of two sales, Crest provided buyer financing of \$19.2 million. In 2007, Crest sold 62 properties for \$123.6 million, which resulted in a gain of \$12.3 million. In 2007, as part of two sales, Crest provided buyer financing of \$3.8 million, of which \$619,000 was paid in full in November 2007. Crest's gains on sales are reported before income taxes and are included in discontinued operations.

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Crest's Property Inventory

At December 31, 2009, Crest had an inventory of three properties valued at \$3.8 million, all of which are classified as held for sale. At December 31, 2008, Crest had a property inventory of five properties valued at \$6.0 million.

Gain on Sales of Investment Properties by Realty Income

In 2009, we sold 25 investment properties for \$20.3 million, which resulted in a gain of \$8.0 million. The results of operations for these properties have been reclassified as discontinued operations. Additionally, we received proceeds of \$170,000 from the sale of excess land from one property, which resulted in a gain of \$15,000. This gain is included in "other revenue" on our consolidated statement of income for 2009 because this excess land was associated with a property that continues to be owned as part of our core operations.

In 2008, we sold 29 investment properties for an aggregate of \$27.4 million, which resulted in a gain of \$13.3 million. The results of operations for these properties have been reclassified as discontinued operations. Additionally, we received proceeds of \$439,000 from the sale of excess land from one property, which resulted in a gain of \$236,000. This gain is included in "other revenue" on our consolidated statement of income for 2008 because this excess land was associated with a property that continues to be owned as part of our core operations.

In 2007, we sold ten investment properties for \$7.0 million, which resulted in a gain of \$1.7 million. The results of operations for these properties have been reclassified as discontinued operations. Additionally, we sold excess land and improvements from five properties for an aggregate of \$4.4 million, which resulted in a gain of \$1.8 million. This gain is included in "other revenue" on our consolidated statement of income for 2007 because these improvements and excess land were associated with properties that continue to be owned as part of our core operations.

We have an active portfolio management program that incorporates the sale of assets when we believe the reinvestment of the sale proceeds will:

- generate higher returns;
- enhance the credit quality of our real estate portfolio;
- extend our average remaining lease term; or
- decrease tenant or industry concentration.

At December 31, 2009, we classified real estate with a carrying amount of \$8.3 million as held for sale on our balance sheet, which includes three properties owned by Crest, valued at \$3.8 million. Additionally, we anticipate selling investment properties from our portfolio that have not yet been specifically identified, from which we anticipate receiving between \$10 million and \$35 million in proceeds during the next 12 months. We intend to invest these proceeds into new property acquisitions, if there are attractive opportunities available. However, we cannot guarantee that we will sell properties during the next 12 months or be able to invest the proceeds from the sales of any properties in new properties.

Provisions for Impairment on Real Estate Acquired for Resale by Crest

In 2009, provisions for impairment of \$277,000 were recorded by Crest on three retail properties held for sale and two properties which were sold in 2009. In 2008, provisions for impairment of \$3.4 million were recorded by Crest on three properties held for sale. No provisions for impairment were recorded by Crest in 2007. These provisions for impairment adjusted the carrying values to the estimated fair-market values of those properties, net of estimated selling costs, and are included in "income from discontinued operations, real estate acquired for resale by Crest" on our consolidated statements of income.





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Provisions for Impairment on Realty Income Investment Properties

In 2009, we recorded a provision for impairment of \$110,000 on one property, which is included in "income from discontinued operations, real estate held for investment" on our consolidated statement of income for 2009, as the property is held for sale. No provisions for impairment were recorded in 2008. In 2007, we recorded a provision for impairment of \$134,000 on one property, which is included in "income from discontinued operations, real estate held for investment" on our consolidated statement of income for 2007, as the property was subsequently sold.

Additionally, in 2007, we recorded a provision for impairment of \$138,000 on another property, which is included in property expense on our consolidated statement of income for 2007.

Preferred Stock Dividends

Preferred stock cash dividends totaled \$24.3 million in 2009, 2008 and 2007.

Net Income Available to Common Stockholders

Net income available to common stockholders was \$106.9 million in 2009, a decrease of \$714,000 as compared to \$107.6 million in 2008. Net income available to common stockholders in 2007 was \$116.2 million.

The calculation to determine net income available to common stockholders includes gains from the sale of properties. The amount of gains varies from period to period based on the timing of property sales and can significantly impact net income available to common stockholders.

Gain from the sale of investment properties and the sale of excess land recognized during 2009 was \$8.1 million, as compared to a \$13.6 million gain recognized during 2008 and a \$3.6 million gain recognized during 2007. Crest's recognized no gain from the sale of properties during 2009 as compared to \$4.6 million during 2008 and \$12.3 million during 2007.

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

FFO for 2009 increased by \$4.9 million, or 2.6%, to \$190.4 million, as compared to \$185.5 million in 2008 and \$189.7 million in 2007. The following is a reconciliation of net income available to common stockholders (which we believe is the most comparable GAAP measure) to FFO. Also presented is information regarding distributions paid to common stockholders and the weighted average number of common shares used for the basic and diluted computation per share (dollars in thousands, except per share amounts):

|  | 2009        | 2008        | 2007        |
|--|-------------|-------------|-------------|
| Net income available to common stockholders                              | \$ 106,874  | \$ 107,588  | \$ 116,156  |
| Depreciation and amortization:   |             |             |             |
| Continuing operations  | 91,383      | 89,941      | 75,932      |
| Discontinued operations  | 564         | 1,864       | 1,390       |
| Depreciation of furniture, fixtures and equipment                        | (318 )      | (319 )      | (244 )      |
| Gain on sales of land and investment properties:                         |             |             |             |
| Continuing operations  | (15 )       | (236 )      | (1,835 )    |
| Discontinued operations  | (8,044 )    | (13,314 )   | (1,724 )    |
| FFO available to common stockholders                                     | \$ 190,444  | \$ 185,524  | \$ 189,675  |
| FFO per common share:  |             |             |             |
| Basic  | \$ 1.84     | \$ 1.83     | \$ 1.89     |
| Diluted  | \$ 1.84     | \$ 1.83     | \$ 1.89     |
| Distributions paid to common stockholders                                | \$ 178,008  | \$ 169,655  | \$ 157,659  |
| FFO in excess of distributions paid to common stockholders               | \$ 12,436   | \$ 15,869   | \$ 32,016   |
| Weighted average number of common shares used for computation per share: |             |             |             |
| Basic  | 103,577,507 | 101,178,191 | 100,195,031 |
| Diluted  | 103,581,053 | 101,209,883 | 100,333,966 |

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

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

Presentation of this information is intended to assist the reader in comparing the operating performance of different REITs, although it should be noted that not all REITs calculate FFO the same way, so comparisons with other REITs may not be meaningful. Furthermore, FFO is not necessarily indicative of cash flow available to fund cash needs and should not be considered as an alternative to net income as an indication of our performance. In addition, FFO should not be considered as an alternative to reviewing our cash flows from operating, investing and financing activities as a

measure of liquidity, of our ability to make cash distributions or of our ability to pay interest payments.

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## Other Non-Cash Items and Capitalized Expenditures

The following information includes non-cash items and capitalized expenditures on existing properties in our portfolio. These items are not included in the adjustments to net income available to common stockholders to arrive at FFO. Analysts and investors often request this supplemental information.

| (dollars in thousands)                                     | 2009     | 2008     | 2007     |
|--|----------|----------|----------|
| Amortization of share-based compensation                   | \$4,726  | \$5,049  | \$3,857  |
| Amortization of deferred note financing costs(1)           | 1,363    | 1,748    | 1,494    |
| Crest provisions for impairment                            | 277      | 3,374    | --       |
| Provisions for impairment                                  | 110      | --       | 272      |
| Amortization of settlements on treasury lock agreements(2) | --       | 759      | 870      |
| Capitalized leasing costs and commissions                  | (1,185 ) | (956 )   | (614 )   |
| Capitalized building improvements                          | (1,879 ) | (1,498 ) | (1,258 ) |
| Straight-line rent revenue(3)                              | (1,117 ) | (1,997 ) | (1,217 ) |

(1) Amortization of deferred note financing costs includes the amortization of costs incurred and capitalized when our notes were issued in October 1998, January 1999, March 2003, November 2003, March 2005, September 2005, September 2006 and September 2007. These costs are being amortized over the lives of these notes. No costs associated with our credit facility agreements or annual fees paid to credit rating agencies have been included.

(2) The settlement on the treasury lock agreements resulted from an interest rate risk prevention strategy that we used in 1997 and 1998, which correlated to pending issuances of senior note securities. We have not employed this strategy since 1998.

(3) A negative amount indicates that our straight-line rent was greater than our actual cash rent collected.

## IMPACT OF INFLATION

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

Of our 2,339 retail properties in the portfolio, approximately 96.4% or 2,254 are leased to tenants under net leases where the tenant is responsible for property expenses. Net leases tend to reduce our exposure to rising property expenses due to inflation. Inflation and increased costs may have an adverse impact on our tenants if increases in their operating expenses exceed increases in revenue.

## IMPACT OF RECENT ACCOUNTING PRONOUNCEMENTS

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

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

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

costs. To achieve these objectives we issue long-term notes and bonds, primarily at fixed rates. We were not a party to any derivative financial instruments at December 31, 2009. We do not enter into any derivative transactions for speculative or trading purposes.

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The following table presents by year of expected maturity, the principal amounts, average interest rates and fair values as of December 31, 2009. This information is presented to evaluate the expected cash flows and sensitivity to interest rate changes (dollars in millions):

## Expected Maturity Data

| Year of maturity | Fixed rate debt | Average interest rate on fixed rate debt | Variable rate debt | Average interest rate on variable rate debt |
|------------------|-----------------|--|--------------------|---|
| 2010             | \$--            | -- %                                     | \$--               | -- %  |
| 2011(1)          | --              | --                                       | 4.6                | 1.231                                       |
| 2012             | --              | --                                       | --                 | --  |
| 2013(2)          | 100.0           | 5.375                                    | --                 | --  |
| 2014             | --              | --                                       | --                 | --  |
| Thereafter(3)    | 1,250.0         | 6.162                                    | --                 | --  |
| Totals           | \$1,350.0       | 6.103 %                                  | \$--               | 1.231 %                                     |
| Fair Value(4)    | \$1,276.4       |  | \$--               |   |

(1) The credit facility expires in May 2011.

(2) \$100 million matures in March 2013.

(3) \$150 million matures in November 2015, \$275 million matures in September 2016, \$175 million matures in September 2017, \$550 million matures in August 2019 and \$100 million matures in March 2035.

(4) We base the fair value of the fixed rate debt at December 31, 2009 on indicative market prices and recent trading activity of our notes payable.

The table incorporates only those exposures that exist as of December 31, 2009. It does not consider those exposures or positions that could arise after that date. As a result, our ultimate realized gain or loss, with respect to interest rate fluctuations, would depend on the exposures that arise during the period, our hedging strategies at the time, and interest rates.

All of our outstanding notes and bonds have fixed interest rates. Our credit facility interest rate is variable. Based on our credit facility balance of \$4.6 million at December 31, 2009, a 1% change in interest rates would change our interest costs by \$46,000 per year.

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Item 8: Financial Statements and Supplementary Data

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| A. | Report of Independent Registered Public Accounting Firm  |
| B. | Consolidated Balance Sheets,<br>December 31, 2009 and 2008                                       |
| C. | Consolidated Statements of Income,<br>Years ended December 31, 2009, 2008 and 2007               |
| D. | Consolidated Statements of Stockholders' Equity,<br>Years ended December 31, 2009, 2008 and 2007 |
| E. | Consolidated Statements of Cash Flows,<br>Years ended December 31, 2009, 2008 and 2007           |
| F. | Notes to Consolidated Financial Statements   |
| G. | Consolidated Quarterly Financial Data<br>(unaudited) for 2009 and 2008                           |
| H. | Schedule III Real Estate and Accumulated Depreciation  |

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

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Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders  
Realty Income Corporation:

We have audited the accompanying consolidated balance sheets of Realty Income Corporation and subsidiaries as of December 31, 2009 and 2008, and the related consolidated statements of income, stockholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2009. In connection with our audits of the consolidated financial statements, we have also audited the financial statement schedule III. We have also audited Realty Income Corporation's internal control over financial reporting as of December 31, 2009, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Realty Income Corporation's management is responsible for these consolidated financial statements and financial statement schedule, 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 these consolidated financial statements and financial statement schedule, and an opinion on Realty Income Corporation's internal control over financial reporting 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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the consolidated financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

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, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Realty Income Corporation and subsidiaries as of December 31, 2009 and 2008, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2009, in conformity with U.S. generally accepted accounting principles. Additionally, in our opinion, the related financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein. Also in our opinion, Realty Income Corporation maintained, in all material respects, effective internal control over financial reporting as of December 31, 2009, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission.

/s/ KPMG  
San Diego, California  
February 10, 2010

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## REALTY INCOME CORPORATION AND SUBSIDIARIES

## Consolidated Balance Sheets

December 31, 2009 and 2008  
(dollars in thousands, except per share data)

|   | 2009        | 2008        |
|---|-------------|-------------|
| <b>ASSETS</b>   |             |             |
| Real estate, at cost:   |             |             |
| Land  | \$1,169,295 | \$1,157,885 |
| Buildings and improvements  | 2,270,161   | 2,251,025   |
| Total real estate, at cost  | 3,439,456   | 3,408,910   |
| Less accumulated depreciation and amortization  | (630,840 )  | (553,417 )  |
| Net real estate held for investment   | 2,808,616   | 2,855,493   |
| Real estate held for sale, net  | 8,266       | 6,660       |
| Net real estate   | 2,816,882   | 2,862,153   |
| Cash and cash equivalents   | 10,026      | 46,815      |
| Accounts receivable, net  | 10,396      | 10,624      |
| Goodwill  | 17,206      | 17,206      |
| Other assets, net   | 60,277      | 57,381      |
| Total assets  | \$2,914,787 | \$2,994,179 |
| <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>   |             |             |
| Distributions payable   | \$16,926    | \$16,793    |
| Accounts payable and accrued expenses   | 38,445      | 38,027      |
| Other liabilities   | 16,807      | 14,698      |
| Line of credit payable  | 4,600       | --          |
| Notes payable   | 1,350,000   | 1,370,000   |
| Total liabilities   | 1,426,778   | 1,439,518   |
| <b>Commitments and contingencies</b>  |             |             |
| <b>Stockholders' equity:</b>  |             |             |
| Preferred stock and paid in capital, par value \$1.00 per share, 20,000,000 shares authorized, 13,900,000 shares issued and outstanding in 2009 and 2008  | 337,790     | 337,790     |
| Common stock and paid in capital, par value \$1.00 per share, 200,000,000 shares authorized, 104,286,705 and 104,211,541 shares issued and outstanding as of December 31, 2009 and 2008, respectively | 1,629,237   | 1,624,622   |
| Distributions in excess of net income   | (479,018 )  | (407,751 )  |
| Total stockholders' equity  | 1,488,009   | 1,554,661   |
| Total liabilities and stockholders' equity  | \$2,914,787 | \$2,994,179 |

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

Table of contentsREALTY INCOME CORPORATION AND SUBSIDIARIES  
Consolidated Statements Of IncomeYears Ended December 31, 2009, 2008 and 2007  
(dollars in thousands, except per share data)

|  | 2009        | 2008        | 2007        |
|--|-------------|-------------|-------------|
| <b>REVENUE</b>   |             |             |             |
| Rental   | \$326,145   | \$325,896   | \$285,133   |
| Other  | 1,436       | 1,877       | 6,350       |
| Total revenue  | 327,581     | 327,773     | 291,483     |
| <b>EXPENSES</b>  |             |             |             |
| Depreciation and amortization                              | 91,383      | 89,941      | 75,932      |
| Interest   | 85,528      | 93,956      | 64,331      |
| General and administrative                                 | 20,946      | 21,618      | 22,694      |
| Property   | 6,914       | 5,601       | 3,356       |
| Income taxes   | 677         | 1,230       | 1,392       |
| Total expenses   | 205,448     | 212,346     | 167,705     |
| Income from continuing operations                          | 122,133     | 115,427     | 123,778     |
| Income from discontinued operations:                       |             |             |             |
| Real estate acquired for resale by Crest                   | 958         | 575         | 10,703      |
| Real estate held for investment                            | 8,036       | 15,839      | 5,928       |
| Total income from discontinued operations                  | 8,994       | 16,414      | 16,631      |
| Net income   | 131,127     | 131,841     | 140,409     |
| Preferred stock cash dividends                             | (24,253 )   | (24,253 )   | (24,253 )   |
| Net income available to common stockholders                | \$106,874   | \$107,588   | \$116,156   |
| Amounts available to common stockholders per common share: |             |             |             |
| Income from continuing operations:                         |             |             |             |
| Basic  | \$0.94      | \$0.90      | \$0.99      |
| Diluted  | \$0.94      | \$0.90      | \$0.99      |
| Net income:  |             |             |             |
| Basic  | \$1.03      | \$1.06      | \$1.16      |
| Diluted  | \$1.03      | \$1.06      | \$1.16      |
| Weighted average common shares outstanding:                |             |             |             |
| Basic  | 103,577,507 | 101,178,191 | 100,195,031 |
| Diluted  | 103,581,053 | 101,209,883 | 100,333,966 |

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

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## REALTY INCOME CORPORATION AND SUBSIDIARIES

## Consolidated Statements Of Stockholders'

## Equity

Years Ended December 31, 2009, 2008 and 2007  
(dollars in thousands)

|   | Shares of<br>preferred<br>stock | Shares of<br>common<br>stock | Preferred<br>stock and<br>paid in<br>capital | Common<br>stock and<br>paid in<br>capital | Distributions<br>in excess of<br>net income | Total       |
|---|---------------------------------|------------------------------|--|---|---|-------------|
| Balance, December 31, 2006  | 13,900,000                      | 100,746,226                  | \$337,781                                    | \$1,540,365                               | \$ (302,154 )                               | \$1,575,992 |
| Net income  | --                              | --                           | --   | --  | 140,409                                     | 140,409     |
| Distributions paid and payable                                    | --                              | --                           | --   | --  | (182,990 )                                  | (182,990 )  |
| Preferred stock issuance cost                                     | --                              | --                           | 9  | --  | --  | 9           |
| Share-based compensation  | --                              | 336,491                      | --   | 4,672                                     | --  | 4,672       |
| Balance, December 31, 2007  | 13,900,000                      | 101,082,717                  | 337,790                                      | 1,545,037                                 | (344,735 )                                  | 1,538,092   |
| Net income  | --                              | --                           | --   | --  | 131,841                                     | 131,841     |
| Distributions paid and payable                                    | --                              | --                           | --   | --  | (194,857 )                                  | (194,857 )  |
| Shares issued in stock offering, net of offering costs of \$4,024 | --                              | 2,925,000                    | --   | 74,425                                    | --  | 74,425      |
| Share-based compensation  | --                              | 203,824                      | --   | 5,160                                     | --  | 5,160       |
| Balance, December 31, 2008  | 13,900,000                      | 104,211,541                  | 337,790                                      | 1,624,622                                 | (407,751 )                                  | 1,554,661   |
| Net income  | --                              | --                           | --   | --  | 131,127                                     | 131,127     |
| Distributions paid and payable                                    | --                              | --                           | --   | --  | (202,394 )                                  | (202,394 )  |
| Share-based compensation  | --                              | 75,164                       | --   | 4,615                                     | --  | 4,615       |
| Balance, December 31, 2009  | 13,900,000                      | 104,286,705                  | \$337,790                                    | \$1,629,237                               | \$ (479,018 )                               | \$1,488,009 |

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

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## REALTY INCOME CORPORATION AND SUBSIDIARIES

Consolidated Statements Of Cash  
FlowsYears Ended December 31, 2009, 2008 and 2007  
(dollars in thousands)

|   | 2009       | 2008       | 2007       |
|---|------------|------------|------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |            |            |            |
| Net income  | \$ 131,127 | \$ 131,841 | \$ 140,409 |
| Adjustments to net income:  |            |            |            |
| Depreciation and amortization   | 91,383     | 89,941     | 75,932     |
| Income from discontinued operations:  |            |            |            |
| Real estate acquired for resale   | (958 )     | (575 )     | (10,703 )  |
| Real estate held for investment   | (8,036 )   | (15,839 )  | (5,928 )   |
| Gain on sales of land and improvements  | (15 )      | (236 )     | (1,835 )   |
| Amortization of share-based compensation  | 4,726      | 5,049      | 3,857      |
| Provisions for impairment on real estate held for investment                              | --         | --         | 138        |
| Cash provided by (used in) discontinued operations:                                       |            |            |            |
| Real estate acquired for resale   | 1,235      | 78         | (1,610 )   |
| Real estate held for investment   | 666        | 3,618      | 5,728      |
| Investment in real estate acquired for resale   | --         | (9 )       | (29,886 )  |
| Proceeds from sales of real estate acquired for resale                                    | 1,987      | 31,455     | 119,790    |
| Collection of notes receivable by Crest   | 129        | 87         | 651        |
| Change in assets and liabilities:   |            |            |            |
| Accounts receivable and other assets  | 3,607      | (930 )     | (49 )      |
| Accounts payable, accrued expenses and other liabilities                                  | 856        | 1,675      | 21,675     |
| Net cash provided by operating activities   | 226,707    | 246,155    | 318,169    |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>   |            |            |            |
| Proceeds from sales of investment properties:   |            |            |            |
| Continuing operations   | 170        | 439        | 4,370      |
| Discontinued operations   | 15,425     | 24,191     | 7,014      |
| Acquisition of and improvements to investment properties                                  | (60,459 )  | (194,106 ) | (506,360 ) |
| Intangibles acquired in connection with acquisitions of investment properties             | (860 )     | (397 )     | (997 )     |
| Restricted escrow funds acquired in connection with acquisitions of investment properties | --         | --         | (2,648 )   |
| Net cash used in investing activities   | (45,724 )  | (169,873 ) | (498,621 ) |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>   |            |            |            |
| Cash distributions to common stockholders   | (178,008 ) | (169,655 ) | (157,659 ) |
| Cash dividends to preferred stockholders  | (24,253 )  | (24,253 )  | (24,583 )  |
| Principal payment on notes payable  | (20,000 )  | (100,000 ) | --         |
| Proceeds from common stock offerings, net   | --         | 74,425     | --         |
| Debt issuance costs   | --         | (3,196 )   | --         |
| Proceeds from notes issued, net   | --         | --         | 544,397    |
| Borrowings from lines of credit   | 4,600      | --         | 407,800    |
| Payments under lines of credit  | --         | --         | (407,800 ) |
| Proceeds from preferred stock offerings, net  | --         | --         | 9          |

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|  |            |            |           |
|--|------------|------------|-----------|
| Other items  | (111 )     | 111        | 816       |
| Net cash (used in) provided by financing activities  | (217,772 ) | (222,568 ) | 362,980   |
| Net (decrease) increase in cash and cash equivalents | (36,789 )  | (146,286 ) | 182,528   |
| Cash and cash equivalents, beginning of year         | 46,815     | 193,101    | 10,573    |
| Cash and cash equivalents, end of year               | \$10,026   | \$46,815   | \$193,101 |

For supplemental disclosures, see note 13.

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

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## REALTY INCOME CORPORATION AND SUBSIDIARIES

## Notes To Consolidated Financial Statements

December 31, 2009, 2008 and 2007

## 1. Organization and Operation

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

At December 31, 2009, we owned 2,339 properties, located in 49 states, containing over 19.1 million leasable square feet, along with three properties owned by our wholly-owned taxable REIT subsidiary, Crest Net Lease, Inc. ("Crest"). Crest was created to buy and sell properties, primarily to individual investors who are involved in tax-deferred exchanges under Section 1031 of the Internal Revenue Code of 1986, as amended (the "Code").

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

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

**Federal Income Taxes.** We have elected to be taxed as a REIT under the Code. We believe we have qualified and continue to qualify as a REIT. Under the REIT operating structure, we are permitted to deduct distributions paid to our stockholders and generally will not be required to pay federal corporate income taxes on such income. Accordingly, no provision has been made for federal income taxes in the accompanying consolidated financial statements, except for the federal income taxes of Crest, which are included in discontinued operations.

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

The following reconciles our net income available to common stockholders to taxable income (dollars in thousands):

|  | 2009(1)    | 2008       | 2007       |
|--|------------|------------|------------|
| Net income available to common stockholders              | \$ 106,874 | \$ 107,588 | \$ 116,156 |
| Preferred stock cash dividends                           | 24,253     | 24,253     | 24,583     |
| Depreciation and amortization timing differences         | 27,094     | 28,624     | 22,668     |
| Tax gain on the sales of real estate less than book gain | (5,436 )   | (4,518 )   | --         |
| Tax loss on the sale of real estate less than book gain  | --         | --         | (3,839 )   |
| Dividends received from Crest                            | --         | 2,500      | 3,300      |
| Elimination of net revenue and expenses from Crest       | 378        | 270        | (6,677 )   |
| Adjustment for share-based compensation                  | 1,824      | 2,270      | 314        |
| Adjustment for straight-line rent                        | (1,117 )   | (1,997 )   | (1,217 )   |
| Adjustment for an increase (decrease) in prepaid rent    | 1,273      | (1,226 )   | 5,608      |
| Other adjustments  | (191 )     | (321 )     | (453 )     |
| Taxable net income, before our dividends paid deduction  | \$ 154,952 | \$ 157,443 | \$ 160,443 |

(1) The 2009 information presented is a reconciliation of our net income available to common stockholders to estimated taxable net income.





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

Absent an election to the contrary, if a REIT acquires property that is or has been owned by a C corporation in a transaction in which the tax basis of the property in the hands of the REIT is determined by reference to the tax basis of the property in the hands of the C corporation, and the REIT recognizes gain on the disposition of such property during the 10 year period beginning on the date on which it acquired the property, then the REIT will be required to pay tax at the highest regular corporate tax rate on this gain to the extent of the excess of the fair market value of the property over the REIT's adjusted basis in the property, in each case determined as of the date the REIT acquired the property. In August 2007, we acquired 100% of the stock of a C corporation that owned real property. At the time of acquisition, the C corporation became a Qualified REIT Subsidiary, was deemed to be liquidated for Federal income tax purposes, and the real property was deemed to be transferred to us with a carryover tax basis. As of December 31, 2009, we have built-in gains of \$60 million with respect to such property. We do not expect that we will be required to pay income tax on the built-in gains in these properties during the ten-year period ending August 28, 2017. It is our intent, and we have the ability, to defer any dispositions of these properties to periods when the related gains would not be subject to the built-in gain income tax or otherwise to defer the recognition of the built-in gain related to these properties. However, our plans could change and it may be necessary to dispose of one or more of these properties in a taxable transaction before August 28, 2017, in which case we would be required to pay corporate level tax with respect to the built-in gains on these properties as described above.

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

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

|  | 2009        | 2008        | 2007        |
|--|-------------|-------------|-------------|
| Weighted average shares used for the basic net income per share computation        | 103,577,507 | 101,178,191 | 100,195,031 |
| Incremental shares from share-based compensation                                   | 3,546       | 31,692      | 138,935     |
| Adjusted weighted average shares used for diluted net income per share computation | 103,581,053 | 101,209,883 | 100,333,966 |
| Unvested shares from share-based compensation that were anti-dilutive              | 542,368     | 614,917     | 243,631     |

No stock options were anti-dilutive in 2009, 2008 or 2007.

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Other Assets. Other assets consist of the following (dollars in thousands) at:

| December 31,   | 2009     | 2008     |
|--|----------|----------|
| Notes receivable issued in connection with Crest property sales    | \$22,214 | \$22,344 |
| Deferred bond financing costs, net                                 | 11,899   | 13,249   |
| Value of in-place and above-market leases, net                     | 10,928   | 10,534   |
| Prepaid expenses   | 7,738    | 4,244    |
| Escrow deposits for Section 1031 tax-deferred exchanges            | 4,479    | 3,174    |
| Credit facility organization costs, net                            | 1,470    | 2,552    |
| Corporate assets, net of accumulated depreciation and amortization | 1,058    | 1,277    |
| Other items  | 491      | 7        |
|  | \$60,277 | \$57,381 |

Distributions Payable. Distributions payable consist of the following declared distributions (dollars in thousands) at:

| December 31,               | 2009     | 2008     |
|----------------------------|----------|----------|
| Common stock distributions | \$14,905 | \$14,772 |
| Preferred stock dividends  | 2,021    | 2,021    |
|                            | \$16,926 | \$16,793 |

Accounts Payable and Accrued Expenses. Accounts payable and accrued expenses consist of the following (dollars in thousands) at:

| December 31,          | 2009     | 2008     |
|-----------------------|----------|----------|
| Bond interest payable | \$25,972 | \$26,706 |
| Other items           | 12,473   | 11,321   |
|                       | \$38,445 | \$38,027 |

Other Liabilities. Other liabilities consist of the following (dollars in thousands) at:

| December 31,                      | 2009     | 2008     |
|-----------------------------------|----------|----------|
| Rent received in advance          | \$10,341 | \$9,083  |
| Security deposits                 | 4,334    | 3,937    |
| Value of below-market leases, net | 2,132    | 1,678    |
|                                   | \$16,807 | \$14,698 |

Discontinued Operations. Realty Income's operations from seven investment properties classified as held for sale at December 31, 2009, plus properties sold in 2009, 2008 and 2007, are reported as discontinued operations. Their respective results of operations have been reclassified as "income from discontinued operations, real estate held for investment" on our consolidated statements of income. We do not depreciate properties that are classified as held for sale.

Crest acquires properties with the intention of reselling them rather than holding them for investment and operating the properties. Consequently, we typically classify properties acquired by Crest as held for sale at the date of acquisition and do not depreciate them. As a result, the operations of Crest's properties are classified as "income from discontinued operations, real estate acquired for resale by Crest" on our consolidated statements of income.

No debt was assumed by buyers of our investment properties, or repaid as a result of our investment property sales, and we do not allocate interest expense to discontinued operations related to real estate held for investment. We

allocate interest expense related to borrowings specifically attributable to Crest's properties. The interest expense amounts allocated to the Crest properties held for sale are included in "income from discontinued operations, real estate acquired for resale by Crest" on our consolidated statements of income.

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If circumstances arise, which were previously considered unlikely and, as a result, we decide not to sell a property previously classified as held for sale, the property is reclassified as real estate held for investment. A property that is reclassified to held for investment is measured and recorded at the lower of (i) its carrying amount before the property was classified as held for sale, adjusted for any depreciation expense that would have been recognized had the property been continuously classified as held for investment, or (ii) the fair value at the date of the subsequent decision not to sell.

The following is a summary of Crest's "income from discontinued operations, real estate acquired for resale" on our consolidated statements of income (dollars in thousands):

| Crest's income from discontinued operations, real estate acquired for resale  | 2009   | 2008     | 2007     |
|---|--------|----------|----------|
| Rental revenue  | \$246  | \$1,830  | \$8,165  |
| Other revenue   | 1,403  | 914      | 190      |
| Gain on sales of real estate acquired for resale                              | --     | 4,642    | 12,319   |
| Interest expense  | (595 ) | (1,797 ) | (6,201 ) |
| General and administrative expense  | (336 ) | (511 )   | (691 )   |
| Property expenses   | (128 ) | (133 )   | (40 )    |
| Provisions for impairment   | (277 ) | (3,374 ) | --       |
| Depreciation(1)   | --     | (771 )   | --       |
| Income taxes  | 645    | (225 )   | (3,039 ) |
| Income from discontinued operations, real estate acquired for resale by Crest | \$958  | \$575    | \$10,703 |

(1) Depreciation was recorded on one property that was classified as held for investment. This property was sold in 2008.

The following is a summary of Realty Income's "income from discontinued operations, from real estate held for investment" on our consolidated statements of income (dollars in thousands):

| Realty Income's income from discontinued operations, real estate held for investment | 2009    | 2008     | 2007     |
|--|---------|----------|----------|
| Gain on sales of investment properties   | \$8,044 | \$13,314 | \$1,724  |
| Rental revenue   | 1,178   | 3,831    | 5,907    |
| Other revenue  | 35      | 96       | 6        |
| Depreciation and amortization  | (564 )  | (1,093 ) | (1,390 ) |
| Property expenses  | (547 )  | (309 )   | (185 )   |
| Provisions for impairment  | (110 )  | --       | (134 )   |
| Income from discontinued operations, real estate held for investment                 | \$8,036 | \$15,839 | \$5,928  |

The following is a summary of our total income from discontinued operations (dollars in thousands, except per share data):

| Total discontinued operations            | 2009    | 2008     | 2007     |
|--|---------|----------|----------|
| Real estate acquired for resale by Crest | \$958   | \$575    | \$10,703 |
| Real estate held for investment          | 8,036   | 15,839   | 5,928    |
| Income from discontinued operations      | \$8,994 | \$16,414 | \$16,631 |
| Per common share, basic and diluted      | \$0.09  | \$0.16   | \$0.17   |

The per share amounts for "income from discontinued operations" above and the "income from continuing operations" and "net income" reported on the consolidated statements of income have each been calculated independently.

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Revenue Recognition and Accounts Receivable. All leases are accounted for as operating leases. Under this method, lease payments that have fixed and determinable rent increases are recognized on a straight-line basis over the lease term. Any rental revenue contingent upon a tenant's sales is recognized only after the tenant exceeds their sales breakpoint. Rental increases based upon changes in the consumer price indexes are recognized only after the changes in the indexes have occurred and are then applied according to the lease agreements.

We recognize an allowance for doubtful accounts relating to accounts receivable for amounts deemed uncollectible. We consider tenant specific issues, such as financial stability and ability to pay, when determining collectibility of accounts receivable and appropriate allowances to record. Our allowance for doubtful accounts at December 31, 2009 was \$865,000 and at December 31, 2008 was \$637,000.

Other revenue includes non-operating interest earned from investments in money market funds and other notes of \$51,000 in 2009, \$1.4 million in 2008 and \$3.6 million in 2007.

Principles of Consolidation. The accompanying consolidated financial statements include the accounts of Realty Income, Crest and other entities for which we make operating and financial decisions (i.e. control), after elimination of all material intercompany balances and transactions. All of Realty Income's subsidiaries are wholly-owned. We have no unconsolidated or off-balance sheet investments in variable interest entities.

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

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

Allocation of the Purchase Price of Real Estate Acquisitions. When acquiring a property for investment purposes, we allocate the fair value of real estate acquired with in-place operating leases to: 1) land, 2) building and improvements, and 3) identified intangible assets and liabilities, based in each case on their fair values. Intangible assets and liabilities consist of above-market and below-market leases, the value of in-place leases and tenant relationships.

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

Capitalized above-market lease values are amortized as a reduction of rental income over the remaining terms of the respective leases. Capitalized below-market lease values are amortized as an increase to rental income over the remaining terms of the respective leases and expected below-market renewal option periods.



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The aggregate value of other acquired intangible assets consists of the value of in-place leases and tenant relationships. These are measured by the excess of the purchase price paid for a property, after adjusting for above or below-market lease value, less the estimated fair value of the property "as if vacant," determined as set forth above. The value of in-place leases, exclusive of the value of above-market and below-market in-place leases, is amortized to expense over the remaining periods of the respective leases. If a lease were to be terminated prior to its stated expiration, all unamortized amounts relating to that lease would be recorded to revenue or expense as appropriate.

Depreciation and Amortization. Land, buildings and improvements are recorded and stated at cost. Major replacements and betterments, which improve or extend the life of the asset, are capitalized and depreciated over their estimated useful lives, while ordinary repairs and maintenance are expensed as incurred. Buildings and improvements that are under redevelopment, or are being developed, are carried at cost and no depreciation is recorded on these assets. Additionally, amounts essential to the development of the property, such as pre-construction, development, construction, interest and any other costs incurred during the period of development are capitalized. We cease capitalization when the property is available for occupancy upon substantial completion of tenant improvements, but in any event no later than one year from the completion of major construction activity.

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

|   |   |
|---|---|
| Buildings                                 | 25 years  |
| Building improvements                     | 4 to 15 years   |
| Tenant improvements and lease commissions | The shorter of the term of the related lease or useful life |
| Acquired in-place leases                  | Remaining terms of the respective leases                    |

Provisions for Impairment. We review long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Generally, a provision for impairment is recorded if estimated future operating cash flows (undiscounted and without interest charges) plus estimated disposition proceeds (undiscounted) are less than the current book value of the property. Key inputs that we estimate in this analysis include projected rental rates, capital expenditures and property sales capitalization rates. Additionally, a property classified as held for sale is carried at the lower of carrying cost or estimated fair value, less estimated cost to sell.

In 2009, we recorded a provision for impairment of \$110,000 on one retail investment property in the convenience store industry, which is held for sale. This provision for impairment is included in "income from discontinued operations, real estate held for investment" on our consolidated statement of income for 2009. Additionally, in 2009, Crest recorded total provisions for impairment of \$277,000 on three retail properties held for sale at December 31, 2009 and two properties which were sold in 2009. These provisions for impairment are included in "income from discontinued operations, real estate acquired for resale by Crest" on our consolidated statement of income for 2009.

No provisions for impairment were recorded by Realty Income in 2008. In 2008, Crest recorded total provisions for impairment of \$3.4 million on three retail properties, which were held for sale at December 31, 2008. These provisions for impairment are included in "income from discontinued operations, real estate acquired for resale by Crest" on our consolidated statement of income for 2008.

In 2007, we recorded a provision for impairment of \$134,000 on one retail investment property in the motor vehicle industry. This provision for impairment is included in "income from discontinued operations, real estate held for investment" on our consolidated statement of income for 2007. In 2007, we also recorded a provision for impairment of \$138,000 on one retail investment property in the consumer electronics industry. This provision for impairment is included in "property expense" on our consolidated statement of income for 2007. No provisions for impairment were



recorded by Crest in 2007.

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

**Goodwill.** Goodwill is tested for impairment during the second quarter of each year as well as when events or circumstances occur indicating that our goodwill might be impaired. We did not record any new goodwill or impairment on our existing goodwill during 2009, 2008 or 2007.

**Sales Taxes.** We collect and remit sales taxes assessed by different governmental authorities that are both imposed on and concurrent with a revenue-producing transaction between us and our tenants. We report the collection of these taxes on a net basis (excluded from revenues). The amounts of these taxes are not significant to our financial position or results of operations.

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

**Impact of Recent Accounting Pronouncements.** In August 2009, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2009-05, Fair Value Measurements and Disclosures. ASU No. 2009-05, which became effective for us in 2009, provides clarification to measuring the fair value of a liability. In circumstances in which a quoted market price in an active market for the identical liability is not available, a reporting entity is required to measure fair value by using either (1) a valuation technique that uses quoted prices for identical or similar liabilities or (2) another valuation technique, such as a present value technique or a technique that is based on the amount paid or received by the reporting entity to transfer an identical liability. ASU No. 2009-05 only applies to our disclosures in note 12 related to the estimated fair value of our notes payable and did not have a significant impact on our footnote disclosures.

In January 2010, the FASB issued ASU No. 2010-06, Fair Value Measurements and Disclosures (Topic 820): Improving Disclosures about Fair Value Measurements. Effective for interim and annual reporting periods beginning after December 15, 2009, this ASU requires new disclosures and clarifies existing disclosure requirements about fair value measurement. ASU No. 2010-06 only applies to our disclosures in note 12 related to the estimated fair values of our notes payable and notes receivable and is not expected to have a significant impact on our footnote disclosures.

**Reclassifications.** Certain of the 2008 and 2007 balances have been reclassified to conform to the 2009 presentation.

### 3. Retail Properties Acquired

We acquire land, buildings and improvements that are used by retail operators.

A. During 2009, Realty Income invested \$57.9 million in 16 new properties with an initial weighted average contractual lease rate of 9.7%. These 16 properties are located in five states, contain over 278,000 leasable square feet, and are 100% leased with an average lease term of 17.9 years. The initial weighted average contractual lease rate is computed by dividing the estimated aggregate base cash flow for the first year of each lease by the estimated total cost

of the properties. In connection with these acquisitions, transaction costs of \$62,000 were recorded to "general and administrative" expense on our consolidated statement of income for 2009.

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In comparison, during 2008, Realty Income invested \$189.6 million in 108 new retail properties and properties under development with an initial weighted average contractual lease rate of 8.7%. These 108 properties are located in 14 states, contain over 714,000 leasable square feet, and are 100% leased with an average lease term of 20.6 years.

B. During 2009 and 2008, Crest did not invest in any new retail properties.

C. Crest's property inventory at December 31, 2009 consisted of three properties valued at \$3.8 million, and at December 31, 2008, consisted of five properties valued at \$6.0 million. These amounts are included on our consolidated balance sheets in "real estate held for sale, net."

D. Of the \$57.9 million invested by Realty Income in 2009, \$10.5 million was used to acquire three retail properties with existing leases. Realty Income recorded \$1.4 million as the intangible value of the in-place leases, \$150,000 as the intangible value of above-market leases and \$655,000 as the intangible value of below-market leases for 2009. The value of the in-place and above-market leases are recorded to "other assets" on our consolidated balance sheet, as of December 31, 2009, and the value of the below-market leases are recorded to "other liabilities" on our consolidated balance sheet as of December 31, 2009. All of these amounts are amortized over the life of the respective leases.

Of the \$189.6 million invested by Realty Income in 2008, \$10.0 million was used to acquire two retail properties with existing leases. Realty Income recorded \$397,000 as the intangible value of the in-place leases for 2008. This amount is recorded to "other assets" on our consolidated balance sheets and amortized over the life of the respective leases.

4. Credit Facility

In May 2008, we entered into a \$355 million revolving, unsecured credit facility that replaced our previous \$300 million acquisition credit facility. The term of our credit facility is for three years, until May 2011, plus two, one-year extension options. Under our credit facility, our investment grade credit ratings provide for financing at the London Interbank Offered Rate, commonly referred to as LIBOR, plus 100 basis points with a facility commitment fee of 27.5 basis points, for all-in drawn pricing of 127.5 basis points over LIBOR. We also have other interest rate options available to us. Our credit facility is unsecured and, accordingly, we have not pledged any assets as collateral for this obligation.

In May 2008, as a result of entering into our current credit facility, we incurred \$3.2 million of credit facility origination costs that were capitalized and are being amortized over three years. Included in "other assets" on our consolidated balance sheets, at December 31, 2009, is \$1.5 million of the \$3.2 million, and at December 31, 2008, is \$2.6 million.

In 2009, we did not utilize our credit facility until December and we did not utilize our credit facility during 2008. Our average borrowing rate on our credit facility during December 2009 was 1.2% and during 2007 was 6.0%. Our effective borrowing rate at December 31, 2009 was 1.2% and at December 31, 2008 was 1.4%. Our current and prior credit facilities are and were subject to various leverage and interest coverage ratio limitations. We are and have been in compliance with these covenants.

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## 5. Notes Payable

## A. General

Our senior unsecured note obligations consist of the following, sorted by maturity date, (dollars in millions):

| December 31,   | 2009      | 2008      |
|--|-----------|-----------|
| 8% notes, issued in January 1999 and due in January 2009         | \$--      | \$20.0    |
| 5.375% notes, issued in March 2003 and due in March 2013         | 100.0     | 100.0     |
| 5.5% notes, issued in November 2003 and due in November 2015     | 150.0     | 150.0     |
| 5.95% notes, issued in September 2006 and due in September 2016  | 275.0     | 275.0     |
| 5.375% notes, issued in September 2005 and due in September 2017 | 175.0     | 175.0     |
| 6.75% notes, issued in September 2007 and due in August 2019     | 550.0     | 550.0     |
| 5.875% bonds, issued in March 2005 and due in March 2035         | 100.0     | 100.0     |
|  | \$1,350.0 | \$1,370.0 |

The following table summarizes the maturity of our notes payable as of December 31, 2009 (dollars in millions):

| Year of Maturity | Notes      |
|------------------|------------|
| 2010             | \$ --      |
| 2011             | --         |
| 2012             | --         |
| 2013             | 100.0      |
| 2014             | --         |
| Thereafter       | 1,250.0    |
| Totals           | \$ 1,350.0 |

Interest incurred on all of the notes for 2009 was \$82.5 million, for 2008 was \$91.2 million and for 2007 was \$67.1 million. The interest rate on each of these notes is fixed.

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

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

## B. Note Redemptions

On their maturity date in January 2009, we redeemed, using cash on hand, all of our outstanding 8.00% notes issued in January 1999 at a redemption price equal to 100% of the principal amount, plus accrued and unpaid interest.

On their maturity date in November 2008, we redeemed, using proceeds from our September 2008 common stock offering and cash on hand, all of our outstanding 8.25% senior notes issued in October 1998 (the "2008 Notes") at a redemption price equal to 100% of the principal amount, plus accrued and unpaid interest.

C. Note Issuance

In September 2007, we issued \$550 million in aggregate principal amount of 6.75% senior unsecured notes due 2019 (the "2019 Notes"). The price to the investor for the 2019 Notes was 99.827% of the principal amount for an effective yield of 6.772%. The net proceeds of approximately \$544.4 million from this offering were used to fund certain property acquisitions, repay borrowings under our acquisition credit facility and for general corporate purposes, including additional property acquisitions.

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## 6. Common Stock Offerings

In September 2008, we issued 2.925 million shares of common stock at a price of \$26.82 per share. The net proceeds of approximately \$74.4 million were used, along with our available cash on hand, to redeem the \$100 million outstanding principal amount of our 2008 Notes in November 2008.

## 7. Preferred Stock

A. In 2004, we issued 5.1 million shares of 7.375% Monthly Income Class D cumulative redeemable preferred stock. In May 2009, the Class D preferred shares became redeemable, at our option, for \$25 per share. During 2009, 2008 and 2007, we paid twelve monthly dividends to holders of our Class D preferred stock totaling \$1.8437508 per share, or \$9.4 million, and at December 31, 2009, a monthly dividend of \$0.1536459 per share was payable and was paid in January 2010.

B. In 2006, we issued 8.8 million shares of 6.75% Monthly Income Class E cumulative redeemable preferred stock. Beginning December 7, 2011, the Class E preferred shares are redeemable, at our option, for \$25 per share. During both 2009 and 2008, we paid twelve monthly dividends to holders of our Class E preferred stock totaling \$1.6875 per share, or \$14.9 million, and at December 31, 2009, a monthly dividend of \$0.140625 per share was payable and was paid in January 2010. During 2007, we paid twelve monthly dividends to holders of our Class E preferred stock totaling \$1.725 per share, or \$15.2 million. In January 2007, we paid the first Class E preferred dividend of \$0.178125 per share, which covered a period of 38 days.

## 8. Distributions Paid and Payable

## A. Common Stock

We pay monthly distributions to our common stockholders. The following is a summary of monthly distributions paid per common share for the years:

| Month     | 2009        | 2008       | 2007       |
|-----------|-------------|------------|------------|
| January   | \$0.1417500 | \$0.136750 | \$0.126500 |
| February  | 0.1417500   | 0.136750   | 0.126500   |
| March     | 0.1417500   | 0.136750   | 0.126500   |
| April     | 0.1420625   | 0.137375   | 0.127125   |
| May       | 0.1420625   | 0.137375   | 0.127125   |
| June      | 0.1420625   | 0.137375   | 0.127125   |
| July      | 0.1423750   | 0.138000   | 0.127750   |
| August    | 0.1423750   | 0.138000   | 0.127750   |
| September | 0.1423750   | 0.140500   | 0.135500   |
| October   | 0.1426875   | 0.141125   | 0.136125   |
| November  | 0.1426875   | 0.141125   | 0.136125   |
| December  | 0.1426875   | 0.141125   | 0.136125   |
| Total     | \$1.7066250 | \$1.662250 | \$1.560250 |

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

| 2009 | 2008 | 2007 |
|------|------|------|
|------|------|------|

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|                          |             |             |             |
|--------------------------|-------------|-------------|-------------|
| Ordinary income          | \$1.2739214 | \$1.2681285 | \$1.3847719 |
| Nontaxable distributions | 0.4113034   | 0.3121490   | 0.1754781   |
| Capital gain             | 0.0214002   | 0.0819725   | --          |
| Totals                   | \$1.7066250 | \$1.6622500 | \$1.5602500 |

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At December 31, 2009, a distribution of \$0.143 per common share was payable and was paid in January 2010. At December 31, 2008, a distribution of \$0.14175 per common share was payable and was paid in January 2009.

## B. Class D Preferred Stock

Dividends of \$0.1536459 per share are paid monthly in arrears on the Class D preferred stock. We declared dividends to holders of our Class D preferred stock totaling \$9.4 million in 2009, 2008 and 2007, respectively.

The following presents the federal income tax characterization of dividends paid per share to our Class D preferred stockholders for the years:

|                 | 2009        | 2008        | 2007        |
|-----------------|-------------|-------------|-------------|
| Ordinary income | \$1.8206316 | \$1.7528280 | \$1.8437508 |
| Capital gain    | 0.0231192   | 0.0909228   | --          |
| Totals          | \$1.8437508 | \$1.8437508 | \$1.8437508 |

## C. Class E Preferred Stock

Dividends of \$0.140625 per share are paid monthly in arrears on the Class E preferred stock. We declared dividends to holders of our Class E preferred stock totaling \$14.9 million in 2009, 2008 and 2007. The first Class E dividend was paid in January 2007.

The following presents the federal income tax characterization of dividends paid per share to our Class E preferred stockholders for the years:

|                 | 2009        | 2008        | 2007        |
|-----------------|-------------|-------------|-------------|
| Ordinary income | \$1.6663392 | \$1.6042824 | \$1.7250000 |
| Capital gain    | 0.0211608   | 0.0832176   | --          |
| Totals          | \$1.6875000 | \$1.6875000 | \$1.7250000 |

## 9. Operating Leases

A. At December 31, 2009, we owned 2,339 properties in 49 states, plus an additional three properties owned by Crest. Of the 2,339 properties, 2,328, or 99.5%, are single-tenant, retail properties and the remaining 11 are multi-tenant, distribution and office properties. At December 31, 2009, 75 properties were vacant and available for lease or sale.

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

Rent based on a percentage of a tenants' gross sales (percentage rents) for 2009 was \$1.3 million, for 2008 was \$1.3 million and for 2007 was \$851,000, including amounts recorded to discontinued operations of \$22,000 in 2008 and \$55,000 in 2007.

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At December 31, 2009, minimum future annual rents to be received on the operating leases for the next five years and thereafter are as follows (dollars in thousands):

|            |             |
|------------|-------------|
| 2010       | \$ 320,273  |
| 2011       | 310,454     |
| 2012       | 297,332     |
| 2013       | 281,468     |
| 2014       | 264,021     |
| Thereafter | 2,223,917   |
| Total      | \$3,697,465 |

B. Major Tenants – No individual tenant’s rental revenue, including percentage rents, represented more than 10% of our total revenue for each of the years ended December 31, 2009, 2008 or 2007.

#### 10. Gain on Sales of Real Estate Acquired for Resale by Crest

In 2009, Crest sold two properties for \$2.0 million, which resulted in no gain. In 2008, Crest sold 25 properties for \$50.7 million, which resulted in a gain of \$4.6 million. In 2008, as part of two sales, Crest provided buyer financing of \$19.2 million. In 2007, Crest sold 62 properties for \$123.6 million, which resulted in a gain of \$12.3 million. In 2007, as part of two sales, Crest provided buyer financing of \$3.8 million, of which \$619,000 was paid in full in November 2007. Crest’s gains on sales are reported before income taxes and are included in discontinued operations.

#### 11. Gain on Sales of Investment Properties by Realty Income

In 2009, we sold 25 investment properties for \$20.3 million, which resulted in a gain of \$8.0 million. The results of operations for these properties have been reclassified as discontinued operations. Additionally, we received proceeds of \$170,000 from the sale of excess land from one property, which resulted in a gain of \$15,000. This gain is included in "other revenue" on our consolidated statement of income for 2009 because this excess land was associated with a property that continues to be owned as part of our core operations.

In 2008, we sold 29 investment properties for \$27.4 million, which resulted in a gain of \$13.3 million. The results of operations for these properties have been reclassified as discontinued operations. Additionally, we received proceeds of \$439,000 from the sale of excess land from one property, which resulted in a gain of \$236,000. This gain is included in "other revenue" on our consolidated statement of income for 2008 because this excess land was associated with a property that continues to be owned as part of our core operations.

In 2007, we sold ten investment properties for \$7.0 million, which resulted in a gain of \$1.7 million. The results of operations for these properties have been reclassified as discontinued operations. Additionally, we sold excess land and improvements from five properties for an aggregate of \$4.4 million, which resulted in a gain of \$1.8 million. This gain is reported in "other revenue" on our consolidated statement of income for 2007 because these improvements and excess land were associated with properties that continue to be owned as part of our core operations.

#### 12. Fair Value of Financial Instruments

Fair value is defined as the price that would be received from the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, and establishes a framework for measuring the fair value of an asset. The disclosure for assets and liabilities measured at fair value requires allocation to a

three-level valuation hierarchy. This valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. Categorization within this hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

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We believe that the carrying values reflected in our consolidated balance sheets reasonably approximate the fair values for cash and cash equivalents, accounts receivable, and all liabilities, due to their short-term nature, except for the notes receivable issued in connection with property sales and the notes payable, which are disclosed below (dollars in millions):

|   | Carrying<br>value per<br>balance<br>sheet | Estimated<br>fair<br>market<br>value |
|---|---|--------------------------------------|
| At December 31, 2009  |   |                                      |
| Notes receivable issued in connection with Crest property sales | \$22.2                                    | \$20.0                               |
| Notes payable   | \$1,350.0                                 | \$1,276.4                            |
| At December 31, 2008  |   |                                      |
| Notes receivable issued in connection with Crest property sales | \$22.3                                    | \$21.9                               |
| Notes payable   | \$1,370.0                                 | \$949.4                              |

The estimated fair value of the notes receivable issued in connection with property sales has been calculated by discounting the future cash flows using an interest rate based upon the current 5-year, 7-year, or 10-year Treasury yield curve, plus an applicable credit-adjusted spread. The notes receivable were issued in connection with the sale of three Crest properties. Payments to us on these notes receivable are current and no allowance for doubtful accounts has been recorded for them.

The estimated fair value of the notes payable is based upon indicative market prices and recent trading activity of our notes payable.

### 13. Supplemental Disclosures of Cash Flow Information

Interest paid in 2009 was \$83.2 million, in 2008 was \$90.3 million and in 2007 was \$56.7 million.

Interest capitalized to properties under development in 2009 was \$5,000, in 2008 was \$92,000 and in 2007 was \$993,000.

Income taxes paid by Realty Income and Crest in 2009 were \$1.2 million, in 2008 were \$1.7 million and in 2007 were \$4.3 million.

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

- A. Share-based compensation expense for 2009 was \$4.7 million, for 2008 was \$5.0 million and for 2007 was \$3.9 million.
- B. See "Provisions for Impairment" in note 2 for a discussion of provisions for impairments recorded by Realty Income and Crest.
- C.

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In 2008, Crest sold two properties for \$23.5 million and received notes totaling \$19.2 million from the buyers, which are included in "other assets" on our consolidated balance sheets.

- D. In 2007, Crest sold two properties for an aggregate of \$5.5 million and received notes totaling \$3.8 million from the buyers, of which \$619,000 was paid in full in November 2007. The remaining note is included in "other assets" on our consolidated balance sheets.
- E. At December 31, 2009, Realty Income had escrow deposits of \$4.5 million held for tax-deferred exchanges under Section 1031 of the Code. The \$4.5 million is included in "other assets" on our consolidated balance sheet at December 31, 2009.
- F. At December 31, 2008, Realty Income had escrow deposits of \$3.2 million held for tax-deferred exchanges under Section 1031 of the Code. The \$3.2 million is included in "other assets" on our consolidated balance sheet at December 31, 2008.

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- G. At December 31, 2009, Realty Income recorded \$1.5 million for a new environmental insurance policy, which supplements its primary insurance policy. The \$1.5 million is included in "other assets" and "accounts payable and accrued expenses" on our consolidated balance sheet at December 31, 2009.
- H. In 2009, Realty Income and Crest amended certain prior year state tax returns and determined that it is more-likely-than-not that we will be collecting refunds in the future as a result of these amendments. As a result of this, in 2009, Realty Income recorded a tax receivable of \$454,000 and Crest recorded a tax receivable of \$303,000.
- I. In accordance with our policy, we recorded adjustments to our estimated legal obligations related to asset retirement obligations on two land leases in the following amounts: a reduction of \$63,000 in 2009 and increases of \$335,000 in 2008 and \$239,000 in 2007. These asset retirement obligations account for the difference between our obligations to the landlord under the two land leases and our subtenant's obligations to us under the subleases.
- J. In connection with the acquisition of seven properties during 2007, we acquired restricted escrow funds totaling \$2.6 million. During the remainder of 2007, all of these funds were invested in improvements to these properties.

14. Employee Benefit Plan

We have a 401(k) plan covering substantially all of our employees. Under our 401(k) plan, employees may elect to make contributions to the plan up to a maximum of 60% of their compensation, subject to limits under the IRS Code. We match 50% of our employee's contributions, up to 3% of the employee's compensation. Our aggregate matching contributions each year have been immaterial to our results of operations.

15. Common Stock Incentive Plan

In 2003, our Board of Directors adopted, and stockholders approved, the 2003 Incentive Award Plan of Realty Income Corporation (the "Stock Plan") to enable us to attract and retain the services of directors, employees and consultants, considered essential to our long-term success. The Stock Plan offers our directors, employees and consultants an opportunity to own stock in Realty Income and/or rights that will reflect our growth, development and financial success. The Stock Plan was amended and restated by our Board of Directors in February 2006 and in May 2007. Under the terms of this plan, the aggregate number of shares of our common stock subject to options, stock purchase rights (SPR), stock appreciation rights (SAR) and other awards will be no more than 3,428,000 shares. The maximum number of shares that may be subject to options, SPR, SAR and other awards granted under the plan to any individual in any calendar year may not exceed 1,600,000 shares. This plan has a term of 10 years from the date it was adopted by our Board of Directors, which was March 12, 2003. To date, we have not issued any SPR or SAR.

The amount of share-based compensation costs recognized in "general and administrative expense" on our consolidated statements of income during 2009 was \$4.7 million, during 2008 was \$5.0 million and during 2007 was \$3.9 million.

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The following table summarizes our common stock grant activity under our Stock Plan. Our common stock grants vest over periods ranging from immediately to 10 years.

|  | 2009                |                                 | 2008                |                              | 2007                |                              |
|--|---------------------|---------------------------------|---------------------|------------------------------|---------------------|------------------------------|
|  | Number of<br>shares | Weighted<br>average<br>price(1) | Number of<br>shares | Weighted<br>average price(1) | Number of<br>shares | Weighted<br>average price(1) |
| Outstanding nonvested<br>shares, beginning of year | 994,453             | \$ 19.70                        | 994,572             | \$ 19.46                     | 868,726             | \$ 17.96                     |
| Shares granted                                     | 142,860             | 22.86                           | 249,447             | 26.63                        | 276,631             | 27.64                        |
| Shares vested                                      | (214,521 )          | 23.14                           | (188,215 )          | 21.96                        | (149,284 )          | 20.94                        |
| Shares forfeited                                   | (69,558 )           | 25.95                           | (61,351 )           | 22.13                        | (1,501 )            | 24.81                        |
| Outstanding nonvested<br>shares, end of year       | 853,234             | \$ 19.14                        | 994,453             | \$ 19.70                     | 994,572             | \$ 19.46                     |

(1) Grant date fair value.

During 2009, we issued 142,860 shares of common stock under our Stock Plan. These shares vest over the following service periods: 25,000 vested immediately, 14,500 vest over a service period of three years and 103,360 vest over a service period of five years.

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

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

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

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

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

In August 2008, our Board of Directors approved a new vesting schedule for shares granted to employees after August 20, 2008. The reason for this change was to provide a shorter vesting period for employees who were closer to the age of retirement, and to adjust the vesting period for employees age 55 and below to be more in line with comparable vesting schedules in the market. The new vesting schedule for shares granted to employees is as follows:

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

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

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

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

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

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

In addition, after they have been employed for six full months, all non-executive employees receive 200 shares of nonvested stock which vests over a five year period.

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Prior to August 20, 2008, shares granted to employees age 49 and below at the grant date vested in 10% increments on each of the first ten anniversaries of the grant date, and shares granted to employees age 50 through 55 at the grant date vested in 20% increments on each of the first five anniversaries of the grant date. The consolidation of these two groups represents the only difference between the new and prior vesting schedules.

As of December 31, 2009, the remaining unamortized share-based compensation expense totaled \$16.3 million, which is being amortized on a straight-line basis over the service period of each applicable award. The amount of share-based compensation is based on the fair value of the stock at the grant date. We define the grant date as the date the recipient and Realty Income have a mutual understanding of the key terms and condition of the award, and the recipient of the grant begins to benefit from, or be adversely affected by, subsequent changes in the price of the shares.

The effect of pre-vesting forfeitures on our recorded expense has historically been negligible. Any future pre-vesting forfeitures are also expected to be negligible, and we will record the benefit related to such forfeitures as they occur. Under the terms of our Stock Plan, we pay non-refundable dividends to the holders of our nonvested shares. Applicable accounting guidance requires that the dividends paid to holders of these nonvested shares be charged as compensation expense to the extent that they relate to nonvested shares that do not or are not expected to vest. However, given the negligible historical and prospective forfeiture rate determined by us, we did not record any amount to compensation expense related to dividends paid in 2009, 2008 or 2007.

No stock options were granted after January 1, 2002, all outstanding options were fully vested as of December 31, 2006, and 2006 represented the last year for which we recorded expense on our stock option awards. Stock options were granted with an exercise price equal to the underlying stock's fair market value at the date of grant. Stock options expire ten years from the date they are granted and vested over service periods of one, three, four or five years.

The following table summarizes our stock option activity for the years:

|  | 2009             |                                 | 2008             |                                 | 2007             |                                 |
|--|------------------|---------------------------------|------------------|---------------------------------|------------------|---------------------------------|
|  | Number of shares | Weighted average exercise price | Number of shares | Weighted average exercise price | Number of shares | Weighted average exercise price |
| Outstanding options, beginning of year           | 21,294           | \$ 13.33                        | 45,007           | \$ 12.71                        | 106,368          | \$ 13.06                        |
| Options exercised                                | (15,448 )        | 12.81                           | (23,713 )        | 12.15                           | (61,361 )        | 13.32                           |
| Outstanding and exercisable options, end of year | 5,846            | \$ 14.70                        | 21,294           | \$ 13.33                        | 45,007           | \$ 12.71                        |

At December 31, 2009, the options outstanding and exercisable had an exercise price of \$14.70, an expiration date of December 2011 and a remaining term of 2.0 years.

The intrinsic value of a stock option is the amount by which the market value of the underlying stock at December 31 of each year exceeds the exercise price of the option. The market value of our stock was \$25.91, \$23.15 and \$27.02 at December 31, 2009, 2008 and 2007, respectively. The total intrinsic value of options exercised during the years ended December 31, 2009, 2008 and 2007 was \$157,000, \$319,000 and \$904,000, respectively. The aggregate intrinsic value of options outstanding and exercisable was \$66,000, \$209,000 and \$644,000 at December 31, 2009, 2008 and 2007, respectively.



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## 16. Segment Information

We evaluate performance and make resource allocation decisions on an industry by industry basis. For financial reporting purposes, we have grouped our tenants into 31 industry and activity segments (including properties owned by Crest that are grouped together as a segment). All of the properties are incorporated into one of the applicable segments. Because almost all of our leases require the tenant to pay operating expenses, revenue is the only component of segment profit and loss we measure.

The following tables set forth certain information regarding the properties owned by us, classified according to the business of the respective tenants, as of December 31, 2009 (dollars in thousands):

| Assets, as of December 31:                        | 2009        | 2008        |
|---|-------------|-------------|
| Segment net real estate:                          |             |             |
| Automotive service                                | \$105,085   | \$107,942   |
| Automotive tire services                          | 201,233     | 207,409     |
| Child care  | 77,769      | 83,844      |
| Convenience stores                                | 477,555     | 472,588     |
| Drug stores                                       | 141,057     | 145,919     |
| Health and fitness                                | 197,820     | 167,658     |
| Motor vehicle dealerships                         | 91,690      | 94,883      |
| Restaurants                                       | 729,489     | 751,466     |
| Sporting goods                                    | 63,665      | 65,657      |
| Theaters  | 290,386     | 299,690     |
| 21 non-reportable segments                        | 441,133     | 465,097     |
| Total segment net real estate                     | 2,816,882   | 2,862,153   |
| Other intangible assets - Automotive tire service | 647         | 706         |
| Other intangible assets - Drug stores             | 6,066       | 6,727       |
| Other intangible assets - Grocery stores          | 860         | 911         |
| Other intangible assets - Health and fitness      | 845         | --          |
| Other intangible assets - Theaters                | 1,885       | 2,190       |
| Other intangible assets - non-reportable segments | 625         | --          |
| Goodwill – Automotive service                     | 1,338       | 1,338       |
| Goodwill – Child care                             | 5,353       | 5,353       |
| Goodwill – Convenience stores                     | 2,074       | 2,074       |
| Goodwill – Home furnishings                       | 1,557       | 1,557       |
| Goodwill – Restaurants                            | 3,779       | 3,779       |
| Goodwill – non reportable segments                | 3,105       | 3,105       |
| Other corporate assets                            | 69,771      | 104,286     |
| Total assets                                      | \$2,914,787 | \$2,994,179 |

| For the years ended December 31, | Revenue  |          |          |
|----------------------------------|----------|----------|----------|
|                                  | 2009     | 2008     | 2007     |
| Segment rental revenue:          |          |          |          |
| Automotive service               | \$15,735 | \$15,817 | \$15,047 |
| Automotive tire services         | 22,616   | 22,040   | 21,113   |
| Child care                       | 23,761   | 24,247   | 23,129   |
| Convenience stores               | 55,114   | 51,949   | 40,727   |
| Drug stores                      | 13,727   | 13,125   | 7,632    |
| Health and fitness               | 19,280   | 18,390   | 14,874   |

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|                               |           |           |           |
|-------------------------------|-----------|-----------|-----------|
| Motor vehicle dealerships     | 8,837     | 9,290     | 8,640     |
| Restaurants                   | 69,456    | 70,986    | 59,058    |
| Sporting goods                | 8,363     | 8,480     | 8,265     |
| Theaters                      | 30,078    | 29,640    | 26,120    |
| 21 non-reportable segments(1) | 59,178    | 61,932    | 60,528    |
| Total rental revenue          | 326,145   | 325,896   | 285,133   |
| Other revenue                 | 1,436     | 1,877     | 6,350     |
| Total revenue                 | \$327,581 | \$327,773 | \$291,483 |

(1) Crest's revenue appears in "income from discontinued operations, real estate acquired for resale by Crest" and is not included in this table, which covers revenue but does not include revenue classified as part of income from discontinued operations.

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## 17. Commitments and Contingencies

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

At December 31, 2009, we have contingent payments of \$1.2 million for tenant improvements and leasing costs. In addition, we have committed \$295,000 under construction contracts, which is expected to be paid in the next six months.

We have certain properties that are subject to ground leases which are accounted for as operating leases. At December 31, 2009, minimum future rental payments for the next five years and thereafter are as follows (dollars in thousands):

|            | Ground<br>Leases Paid<br>by Realty<br>Income (1) | Ground<br>Leases Paid<br>by Our<br>Tenants (2) | Total    |
|------------|--|--|----------|
| 2010       | \$82   | \$3,750  | \$3,832  |
| 2011       | 69   | 3,736  | 3,805    |
| 2012       | 69   | 3,627  | 3,696    |
| 2013       | 69   | 3,485  | 3,554    |
| 2014       | 69   | 3,250  | 3,319    |
| Thereafter | 832  | 37,662   | 38,494   |
| Total      | \$1,190  | \$55,510                                       | \$56,700 |

(1) Realty Income currently pays the ground lessors directly for the rent under the ground leases. A majority of this rent is reimbursed to Realty Income as additional rent from our tenants.

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

## 18. Subsequent Events

We evaluated all events subsequent to the balance sheet date of December 31, 2009, through February 10, 2010, which is the date our consolidated financial statements were issued. We determined that no subsequent events require disclosure or adjustment to the consolidated financial statements, except as follows:

In January 2010 and February 2010, we declared the following dividends, which will be paid in February 2010 and March 2010, respectively:

\$0.143 per share to our common stockholders;  
\$0.1536459 per share to our Class D preferred stockholders; and  
\$1.675 per share to our Class E preferred stockholders.

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REALTY INCOME CORPORATION AND SUBSIDIARIES  
Consolidated Quarterly Financial Data

(dollars in thousands, except per share data)  
(not covered by Report of Independent Registered Public Accounting Firm)

|  | First<br>Quarter | Second<br>Quarter | Third<br>Quarter | Fourth<br>Quarter | Year(2)   |
|--|------------------|-------------------|------------------|-------------------|-----------|
| 2009(1)  |                  |                   |                  |                   |           |
| Total revenue                                  | \$82,558         | \$81,376          | \$81,851         | \$81,796          | \$327,581 |
| Depreciation and amortization expense          | 22,787           | 22,826            | 22,845           | 22,925            | 91,383    |
| Interest expense                               | 21,410           | 21,367            | 21,374           | 21,377            | 85,528    |
| Other expenses                                 | 8,405            | 7,136             | 6,540            | 6,456             | 28,537    |
| Income from continuing operations              | 29,956           | 30,047            | 31,092           | 31,038            | 122,133   |
| Income from discontinued operations            | 128              | 2,513             | 2,060            | 4,293             | 8,994     |
| Net income                                     | 30,084           | 32,560            | 33,152           | 35,331            | 131,127   |
| Net income available to common<br>stockholders | 24,021           | 26,497            | 27,089           | 29,268            | 106,874   |
| Net income per common share:                   |                  |                   |                  |                   |           |
| Basic and diluted                              | 0.23             | 0.26              | 0.26             | 0.28              | 1.03      |
| Dividends paid per common share                | 0.4252500        | 0.4261875         | 0.4271250        | 0.4280625         | 1.7066250 |
| 2008(1)  |                  |                   |                  |                   |           |
| Total revenue                                  | \$82,050         | \$81,589          | \$81,932         | \$82,203          | \$327,773 |
| Depreciation and amortization expense          | 21,920           | 22,616            | 22,669           | 22,735            | 89,941    |
| Interest expense                               | 23,386           | 23,929            | 23,915           | 22,726            | 93,956    |
| Other expenses                                 | 7,150            | 7,233             | 7,115            | 6,954             | 28,449    |
| Income from continuing operations              | 29,594           | 27,811            | 28,233           | 29,788            | 115,427   |
| Income from discontinued operations            | 167              | 5,240             | 6,464            | 4,544             | 16,414    |
| Net income                                     | 29,761           | 33,051            | 34,697           | 34,332            | 131,841   |
| Net income available to common<br>stockholders | 23,698           | 26,988            | 28,634           | 28,269            | 107,588   |
| Net income per common share:                   |                  |                   |                  |                   |           |
| Basic and diluted                              | 0.24             | 0.27              | 0.29             | 0.27              | 1.06      |
| Dividends paid per common share                | 0.4102500        | 0.4121250         | 0.4165000        | 0.4233750         | 1.6622500 |

(1) The consolidated quarterly financial data includes revenues and expenses from our continuing and discontinued operations. The results of operations related to certain properties, classified as held for sale or disposed of, have been reclassified to income from discontinued operations. Therefore, some of the information may not agree to our previously filed 10-Qs.

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

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

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



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Item 9A: Controls and Procedures

Evaluation of Disclosure Controls and Procedures

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

As of and for the year ended December 31, 2009, we carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures, under the supervision and with the participation of management, including our Chief Executive Officer and Chief Financial Officer. Based on the foregoing, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective and were operating at a reasonable assurance level.

Management's Report on Internal Control Over Financial Reporting

Internal control over financial reporting refers to the process designed by, or under the supervision of, our Chief Executive Officer and Chief Financial Officer, and effected by our Board of Directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles, and includes those policies and procedures that:

- (1) Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

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

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

Submitted on February 10, 2010 by,

Thomas A Lewis, Chief Executive Officer and Vice Chairman  
Paul M. Meurer, Chief Financial Officer, Executive Vice President and Treasurer





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Changes in Internal Controls

There were no significant changes in our internal controls or in other factors that could significantly affect these controls subsequent to the date of their evaluation in the fourth quarter of 2009. As of December 31, 2009, there were no material weaknesses in our internal controls, and therefore no corrective actions were taken.

Limitations on the Effectiveness of Controls

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

Item 9B: Other Information

None.

PART III

Item 10: Directors, Executive Officers and Corporate Governance

The information required by this item is set forth under the captions “Board of Directors” and “Executive Officers of the Company” and “Section 16(a) Beneficial Ownership Reporting Compliance” in our definitive Proxy Statement for the 2010 Annual Meeting of Stockholders, to be filed pursuant to Regulation 14A, and is incorporated herein by reference. The Annual Meeting of Stockholders is presently scheduled to be held on May 12, 2010.

Item 11: Executive Compensation

The information required by this item is set forth under the caption “Executive Compensation” in our definitive Proxy Statement for the 2010 Annual Meeting of Stockholders, to be filed pursuant to Regulation 14A, and is incorporated herein by reference.

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

The information required by this item is set forth under the caption “Security Ownership of Certain Beneficial Owners and Management” in our definitive Proxy Statement for the 2010 Annual Meeting of Stockholders, to be filed pursuant to Regulation 14A, and is incorporated herein by reference.

Item 13: Certain Relationships, Related Transactions and Director Independence

The information required by this item is set forth under the caption “Related Party Transactions” in our definitive Proxy Statement for the 2010 Annual Meeting of Stockholders, to be filed pursuant to Regulation 14A, and is incorporated herein by reference.

Item 14: Principal Accounting Fees and Services

The information required by this item is set forth under the caption “Independent Registered Public Accounting Firm Fees and Services” in our definitive Proxy Statement for the 2010 Annual Meeting of Stockholders, to be filed pursuant to Regulation 14A, and is incorporated herein by reference.

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PART IV

Item 15: Exhibits and Financial Statement Schedules

A. The following documents are filed as part of this report.

1. Financial Statements (see Item 8)

a. Report of Independent Registered Public Accounting Firm

b. Consolidated Balance Sheets,  
December 31, 2009 and 2008

c. Consolidated Statements of Income,  
Years ended December 31, 2009, 2008 and 2007

d. Consolidated Statements of Stockholders' Equity,  
Years ended December 31, 2009, 2008 and 2007

e. Consolidated Statements of Cash Flows,  
Years ended December 31, 2009, 2008 and 2007

f. Notes to Consolidated Financial Statements

g. Consolidated Quarterly Financial Data,  
(unaudited) for 2009 and 2008

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

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

3. Exhibits

Articles of Incorporation and By-Laws

| Exhibit No. | Description |
|-------------|-------------|
|-------------|-------------|

|     |  |
|-----|--|
| 3.1 | Articles of Incorporation of the Company, as amended by amendment No. 1 dated May 10, 2005 and amendment No. 2 dated May 10, 2005 (filed as exhibit 3.1 to the Company's Form 10-Q for the quarter ended June 30, 2005, and incorporated herein by reference). |
|-----|--|

|     |  |
|-----|--|
| 3.2 | Amended and Restated Bylaws of the Company dated December 12, 2007 (filed as exhibit 3.1 to the Company's Form 8-K, filed on December 13, 2007 and dated December 12, 2007 and incorporated herein by reference), as amended on May 13, 2008 (amendment filed as exhibit 3.1 to the Company's Form 8-K, filed on May 14, 2008 and dated May 13, 2008, and incorporated herein by reference). |
|-----|--|

|     |  |
|-----|--|
| 3.3 |  |
|-----|--|

Articles Supplementary to the Articles of Incorporation of the Company classifying and designating the 7.375% Monthly Income Class D Cumulative Redeemable Preferred Stock (filed as exhibit 3.8 to the Company's Form 8-A, filed on May 25, 2004 and incorporated herein by reference).

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3.4 Articles Supplementary to the Articles of Incorporation of the Company classifying and designating additional shares of the 7.375% Monthly Income Class D Cumulative Redeemable Preferred Stock (filed as exhibit 3.2 to the Company's Form 8-K, filed on October 19, 2004 and dated October 12, 2004, and incorporated herein by reference).

3.5 Articles Supplementary to the Articles of Incorporation of the Company classifying and designating the 6.75% Class E Cumulative Redeemable Preferred Stock (filed as exhibit 3.5 to the Company's Form 8-A, filed on December 5, 2006 and incorporated herein by reference).

Instruments defining the rights of security holders, including indentures

4.1 Indenture dated as of October 28, 1998 between the Company and The Bank of New York (filed as exhibit 4.1 to the Company's Form 8-K, filed on October 28, 1998 and dated October 27, 1998 and incorporated herein by reference).

4.2 Form of 5.375% Senior Notes due 2013 (filed as exhibit 4.2 to the Company's Form 8-K, filed on March 7, 2003 and dated March 5, 2003 and incorporated herein by reference).

4.3 Officer's Certificate pursuant to sections 201, 301 and 303 of the Indenture dated October 28, 1998 between the Company and The Bank of New York, as Trustee, establishing a series of securities entitled 5.375% Senior Notes due 2013 (filed as exhibit 4.3 to the Company's Form 8-K, filed on March 7, 2003 and dated March 5, 2003 and incorporated herein by reference).

4.4 Form of 5.50% Senior Notes due 2015 (filed as exhibit 4.2 to the Company's Form 8-K, filed on November 24, 2003 and dated November 19, 2003 and incorporated herein by reference).

4.5 Officer's Certificate pursuant to sections 201, 301 and 303 of the Indenture dated October 28, 1998 between the Company and The Bank of New York, as Trustee, establishing a series of securities entitled 5.50% Senior Notes due 2015 (filed as exhibit 4.3 to the Company's Form 8-K, filed on November 24, 2003 and dated November 19, 2003 and incorporated herein by reference).

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

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

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

4.9 Officer's Certificate pursuant to sections 201, 301 and 303 of the Indenture dated October 28, 1998 between the Company and The Bank of New York, as Trustee, establishing a series of securities entitled 5.375% Senior Notes due 2017 (filed as exhibit 4.3 to the Company's Form 8-K, filed on September 16, 2005 and dated September 8, 2005 and incorporated herein by reference).

4.10 Form of 5.95% Senior Notes due 2016 (filed as exhibit 4.2 to the Company's Form 8-K, filed on September 18, 2006 and dated September 6, 2006 and incorporated herein by reference).



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- 4.11 Officer's Certificate pursuant to sections 201, 301 and 303 of the Indenture dated October 28, 1998 between the Company and The Bank of New York, as Trustee, establishing a series of securities entitled 5.95% Senior Notes due 2016 (filed as exhibit 4.3 to the Company's Form 8-K, filed on September 18, 2006 and dated September 6, 2006 and incorporated herein by reference).
- 4.12 Form of 6.75% Notes due 2019 (filed as exhibit 4.2 to Company's Form 8-K, filed on September 5, 2007 and dated August 30, 2007 and incorporated herein by reference).
- 4.13 Officer's Certificate pursuant to sections 201, 301 and 303 of the Indenture dated October 28, 1998 between the Company and The Bank of New York Trust Company, N.A., as Trustee, establishing a series of securities entitled 6.75% Senior Notes due 2019 (filed as exhibit 4.3 to the Company's Form 8-K, filed on September 5, 2007 and dated August 30, 2007 and incorporated herein by reference).

Material Contracts

- 10.1 Form indemnification agreement between the Company and each executive officer and each director of the Board of Directors of the Company (filed as exhibit 10.1 to the Company's Form 8-K, filed on August 26, 2005 and dated August 23, 2005 and incorporated herein by reference).
- 10.2 1994 Stock Option and Incentive Plan (filed as Exhibit 4.1 to the Company's Registration Statement on Form S-8 (registration number 33-95708), dated August 11, 1995, and incorporated herein by reference).
- 10.3 First Amendment to the 1994 Stock Option and Incentive Plan, dated June 12, 1997 (filed as Exhibit 10.9 to the Company's Form 8-B, filed on July 29, 1997 and incorporated herein by reference).
- 10.4 Second Amendment to the 1994 Stock Option and Incentive Plan, dated December 16, 1997 (filed as Exhibit 10.9 to the Company's Form 10-K for the year ended December 31, 1997 and incorporated herein by reference).
- 10.5 Management Incentive Plan (filed as Exhibit 10.10 to the Company's Form 10-K for the year ended December 31, 1997 and incorporated herein by reference).
- 10.6 Form of Nonqualified Stock Option Agreement for Independent Directors (filed as Exhibit 10.11 to the Company's Form 10-K for the year ended December 31, 1997 and incorporated herein by reference).
- 10.7 Form of Restricted Stock Agreement between the Company and Executive Officers (filed as exhibit 10.11 to the Company's Form 8-K, filed on January 6, 2005 and dated January 1, 2005 and incorporated herein by reference).
- 10.8 2003 Stock Incentive Award Plan of Realty Income Corporation, as amended and restated February 21, 2006 (filed as exhibit 10.10 to the Company's Form 10-K for the year ended December 31, 2005 and incorporated herein by reference).
- 10.9 Amendment dated May 15, 2007 to the Amended and Restated 2003 Stock Incentive Award Plan of Realty Income Corporation (filed as exhibit 10.1 to the Company's Form 10-Q, for the quarter ended June 30, 2007 and incorporated herein by reference).
- 10.10 Form of Restricted Stock Agreement (filed as exhibit 10.2 to the Company's Form 10-Q, for the quarter ended June 30, 2007 and incorporated herein by reference).



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10.11 Credit Agreement dated May 15, 2008 (filed as exhibit 10.1 to the Company's Form 8-K, filed on May 16, 2008 and dated May 15, 2008 and incorporated herein by reference).

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

Statement of Ratios

\*12.1 Statements re computation of ratios.

Subsidiaries of the Registrant

\*21.1 Subsidiaries of the Company as of February 10, 2010.

Consents of Experts and Counsel

\*23.1 Consent of Independent Registered Public Accounting Firm.

Certifications

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

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

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

\* Filed herewith.

SIGNATURES

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

REALTY INCOME CORPORATION

By: /s/THOMAS A. LEWIS  
Thomas A. Lewis  
Vice Chairman of the Board of Directors,  
Chief Executive Officer

Date: February 10, 2010

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

By: /s/DONALD R. CAMERON Date: February 10, 2010  
Donald R. Cameron  
Non-Executive Chairman of the Board of Directors

By: /s/THOMAS A. LEWIS Date: February 10, 2010  
Thomas A. Lewis  
Vice Chairman of the Board of Directors,  
Chief Executive Officer  
(Principal Executive Officer)

By: /s/KATHLEEN R. ALLEN, Ph.D. Date: February 10, 2010  
Kathleen R. Allen, Ph.D.  
Director

By: /s/PRIYA CHERIAN HUSKINS Date: February 10, 2010  
Priya Cherian Huskins  
Director

By: /s/MICHAEL D. MCKEE Date: February 10, 2010  
Michael D. McKee  
Director

By: /s/GREGORY T. MCLAUGHLIN Date: February 10, 2010  
Gregory T. McLaughlin  
Director

By: /s/RONALD L. MERRIMAN Date: February 10, 2010  
Ronald L. Merriman  
Director

By: /s/PAUL M. MEURER Date: February 10, 2010  
Paul M. Meurer  
Executive Vice President, Chief Financial Officer and Treasurer  
(Principal Financial Officer)

By: /s/GREGORY J. FAHEY Date: February 10, 2010  
Gregory J. Fahey  
Vice President, Controller  
(Principal Accounting Officer)

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REALTY INCOME CORPORATION AND SUBSIDIARIES  
SCHEDULE III REAL ESTATE AND ACCUMULATED  
DEPRECIATION

| Description<br>(Note 1)              | Initial Cost to Company |  | Cost Capitalized<br>Subsequent<br>to Acquisition |                   | Gross Amount at Which Carried<br>at Close of Period (Notes 2, 3, 5, 6 and 7) |  |           |
|--------------------------------------|-------------------------|--|--|-------------------|--|--|-----------|
|                                      | Land                    | Buildings,<br>Improvements<br>and<br>Acquisition<br>Fees | Improvements                                     | Carrying<br>Costs | Land   | Buildings,<br>Improvements<br>and<br>Acquisition<br>Fees | Total     |
| <b>Apparel Stores</b>                |                         |  |  |                   |  |  |           |
| Little Rock AR                       | 1,079,232               | 2,594,956  | 40,439   | 52,605            | 1,079,232  | 2,688,000  | 3,767,232 |
| Mesa AZ                              | 619,035                 | 867,013  | 1,760  | 43,549            | 619,035  | 912,322  | 1,531,357 |
| Danbury CT                           | 1,096,861               | 6,217,688  | 43,163   | None              | 1,096,861  | 6,260,851  | 7,357,712 |
| Manchester CT                        | 771,660                 | 3,653,539  | 1,661  | None              | 771,660  | 3,655,200  | 4,426,860 |
| Manchester CT                        | 1,250,464               | 5,917,037  | 3,555  | None              | 1,250,464  | 5,920,592  | 7,171,056 |
| Staten Island NY                     | 4,202,093               | 3,385,021  | None   | None              | 4,202,093  | 3,385,021  | 7,587,114 |
| <b>Automotive Collision Services</b> |                         |  |  |                   |  |  |           |
| Highlands Ranch CO                   | 583,289                 | 2,139,057  | None   | None              | 583,289  | 2,139,057  | 2,722,346 |
| Littleton CO                         | 601,388                 | 2,169,898  | None   | None              | 601,388  | 2,169,898  | 2,771,286 |
| Parker CO                            | 678,768                 | 2,100,854  | None   | None              | 678,768  | 2,100,854  | 2,779,622 |
| Thornton CO                          | 693,323                 | 1,896,616  | None   | 128               | 693,323  | 1,896,744  | 2,590,067 |
| Cumming GA                           | 661,624                 | 1,822,363  | None   | None              | 661,624  | 1,822,363  | 2,483,987 |
| Douglasville GA                      | 679,868                 | 1,935,515  | None   | None              | 679,868  | 1,935,515  | 2,615,383 |
| Morrow GA                            | 725,948                 | 1,846,315  | None   | None              | 725,948  | 1,846,315  | 2,572,263 |
| Peachtree City GA                    | 1,190,380               | 689,284  | None   | None              | 1,190,380  | 689,284  | 1,879,664 |
| Ham Lake MN                          | 192,610                 | 1,930,958  | None   | None              | 192,610  | 1,930,958  | 2,123,568 |
| Cary NC                              | 610,389                 | 1,492,235  | None   | None              | 610,389  | 1,492,235  | 2,102,624 |
| Durham NC                            | 680,969                 | 1,323,140  | None   | 24                | 680,969  | 1,323,164  | 2,004,133 |
| Wilmington NC                        | 378,813                 | 1,150,679  | None   | None              | 378,813  | 1,150,679  | 1,529,492 |
| Bartlett TN                          | 648,526                 | 1,960,733  | None   | None              | 648,526  | 1,960,733  | 2,609,259 |
| <b>Automotive Parts</b>              |                         |  |  |                   |  |  |           |
| Millbrook AL                         | 108,000                 | 518,741  | 4,157  | 211               | 108,000  | 523,109  | 631,109   |
| Montgomery AL                        | 254,465                 | 502,350  | 10,819   | 211               | 254,465  | 513,380  | 767,845   |
| Wynne AR                             | 70,000                  | 547,576  | 26,595   | None              | 70,000   | 574,171  | 644,171   |
| Phoenix AZ                           | 231,000                 | 513,057  | None   | 88                | 231,000  | 513,145  | 744,145   |
| Phoenix AZ                           | 222,950                 | 495,178  | None   | 190               | 222,950  | 495,368  | 718,318   |
| Tucson AZ                            | 194,250                 | 431,434  | None   | None              | 194,250  | 431,434  | 625,684   |
| Grass Valley CA                      | 325,000                 | 384,955  | None   | None              | 325,000  | 384,955  | 709,955   |
| Jackson CA                           | 300,000                 | 390,849  | 6,775  | 96                | 300,000  | 397,720  | 697,720   |

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|             |    |         |         |         |        |         |         |           |
|-------------|----|---------|---------|---------|--------|---------|---------|-----------|
| Sacramento  | CA | 210,000 | 466,419 | None    | 127    | 210,000 | 466,546 | 676,546   |
| Turlock     | CA | 222,250 | 493,627 | None    | None   | 222,250 | 493,627 | 715,877   |
| Denver      | CO | 141,400 | 314,056 | None    | 146    | 141,400 | 314,202 | 455,602   |
| Denver      | CO | 315,000 | 699,623 | None    | 128    | 315,000 | 699,751 | 1,014,751 |
| Littleton   | CO | 252,925 | 561,758 | None    | 274    | 252,925 | 562,032 | 814,957   |
| Smyrna      | DE | 232,273 | 472,855 | None    | None   | 232,273 | 472,855 | 705,128   |
| Deerfield   | FL | 475,000 | 871,738 | 2,420   | 16,071 | 475,000 | 890,229 | 1,365,229 |
| Beach       |    |         |         |         |        |         |         |           |
| Atlanta     | GA | 652,551 | 763,360 | None    | 45,476 | 652,551 | 808,836 | 1,461,387 |
| Council     | IA | 194,355 | 431,668 | None    | None   | 194,355 | 431,668 | 626,023   |
| Bluffs      |    |         |         |         |        |         |         |           |
| Lewiston    | ID | 138,950 | 308,612 | None    | None   | 138,950 | 308,612 | 447,562   |
| Moscow      | ID | 117,250 | 260,417 | None    | None   | 117,250 | 260,417 | 377,667   |
| Peoria      | IL | 193,868 | 387,737 | 19,808  | None   | 193,868 | 407,545 | 601,413   |
| Brazil      | IN | 183,952 | 453,831 | 8,942   | 173    | 183,952 | 462,946 | 646,898   |
| Muncie      | IN | 148,901 | 645,660 | 147,678 | 28,805 | 148,901 | 822,143 | 971,044   |
| Princeton   | IN | 134,209 | 560,113 | None    | 211    | 134,209 | 560,324 | 694,533   |
| Vincennes   | IN | 185,312 | 489,779 | None    | 173    | 185,312 | 489,952 | 675,264   |
| Kansas City | KS | 185,955 | 413,014 | 12,810  | None   | 185,955 | 425,824 | 611,779   |
| Kansas City | KS | 222,000 | 455,881 | 18,738  | 146    | 222,000 | 474,765 | 696,765   |
| Alma        | MI | 155,000 | 600,282 | None    | 122    | 155,000 | 600,404 | 755,404   |
| Lansing     | MI | 265,000 | 574,931 | 57,278  | 209    | 265,000 | 632,418 | 897,418   |
| Sturgis     | MI | 109,558 | 550,274 | None    | None   | 109,558 | 550,274 | 659,832   |
| Batesville  | MS | 190,124 | 485,670 | None    | None   | 190,124 | 485,670 | 675,794   |
| Horn Lake   | MS | 142,702 | 514,779 | None    | 211    | 142,702 | 514,990 | 657,692   |

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Table of contents

| Description<br>(Note 1) | Initial Cost to Company |  | Cost Capitalized<br>Subsequent<br>to Acquisition |                   | Gross Amount at Which Carried<br>at Close of Period (Notes 2, 3, 5, 6 and 7) |  |           |
|-------------------------|-------------------------|--|--|-------------------|--|--|-----------|
|                         | Land                    | Buildings,<br>Improvements<br>and<br>Acquisition<br>Fees | Improvements                                     | Carrying<br>Costs | Land   | Buildings,<br>Improvements<br>and<br>Acquisition<br>Fees | Total     |
| Jackson MS              | 248,483                 | 572,522  | None   | 211               | 248,483  | 572,733  | 821,216   |
| Richland MS             | 243,565                 | 558,645  | None   | 211               | 243,565  | 558,856  | 802,421   |
| Missoula MT             | 163,100                 | 362,249  | None   | None              | 163,100  | 362,249  | 525,349   |
| Kearney NE              | 173,950                 | 344,393  | None   | 191               | 173,950  | 344,584  | 518,534   |
| Omaha NE                | 196,000                 | 435,321  | None   | None              | 196,000  | 435,321  | 631,321   |
| Omaha NE                | 199,100                 | 412,042  | None   | None              | 199,100  | 412,042  | 611,142   |
| Rio Rancho NM           | 211,577                 | 469,923  | None   | None              | 211,577  | 469,923  | 681,500   |
| Las Vegas NV            | 161,000                 | 357,585  | 260,000  | None              | 161,000  | 617,585  | 778,585   |
| Canton OH               | 396,560                 | 597,553  | None   | 25,682            | 396,560  | 623,235  | 1,019,795 |
| Hamilton OH             | 183,000                 | 515,727  | 2,941  | 122               | 183,000  | 518,790  | 701,790   |
| Hubbard OH              | 147,043                 | 481,217  | 450  | 156               | 147,043  | 481,823  | 628,866   |
| Albany OR               | 152,250                 | 338,153  | None   | 215               | 152,250  | 338,368  | 490,618   |
| Beaverton OR            | 210,000                 | 466,419  | None   | 215               | 210,000  | 466,634  | 676,634   |
| Portland OR             | 190,750                 | 423,664  | None   | 215               | 190,750  | 423,879  | 614,629   |
| Portland OR             | 147,000                 | 326,493  | None   | 215               | 147,000  | 326,708  | 473,708   |
| Salem OR                | 136,500                 | 303,170  | None   | 215               | 136,500  | 303,385  | 439,885   |
| Butler PA               | 339,929                 | 633,078  | 20,558   | 230               | 339,929  | 653,866  | 993,795   |
| Dover PA                | 265,112                 | 593,341  | None   | None              | 265,112  | 593,341  | 858,453   |
| Enola PA                | 220,228                 | 546,026  | None   | None              | 220,228  | 546,026  | 766,254   |
| Hanover PA              | 132,500                 | 719,511  | None   | 232               | 132,500  | 719,743  | 852,243   |
| Harrisburg PA           | 327,781                 | 608,291  | None   | None              | 327,781  | 608,291  | 936,072   |
| Harrisburg PA           | 283,417                 | 352,473  | None   | None              | 283,417  | 352,473  | 635,890   |
| Lancaster PA            | 199,899                 | 774,838  | 10,913   | None              | 199,899  | 785,751  | 985,650   |
| New Castle PA           | 180,009                 | 525,774  | 8,120  | 230               | 180,009  | 534,124  | 714,133   |
| Reading PA              | 379,000                 | 658,722  | 10,100   | 232               | 379,000  | 669,054  | 1,048,054 |
| Columbia TN             | 273,120                 | 431,716  | None   | 211               | 273,120  | 431,927  | 705,047   |
| Bellevue WA             | 185,500                 | 411,997  | None   | 117               | 185,500  | 412,114  | 597,614   |
| Bellingham WA           | 168,000                 | 373,133  | None   | 117               | 168,000  | 373,250  | 541,250   |
| Hazel Dell WA           | 168,000                 | 373,135  | None   | None              | 168,000  | 373,135  | 541,135   |
| Kenmore WA              | 199,500                 | 443,098  | None   | 117               | 199,500  | 443,215  | 642,715   |
| Kennewick WA            | 161,350                 | 358,365  | None   | 9                 | 161,350  | 358,374  | 519,724   |
| Kent WA                 | 199,500                 | 443,091  | None   | 117               | 199,500  | 443,208  | 642,708   |
| Lakewood WA             | 191,800                 | 425,996  | None   | 117               | 191,800  | 426,113  | 617,913   |
| Moses Lake WA           | 138,600                 | 307,831  | None   | None              | 138,600  | 307,831  | 446,431   |
| Renton WA               | 185,500                 | 412,003  | None   | 117               | 185,500  | 412,120  | 597,620   |
| Seattle WA              | 162,400                 | 360,697  | None   | 117               | 162,400  | 360,814  | 523,214   |
| Silverdale WA           | 183,808                 | 419,777  | None   | 117               | 183,808  | 419,894  | 603,702   |
| Tacoma WA               | 196,000                 | 435,324  | None   | 117               | 196,000  | 435,441  | 631,441   |
| Vancouver WA            | 180,250                 | 400,343  | None   | 215               | 180,250  | 400,558  | 580,808   |

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|             |    |         |         |      |       |         |         |         |
|-------------|----|---------|---------|------|-------|---------|---------|---------|
| Walla Walla | WA | 170,100 | 377,793 | None | 6,604 | 170,100 | 384,397 | 554,497 |
| Wenatchee   | WA | 148,400 | 329,602 | None | None  | 148,400 | 329,602 | 478,002 |

Automotive Service

|              |    |         |           |      |      |         |           |           |
|--------------|----|---------|-----------|------|------|---------|-----------|-----------|
| Flagstaff    | AZ | 144,821 | 417,485   | None | None | 144,821 | 417,485   | 562,306   |
| Mesa         | AZ | 210,620 | 475,072   | None | None | 210,620 | 475,072   | 685,692   |
| Phoenix      | AZ | 189,341 | 546,984   | None | 110  | 189,341 | 547,094   | 736,435   |
| Phoenix      | AZ | 384,608 | 279,824   | None | None | 384,608 | 279,824   | 664,432   |
| Sierra Vista | AZ | 175,114 | 345,508   | None | None | 175,114 | 345,508   | 520,622   |
| Tucson       | AZ | 226,596 | 437,972   | None | None | 226,596 | 437,972   | 664,568   |
| Bakersfield  | CA | 65,165  | 206,927   | None | None | 65,165  | 206,927   | 272,092   |
| Chula Vista  | CA | 313,293 | 409,654   | None | None | 313,293 | 409,654   | 722,947   |
| Dublin       | CA | 415,620 | 1,153,928 | None | None | 415,620 | 1,153,928 | 1,569,548 |
| Folsom       | CA | 471,813 | 325,610   | None | None | 471,813 | 325,610   | 797,423   |
| Indio        | CA | 264,956 | 265,509   | None | None | 264,956 | 265,509   | 530,465   |
| Los Angeles  | CA | 580,446 | 158,876   | None | None | 580,446 | 158,876   | 739,322   |

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| Description<br>(Note 1) |    | Initial Cost to Company |  | Cost Capitalized<br>Subsequent<br>to Acquisition |                   | Gross Amount at Which Carried<br>at Close of Period (Notes 2, 3, 5, 6 and 7) |  |           | A<br>D |
|-------------------------|----|-------------------------|--|--|-------------------|--|--|-----------|--------|
|                         |    | Land                    | Buildings,<br>Improvements<br>and<br>Acquisition<br>Fees | Improvements                                     | Carrying<br>Costs | Land   | Buildings,<br>Improvements<br>and<br>Acquisition<br>Fees | Total     |        |
| Oxnard                  | CA | 186,980                 | 198,236  | None   | None              | 186,980  | 198,236  | 385,216   |        |
| Simi Valley             | CA | 213,920                 | 161,012  | None   | None              | 213,920  | 161,012  | 374,932   |        |
| Vacaville               | CA | 358,067                 | 284,931  | None   | None              | 358,067  | 284,931  | 642,998   |        |
| Aurora                  | CO | 231,314                 | 430,495  | None   | None              | 231,314  | 430,495  | 661,809   |        |
| Broomfield              | CO | 154,930                 | 503,626  | None   | None              | 154,930  | 503,626  | 658,556   |        |
| Denver                  | CO | 79,717                  | 369,587  | None   | 169               | 79,717   | 369,756  | 449,473   |        |
| Denver                  | CO | 239,024                 | 444,785  | None   | None              | 239,024  | 444,785  | 683,809   |        |
| Lakewood                | CO | 70,422                  | 132,296  | None   | None              | 70,422   | 132,296  | 202,718   |        |
| Longmont                | CO | 87,385                  | 163,169  | None   | None              | 87,385   | 163,169  | 250,554   |        |
| Thornton                | CO | 276,084                 | 415,464  | None   | None              | 276,084  | 415,464  | 691,548   |        |
| Hartford                | CT | 248,540                 | 482,460  | None   | None              | 248,540  | 482,460  | 731,000   |        |
| Southington             | CT | 225,882                 | 672,910  | None   | None              | 225,882  | 672,910  | 898,792   |        |
| Vernon                  | CT | 81,529                  | 300,518  | None   | None              | 81,529   | 300,518  | 382,047   |        |
| Carol City              | FL | 163,239                 | 262,726  | None   | None              | 163,239  | 262,726  | 425,965   |        |
| Jacksonville            | FL | 76,585                  | 355,066  | 6,980  | 240               | 76,585   | 362,286  | 438,871   |        |
| Lauderdale<br>Lakes     | FL | 65,987                  | 305,931  | None   | None              | 65,987   | 305,931  | 371,918   |        |
| Orange City             | FL | 99,613                  | 139,008  | None   | None              | 99,613   | 139,008  | 238,621   |        |
| Seminole                | FL | 68,000                  | 315,266  | None   | 124               | 68,000   | 315,390  | 383,390   |        |
| Sunrise                 | FL | 80,253                  | 372,070  | None   | None              | 80,253   | 372,070  | 452,323   |        |
| Tampa                   | FL | 70,000                  | 324,538  | None   | 162               | 70,000   | 324,700  | 394,700   |        |
| Tampa                   | FL | 67,000                  | 310,629  | None   | 124               | 67,000   | 310,753  | 377,753   |        |
| Tampa                   | FL | 86,502                  | 401,041  | None   | 141               | 86,502   | 401,182  | 487,684   |        |
| Atlanta                 | GA | 55,840                  | 258,889  | None   | 452               | 55,840   | 259,341  | 315,181   |        |
| Bogart                  | GA | 66,807                  | 309,733  | None   | None              | 66,807   | 309,733  | 376,540   |        |
| Douglasville            | GA | 214,771                 | 129,519  | None   | None              | 214,771  | 129,519  | 344,290   |        |
| Duluth                  | GA | 222,275                 | 316,925  | None   | None              | 222,275  | 316,925  | 539,200   |        |
| Duluth                  | GA | 290,842                 | 110,056  | None   | None              | 290,842  | 110,056  | 400,898   |        |
| Gainesville             | GA | 53,589                  | 248,452  | None   | None              | 53,589   | 248,452  | 302,041   |        |
| Kennesaw                | GA | 266,865                 | 139,425  | None   | None              | 266,865  | 139,425  | 406,290   |        |
| Marietta                | GA | 60,900                  | 293,461  | 67,871   | 446               | 60,900   | 361,778  | 422,678   |        |
| Marietta                | GA | 69,561                  | 346,024  | None   | 356               | 69,561   | 346,380  | 415,941   |        |
| Norcross                | GA | 244,124                 | 151,831  | None   | None              | 244,124  | 151,831  | 395,955   |        |
| Norcross                | GA | 503,773                 | 937,121  | 39,032   | 21,600            | 503,773  | 997,753  | 1,501,526 |        |
| Riverdale               | GA | 58,444                  | 270,961  | None   | None              | 58,444   | 270,961  | 329,405   |        |
| Rome                    | GA | 56,454                  | 261,733  | None   | None              | 56,454   | 261,733  | 318,187   |        |
| Snellville              | GA | 253,316                 | 132,124  | None   | None              | 253,316  | 132,124  | 385,440   |        |
| Tucker                  | GA | 78,646                  | 364,625  | None   | 9,589             | 78,646   | 374,214  | 452,860   |        |
| Arlington<br>Hts        | IL | 441,437                 | 215,983  | None   | None              | 441,437  | 215,983  | 657,420   |        |

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|                     |    |         |         |        |        |         |         |         |
|---------------------|----|---------|---------|--------|--------|---------|---------|---------|
| Chicago             | IL | 329,076 | 255,294 | None   | None   | 329,076 | 255,294 | 584,370 |
| Round Lake<br>Beach | IL | 472,132 | 236,585 | None   | None   | 472,132 | 236,585 | 708,717 |
| Westchester         | IL | 421,239 | 184,812 | None   | None   | 421,239 | 184,812 | 606,051 |
| Anderson            | IN | 232,170 | 385,661 | None   | 163    | 232,170 | 385,824 | 617,994 |
| Indianapolis        | IN | 231,384 | 428,307 | None   | None   | 231,384 | 428,307 | 659,691 |
| Michigan<br>City    | IN | 392,638 | 297,650 | -3,065 | None   | 389,573 | 297,650 | 687,223 |
| Warsaw              | IN | 140,893 | 228,116 | None   | None   | 140,893 | 228,116 | 369,009 |
| Olathe              | KS | 217,995 | 367,055 | None   | 16,747 | 217,995 | 383,802 | 601,797 |
| Topeka              | KS | 32,022  | 60,368  | None   | None   | 32,022  | 60,368  | 92,390  |
| Louisville          | KY | 56,054  | 259,881 | None   | 64     | 56,054  | 259,945 | 315,999 |
| Newport             | KY | 323,511 | 289,017 | None   | None   | 323,511 | 289,017 | 612,528 |
| Billerica           | MA | 399,043 | 462,240 | None   | None   | 399,043 | 462,240 | 861,283 |
| East<br>Falmouth    | MA | 191,302 | 340,539 | None   | None   | 191,302 | 340,539 | 531,841 |
| East<br>Wareham     | MA | 149,680 | 278,669 | None   | None   | 149,680 | 278,669 | 428,349 |
| Fairhaven           | MA | 138,957 | 289,294 | None   | None   | 138,957 | 289,294 | 428,251 |
| Gardner             | MA | 138,990 | 289,361 | None   | None   | 138,990 | 289,361 | 428,351 |
| Hyannis             | MA | 180,653 | 458,522 | None   | None   | 180,653 | 458,522 | 639,175 |
| Lenox               | MA | 287,769 | 535,273 | None   | 232    | 287,769 | 535,505 | 823,274 |

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| Description<br>(Note 1) | Initial Cost to Company | Cost Capitalized |  | Gross Amount at Which Carried |   |  | Total     |
|-------------------------|-------------------------|------------------|--|-------------------------------|---|--|-----------|
|                         |                         | Land             | Buildings,<br>Improvements<br>and<br>Acquisition<br>Fees | Subsequent<br>to Acquisition  | at Close of Period (Notes 2, 3, 5, 6 and 7) | Buildings,<br>Improvements<br>and<br>Acquisition<br>Fees |           |
|                         |                         |                  |  | Carrying<br>Costs             | Land  |  |           |
| Newburyport MA          | 274,698                 | 466,449          | None   | None                          | 274,698                                     | 466,449  | 741,147   |
| North MA                | 180,546                 | 351,161          | None   | None                          | 180,546                                     | 351,161  | 531,707   |
| Reading                 |                         |                  |  |                               |   |  |           |
| Orleans MA              | 138,212                 | 394,065          | None   | None                          | 138,212                                     | 394,065  | 532,277   |
| Aberdeen MD             | 223,617                 | 225,605          | None   | None                          | 223,617                                     | 225,605  | 449,222   |
| Bethesda MD             | 282,717                 | 525,928          | None   | None                          | 282,717                                     | 525,928  | 808,645   |
| Capital Heights MD      | 547,173                 | 219,979          | -12,319  | None                          | 534,854                                     | 219,979  | 754,833   |
| Clinton MD              | 70,880                  | 328,620          | 11,440   | 459                           | 70,880                                      | 340,519  | 411,399   |
| Lexington Park MD       | 111,396                 | 335,288          | -7,600   | None                          | 103,796                                     | 335,288  | 439,084   |
| Kalamazoo MI            | 391,745                 | 296,975          | -2,196   | None                          | 389,549                                     | 296,975  | 686,524   |
| Portage MI              | 402,409                 | 286,441          | -2,112   | None                          | 400,297                                     | 286,441  | 686,738   |
| Southfield MI           | 275,952                 | 350,765          | None   | None                          | 275,952                                     | 350,765  | 626,717   |
| Troy MI                 | 214,893                 | 199,299          | None   | None                          | 214,893                                     | 199,299  | 414,192   |
| Minneapolis MN          | 58,000                  | 268,903          | 1,485  | 5                             | 58,000                                      | 270,393  | 328,393   |
| St. Cloud MN            | 203,338                 | 258,626          | None   | None                          | 203,338                                     | 258,626  | 461,964   |
| Independence MO         | 297,641                 | 233,152          | None   | None                          | 297,641                                     | 233,152  | 530,793   |
| Asheville NC            | 441,746                 | 242,565          | None   | None                          | 441,746                                     | 242,565  | 684,311   |
| Charlotte NC            | 508,100                 | 457,295          | None   | None                          | 508,100                                     | 457,295  | 965,395   |
| Concord NC              | 237,688                 | 357,976          | None   | 152                           | 237,688                                     | 358,128  | 595,816   |
| Durham NC               | 55,074                  | 255,336          | None   | 289                           | 55,074                                      | 255,625  | 310,699   |
| Durham NC               | 354,676                 | 361,203          | 3,400  | 266                           | 354,676                                     | 364,869  | 719,545   |
| Fayetteville NC         | 224,326                 | 257,733          | None   | 205                           | 224,326                                     | 257,938  | 482,264   |
| Greensboro NC           | 286,068                 | 244,606          | None   | None                          | 286,068                                     | 244,606  | 530,674   |
| Matthews NC             | 295,580                 | 338,472          | 10,000   | 192                           | 295,580                                     | 348,664  | 644,244   |
| Pineville NC            | 254,460                 | 355,630          | None   | 205                           | 254,460                                     | 355,835  | 610,295   |
| Raleigh NC              | 89,145                  | 413,301          | None   | 94                            | 89,145                                      | 413,395  | 502,540   |
| Raleigh NC              | 398,694                 | 263,621          | None   | None                          | 398,694                                     | 263,621  | 662,315   |
| Salisbury NC            | 235,614                 | 150,592          | None   | None                          | 235,614                                     | 150,592  | 386,206   |
| Fargo ND                | 53,973                  | 100,262          | None   | None                          | 53,973                                      | 100,262  | 154,235   |
| Lincoln NE              | 337,138                 | 316,958          | None   | None                          | 337,138                                     | 316,958  | 654,096   |
| Scotts Bluff NE         | 33,307                  | 63,355           | None   | None                          | 33,307                                      | 63,355   | 96,662    |
| Cherry Hill NJ          | 463,808                 | 862,240          | None   | None                          | 463,808                                     | 862,240  | 1,326,048 |
| Edison NJ               | 448,936                 | 238,773          | None   | None                          | 448,936                                     | 238,773  | 687,709   |
| Glassboro NJ            | 182,013                 | 312,480          | None   | None                          | 182,013                                     | 312,480  | 494,493   |
| Hamilton Square NJ      | 422,477                 | 291,555          | None   | None                          | 422,477                                     | 291,555  | 714,032   |
| Hamilton Township NJ    | 265,238                 | 298,167          | None   | None                          | 265,238                                     | 298,167  | 563,405   |

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|                |    |         |         |      |      |         |         |           |
|----------------|----|---------|---------|------|------|---------|---------|-----------|
| Pleasantville  | NJ | 77,105  | 144,693 | None | None | 77,105  | 144,693 | 221,798   |
| Randolph       | NJ | 452,629 | 390,163 | None | None | 452,629 | 390,163 | 842,792   |
| Westfield      | NJ | 705,337 | 288,720 | None | None | 705,337 | 288,720 | 994,057   |
| Woodbury       | NJ | 212,788 | 320,283 | None | None | 212,788 | 320,283 | 533,071   |
| Las Vegas      | NV | 326,879 | 359,101 | None | None | 326,879 | 359,101 | 685,980   |
| Las Vegas      | NV | 316,441 | 369,768 | None | None | 316,441 | 369,768 | 686,209   |
| Las Vegas      | NV | 252,169 | 562,715 | None | None | 252,169 | 562,715 | 814,884   |
| Sparks         | NV | 326,813 | 306,311 | None | None | 326,813 | 306,311 | 633,124   |
| Albion         | NY | 170,589 | 317,424 | None | None | 170,589 | 317,424 | 488,013   |
| Bethpage       | NY | 334,120 | 621,391 | None | None | 334,120 | 621,391 | 955,511   |
| Commack        | NY | 400,427 | 744,533 | None | None | 400,427 | 744,533 | 1,144,960 |
| Dansville      | NY | 181,664 | 337,991 | None | None | 181,664 | 337,991 | 519,655   |
| East Amherst   | NY | 260,708 | 484,788 | None | 156  | 260,708 | 484,944 | 745,652   |
| East Syracuse  | NY | 250,609 | 466,264 | None | 156  | 250,609 | 466,420 | 717,029   |
| Freeport       | NY | 134,828 | 251,894 | None | None | 134,828 | 251,894 | 386,722   |
| Johnson City   | NY | 242,863 | 451,877 | None | 156  | 242,863 | 452,033 | 694,896   |
| Queens Village | NY | 242,775 | 451,749 | None | None | 242,775 | 451,749 | 694,524   |
| Riverhead      | NY | 143,929 | 268,795 | None | None | 143,929 | 268,795 | 412,724   |
| Wellsville     | NY | 161,331 | 300,231 | None | None | 161,331 | 300,231 | 461,562   |
| West Amherst   | NY | 268,692 | 499,619 | None | 156  | 268,692 | 499,775 | 768,467   |
| Akron          | OH | 139,126 | 460,334 | None | None | 139,126 | 460,334 | 599,460   |

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| Description<br>(Note 1) | Initial Cost to Company |  | Cost Capitalized<br>Subsequent<br>to Acquisition |                   | Gross Amount at Which Carried<br>at Close of Period (Notes 2, 3, 5, 6 and 7) |  |           | A<br>D |
|-------------------------|-------------------------|--|--|-------------------|--|--|-----------|--------|
|                         | Land                    | Buildings,<br>Improvements<br>and<br>Acquisition<br>Fees | Improvements                                     | Carrying<br>Costs | Land   | Buildings,<br>Improvements<br>and<br>Acquisition<br>Fees | Total     |        |
| Beaver Creek OH         | 349,091                 | 251,127  | None   | None              | 349,091  | 251,127  | 600,218   |        |
| Beavercreek OH          | 205,000                 | 492,538  | None   | None              | 205,000  | 492,538  | 697,538   |        |
| Canal Winchester OH     | 443,751                 | 825,491  | None   | None              | 443,751  | 825,491  | 1,269,242 |        |
| Centerville OH          | 305,000                 | 420,448  | None   | None              | 305,000  | 420,448  | 725,448   |        |
| Cincinnati OH           | 293,005                 | 201,340  | None   | None              | 293,005  | 201,340  | 494,345   |        |
| Cincinnati OH           | 211,185                 | 392,210  | None   | None              | 211,185  | 392,210  | 603,395   |        |
| Cincinnati OH           | 305,556                 | 244,662  | None   | None              | 305,556  | 244,662  | 550,218   |        |
| Cincinnati OH           | 589,286                 | 160,932  | None   | None              | 589,286  | 160,932  | 750,218   |        |
| Cincinnati OH           | 159,375                 | 265,842  | None   | None              | 159,375  | 265,842  | 425,217   |        |
| Cincinnati OH           | 350,000                 | 300,217  | None   | None              | 350,000  | 300,217  | 650,217   |        |
| Cleveland OH            | 215,111                 | 216,517  | None   | None              | 215,111  | 216,517  | 431,628   |        |
| Columbus OH             | 71,098                  | 329,627  | None   | 27                | 71,098   | 329,654  | 400,752   |        |
| Columbus OH             | 75,761                  | 351,247  | None   | None              | 75,761   | 351,247  | 427,008   |        |
| Columbus OH             | 245,036                 | 470,468  | None   | 122               | 245,036  | 470,590  | 715,626   |        |
| Columbus OH             | 432,110                 | 386,553  | None   | None              | 432,110  | 386,553  | 818,663   |        |
| Columbus OH             | 466,696                 | 548,133  | None   | None              | 466,696  | 548,133  | 1,014,829 |        |
| Columbus OH             | 337,679                 | 272,484  | None   | None              | 337,679  | 272,484  | 610,163   |        |
| Columbus OH             | 190,000                 | 260,162  | None   | None              | 190,000  | 260,162  | 450,162   |        |
| Columbus OH             | 371,429                 | 278,734  | None   | None              | 371,429  | 278,734  | 650,163   |        |
| Columbus OH             | 214,737                 | 85,425   | 19,605   | 5                 | 214,737  | 105,035  | 319,772   |        |
| Cuyahoga Falls OH       | 253,750                 | 271,400  | None   | None              | 253,750  | 271,400  | 525,150   |        |
| Dayton OH               | 70,000                  | 324,538  | None   | 286               | 70,000   | 324,824  | 394,824   |        |
| Dublin OH               | 437,887                 | 428,046  | None   | None              | 437,887  | 428,046  | 865,933   |        |
| Eastlake OH             | 321,347                 | 459,774  | None   | 209               | 321,347  | 459,983  | 781,330   |        |
| Fairfield OH            | 323,408                 | 235,024  | None   | None              | 323,408  | 235,024  | 558,432   |        |
| Fairlawn OH             | 280,000                 | 270,150  | None   | None              | 280,000  | 270,150  | 550,150   |        |
| Findlay OH              | 283,515                 | 397,004  | None   | None              | 283,515  | 397,004  | 680,519   |        |
| Hamilton OH             | 252,608                 | 413,279  | None   | None              | 252,608  | 413,279  | 665,887   |        |
| Huber Heights OH        | 282,000                 | 449,381  | None   | None              | 282,000  | 449,381  | 731,381   |        |
| Lima OH                 | 241,132                 | 114,085  | None   | None              | 241,132  | 114,085  | 355,217   |        |
| Marion OH               | 100,000                 | 275,162  | None   | None              | 100,000  | 275,162  | 375,162   |        |
| Mason OH                | 310,990                 | 405,373  | None   | None              | 310,990  | 405,373  | 716,363   |        |
| Middleburg Hghts OH     | 317,308                 | 307,842  | None   | None              | 317,308  | 307,842  | 625,150   |        |
| Milford OH              | 353,324                 | 269,997  | None   | None              | 353,324  | 269,997  | 623,321   |        |
| Mt. Vernon OH           | 216,115                 | 375,357  | None   | None              | 216,115  | 375,357  | 591,472   |        |
| Northwood OH            | 65,978                  | 263,912  | 36,827   | 362               | 65,978   | 301,101  | 367,079   |        |

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|              |    |         |         |        |      |         |         |           |
|--------------|----|---------|---------|--------|------|---------|---------|-----------|
| Norwalk      | OH | 200,205 | 366,000 | None   | None | 200,205 | 366,000 | 566,205   |
| Parma        | OH | 268,966 | 381,184 | None   | None | 268,966 | 381,184 | 650,150   |
| Reynoldsburg | OH | 267,750 | 497,371 | None   | None | 267,750 | 497,371 | 765,121   |
| Reynoldsburg | OH | 374,000 | 176,162 | None   | None | 374,000 | 176,162 | 550,162   |
| S. Euclid    | OH | 337,593 | 451,944 | None   | None | 337,593 | 451,944 | 789,537   |
| Sandusky     | OH | 264,708 | 404,011 | None   | 230  | 264,708 | 404,241 | 668,949   |
| Solon        | OH | 794,305 | 222,797 | None   | None | 794,305 | 222,797 | 1,017,102 |
| Springboro   | OH | 191,911 | 522,902 | None   | None | 191,911 | 522,902 | 714,813   |
| Springfield  | OH | 320,000 | 280,217 | None   | None | 320,000 | 280,217 | 600,217   |
| Springfield  | OH | 189,091 | 136,127 | None   | None | 189,091 | 136,127 | 325,218   |
| Stow         | OH | 310,000 | 415,150 | None   | None | 310,000 | 415,150 | 725,150   |
| Toledo       | OH | 91,655  | 366,621 | 36,699 | 369  | 91,655  | 403,689 | 495,344   |
| Toledo       | OH | 73,408  | 293,632 | 43,892 | 364  | 73,408  | 337,888 | 411,296   |
| Toledo       | OH | 120,000 | 230,217 | None   | None | 120,000 | 230,217 | 350,217   |
| Toledo       | OH | 250,000 | 175,217 | None   | 25   | 250,000 | 175,242 | 425,242   |
| Toledo       | OH | 320,000 | 280,217 | None   | None | 320,000 | 280,217 | 600,217   |
| Toledo       | OH | 250,000 | 530,217 | None   | None | 250,000 | 530,217 | 780,217   |
| West Chester | OH | 446,449 | 768,644 | None   | None | 446,449 | 768,644 | 1,215,093 |
| Zanesville   | OH | 125,000 | 300,162 | None   | None | 125,000 | 300,162 | 425,162   |
| Midwest City | OK | 106,312 | 333,551 | None   | None | 106,312 | 333,551 | 439,863   |

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| Description<br>(Note 1) | Initial Cost to Company |  | Cost Capitalized<br>Subsequent<br>to Acquisition |                   | Gross Amount at Which Carried<br>at Close of Period (Notes 2, 3, 5, 6 and 7) |  | Total     |
|-------------------------|-------------------------|--|--|-------------------|--|--|-----------|
|                         | Land                    | Buildings,<br>Improvements<br>and<br>Acquisition<br>Fees | Improvements                                     | Carrying<br>Costs | Land   | Buildings,<br>Improvements<br>and<br>Acquisition<br>Fees |           |
| Oklahoma City OK        | 143,655                 | 295,422  | None   | None              | 143,655  | 295,422  | 439,077   |
| Tulsa OK                | 133,648                 | 249,702  | None   | None              | 133,648  | 249,702  | 383,350   |
| Portland OR             | 251,499                 | 345,952  | None   | None              | 251,499  | 345,952  | 597,451   |
| Salem OR                | 337,711                 | 253,855  | None   | None              | 337,711  | 253,855  | 591,566   |
| Bethel Park PA          | 299,595                 | 331,264  | None   | None              | 299,595  | 331,264  | 630,859   |
| Bethlehem PA            | 275,328                 | 389,067  | None   | 457               | 275,328  | 389,524  | 664,852   |
| Bethlehem PA            | 229,162                 | 310,526  | None   | None              | 229,162  | 310,526  | 539,688   |
| Bridgeville PA          | 275,000                 | 375,150  | None   | None              | 275,000  | 375,150  | 650,150   |
| Coraopolis PA           | 225,000                 | 375,150  | None   | None              | 225,000  | 375,150  | 600,150   |
| Harrisburg PA           | 131,529                 | 220,317  | -2,515   | None              | 129,014  | 220,317  | 349,331   |
| Monroeville PA          | 275,000                 | 250,150  | None   | None              | 275,000  | 250,150  | 525,150   |
| Philadelphia PA         | 858,500                 | 877,744  | None   | 1,540             | 858,500  | 879,284  | 1,737,784 |
| Pittsburgh PA           | 378,715                 | 685,374  | None   | None              | 378,715  | 685,374  | 1,064,089 |
| Pittsburgh PA           | 219,938                 | 408,466  | None   | None              | 219,938  | 408,466  | 628,404   |
| Pittsburgh PA           | 175,000                 | 300,150  | None   | None              | 175,000  | 300,150  | 475,150   |
| Pittsburgh PA           | 243,750                 | 406,400  | None   | None              | 243,750  | 406,400  | 650,150   |
| Pittsburgh PA           | 208,333                 | 416,817  | None   | None              | 208,333  | 416,817  | 625,150   |
| Pittsburgh PA           | 121,429                 | 303,721  | None   | None              | 121,429  | 303,721  | 425,150   |
| Warminster PA           | 323,847                 | 216,999  | -3,929   | None              | 319,918  | 216,999  | 536,917   |
| Wexford PA              | 284,375                 | 240,775  | None   | None              | 284,375  | 240,775  | 525,150   |
| York PA                 | 249,436                 | 347,424  | None   | 232               | 249,436  | 347,656  | 597,092   |
| Charleston SC           | 217,250                 | 294,079  | None   | None              | 217,250  | 294,079  | 511,329   |
| Columbia SC             | 267,622                 | 298,594  | None   | 7,127             | 267,622  | 305,721  | 573,343   |
| Greenville SC           | 221,946                 | 315,163  | None   | 8,538             | 221,946  | 323,701  | 545,647   |
| Lexington SC            | 241,534                 | 342,182  | None   | 302               | 241,534  | 342,484  | 584,018   |
| North Charleston SC     | 174,980                 | 341,466  | 5,875  | 5,260             | 174,980  | 352,601  | 527,581   |
| Sioux Falls SD          | 48,833                  | 91,572   | None   | None              | 48,833   | 91,572   | 140,405   |
| Brentwood TN            | 305,546                 | 505,728  | None   | None              | 305,546  | 505,728  | 811,274   |
| Hendersonville TN       | 175,764                 | 327,096  | None   | None              | 175,764  | 327,096  | 502,860   |
| Hermitage TN            | 560,443                 | 1,011,799  | None   | None              | 560,443  | 1,011,799  | 1,572,242 |
| Hermitage TN            | 204,296                 | 172,695  | None   | None              | 204,296  | 172,695  | 376,991   |
| Madison TN              | 175,769                 | 327,068  | None   | None              | 175,769  | 327,068  | 502,837   |
| Memphis TN              | 108,094                 | 217,079  | None   | None              | 108,094  | 217,079  | 325,173   |
| Memphis TN              | 214,110                 | 193,591  | None   | None              | 214,110  | 193,591  | 407,701   |
| Memphis TN              | 215,017                 | 216,794  | None   | None              | 215,017  | 216,794  | 431,811   |
| Murfreesboro TN         | 150,411                 | 215,528  | None   | None              | 150,411  | 215,528  | 365,939   |
| Nashville TN            | 342,960                 | 227,440  | None   | None              | 342,960  | 227,440  | 570,400   |
| Carrollton TX           | 174,284                 | 98,623   | None   | None              | 174,284  | 98,623   | 272,907   |
| Carrollton TX           | 177,041                 | 199,088  | None   | None              | 177,041  | 199,088  | 376,129   |

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|              |    |         |         |       |        |         |         |           |
|--------------|----|---------|---------|-------|--------|---------|---------|-----------|
| Dallas       | TX | 234,604 | 325,951 | None  | None   | 234,604 | 325,951 | 560,555   |
| Fort Worth   | TX | 83,530  | 111,960 | None  | None   | 83,530  | 111,960 | 195,490   |
| Houston      | TX | 285,000 | 369,697 | None  | None   | 285,000 | 369,697 | 654,697   |
| Humble       | TX | 257,169 | 325,652 | None  | None   | 257,169 | 325,652 | 582,821   |
| Lake Jackson | TX | 197,170 | 256,376 | None  | None   | 197,170 | 256,376 | 453,546   |
| Lewisville   | TX | 199,942 | 324,736 | None  | None   | 199,942 | 324,736 | 524,678   |
| Lewisville   | TX | 130,238 | 207,683 | None  | None   | 130,238 | 207,683 | 337,921   |
| San Antonio  | TX | 198,828 | 437,422 | 7,385 | 23,232 | 198,828 | 468,039 | 666,867   |
| Richmond     | VA | 403,549 | 876,981 | None  | None   | 403,549 | 876,981 | 1,280,530 |
| Roanoke      | VA | 349,628 | 322,545 | None  | 203    | 349,628 | 322,748 | 672,376   |
| Warrenton    | VA | 186,723 | 241,173 | None  | None   | 186,723 | 241,173 | 427,896   |
| Bremerton    | WA | 261,172 | 373,080 | None  | None   | 261,172 | 373,080 | 634,252   |
| Tacoma       | WA | 109,127 | 202,691 | None  | None   | 109,127 | 202,691 | 311,818   |
| Milwaukee    | WI | 173,005 | 499,244 | None  | 172    | 173,005 | 499,416 | 672,421   |
| Milwaukee    | WI | 152,509 | 475,480 | None  | None   | 152,509 | 475,480 | 627,989   |
| New Berlin   | WI | 188,491 | 466,268 | None  | 172    | 188,491 | 466,440 | 654,931   |
| Racine       | WI | 184,002 | 114,167 | None  | None   | 184,002 | 114,167 | 298,169   |

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| Description<br>(Note 1)  | Initial Cost to Company |  | Cost Capitalized<br>Subsequent<br>to Acquisition |                   | Gross Amount at Which Carried<br>at Close of Period (Notes 2, 3, 5, 6 and 7) |  |           |
|--------------------------|-------------------------|--|--|-------------------|--|--|-----------|
|                          | Land                    | Buildings,<br>Improvements<br>and<br>Acquisition<br>Fees | Improvements                                     | Carrying<br>Costs | Land   | Buildings,<br>Improvements<br>and<br>Acquisition<br>Fees | Total     |
| Automotive Tire Services |                         |  |  |                   |  |  |           |
| Athens AL                | 760,031                 | 1,413,494  | None   | None              | 760,031  | 1,413,494  | 2,173,525 |
| Auburn AL                | 660,210                 | 1,228,112  | None   | 500               | 660,210  | 1,228,612  | 1,888,822 |
| Birmingham AL            | 635,111                 | 1,180,909  | None   | 500               | 635,111  | 1,181,409  | 1,816,520 |
| Daphne AL                | 876,139                 | 1,629,123  | None   | 500               | 876,139  | 1,629,623  | 2,505,762 |
| Decatur AL               | 635,111                 | 1,181,499  | None   | 500               | 635,111  | 1,181,999  | 1,817,110 |
| Dothan AL                | 455,651                 | 565,343  | None   | None              | 455,651  | 565,343  | 1,020,994 |
| Foley AL                 | 870,031                 | 1,617,357  | None   | 500               | 870,031  | 1,617,857  | 2,487,888 |
| Gardendale AL            | 610,055                 | 1,134,554  | None   | 500               | 610,055  | 1,135,054  | 1,745,109 |
| Hoover AL                | 504,396                 | 938,299  | None   | None              | 504,396  | 938,299  | 1,442,695 |
| Hoover AL                | 620,270                 | 1,153,493  | None   | None              | 620,270  | 1,153,493  | 1,773,763 |
| Huntsville AL            | 499,843                 | 929,863  | None   | 500               | 499,843  | 930,363  | 1,430,206 |
| Huntsville AL            | 635,111                 | 1,181,499  | None   | None              | 635,111  | 1,181,499  | 1,816,610 |
| Madison AL               | 635,111                 | 1,181,532  | None   | None              | 635,111  | 1,181,532  | 1,816,643 |
| Mobile AL                | 635,111                 | 1,181,499  | None   | None              | 635,111  | 1,181,499  | 1,816,610 |
| Mobile AL                | 525,750                 | 977,810  | None   | None              | 525,750  | 977,810  | 1,503,560 |
| Montgomery AL            | 544,181                 | 654,046  | None   | 500               | 544,181  | 654,546  | 1,198,727 |
| Orange Beach AL          | 630,244                 | 1,172,036  | None   | 500               | 630,244  | 1,172,536  | 1,802,780 |
| Pelham AL                | 635,111                 | 1,180,909  | None   | None              | 635,111  | 1,180,909  | 1,816,020 |
| Phenix City AL           | 630,244                 | 1,172,024  | None   | 500               | 630,244  | 1,172,524  | 1,802,768 |
| Tucson AZ                | 178,297                 | 396,004  | None   | 12                | 178,297  | 396,016  | 574,313   |
| Arvada CO                | 301,489                 | 931,092  | None   | None              | 301,489  | 931,092  | 1,232,581 |
| Aurora CO                | 221,691                 | 492,382  | None   | None              | 221,691  | 492,382  | 714,073   |
| Aurora CO                | 353,283                 | 1,135,051  | None   | None              | 353,283  | 1,135,051  | 1,488,334 |
| Colorado Springs CO      | 280,193                 | 622,317  | None   | None              | 280,193  | 622,317  | 902,510   |
| Colorado Springs CO      | 192,988                 | 433,542  | None   | None              | 192,988  | 433,542  | 626,530   |
| Denver CO                | 688,292                 | 1,331,224  | None   | None              | 688,292  | 1,331,224  | 2,019,516 |
| Westminster CO           | 526,620                 | 1,099,523  | None   | None              | 526,620  | 1,099,523  | 1,626,143 |
| Destin FL                | 1,034,411               | 1,922,591  | None   | None              | 1,034,411  | 1,922,591  | 2,957,002 |
| Ft. Walton Bch FL        | 635,111                 | 1,181,032  | None   | 500               | 635,111  | 1,181,532  | 1,816,643 |
| Ft. Walton Bch FL        | 635,111                 | 1,181,032  | None   | 500               | 635,111  | 1,181,532  | 1,816,643 |
| Lakeland FL              | 500,000                 | 645,402  | None   | None              | 500,000  | 645,402  | 1,145,402 |
| Milton FL                | 635,111                 | 1,181,145  | None   | None              | 635,111  | 1,181,145  | 1,816,256 |
| Niceville FL             | 920,803                 | 1,711,621  | None   | None              | 920,803  | 1,711,621  | 2,632,424 |
| Orlando FL               | 635,111                 | 1,181,076  | None   | 500               | 635,111  | 1,181,576  | 1,816,687 |

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|             |    |           |           |      |      |           |           |           |
|-------------|----|-----------|-----------|------|------|-----------|-----------|-----------|
| Orlando     | FL | 630,244   | 1,172,023 | None | None | 630,244   | 1,172,023 | 1,802,267 |
| Oviedo      | FL | 971,996   | 1,806,780 | None | None | 971,996   | 1,806,780 | 2,778,776 |
| Pace        | FL | 630,244   | 1,171,993 | None | 500  | 630,244   | 1,172,493 | 1,802,737 |
| Panama City | FL | 635,111   | 1,181,076 | None | 500  | 635,111   | 1,181,576 | 1,816,687 |
| Bch         |    |           |           |      |      |           |           |           |
| Pensacola   | FL | 308,067   | 573,708   | None | 143  | 308,067   | 573,851   | 881,918   |
| Pensacola   | FL | 635,111   | 1,181,063 | None | None | 635,111   | 1,181,063 | 1,816,174 |
| Pensacola   | FL | 588,305   | 1,094,130 | None | None | 588,305   | 1,094,130 | 1,682,435 |
| Sanford     | FL | 630,244   | 1,172,023 | None | None | 630,244   | 1,172,023 | 1,802,267 |
| St. Cloud   | FL | 525,207   | 976,968   | None | None | 525,207   | 976,968   | 1,502,175 |
| Tallahassee | FL | 419,902   | 781,405   | None | None | 419,902   | 781,405   | 1,201,307 |
| Tallahassee | FL | 611,916   | 1,137,986 | None | 500  | 611,916   | 1,138,486 | 1,750,402 |
| Tampa       | FL | 427,395   | 472,030   | None | None | 427,395   | 472,030   | 899,425   |
| Union Park  | FL | 1,004,103 | 1,866,287 | None | None | 1,004,103 | 1,866,287 | 2,870,390 |
| Alpharetta  | GA | 630,244   | 1,171,870 | None | 500  | 630,244   | 1,172,370 | 1,802,614 |
| Columbus    | GA | 630,244   | 1,171,988 | None | None | 630,244   | 1,171,988 | 1,802,232 |
| Conyers     | GA | 531,935   | 1,180,296 | None | None | 531,935   | 1,180,296 | 1,712,231 |
| Conyers     | GA | 635,111   | 1,181,027 | None | None | 635,111   | 1,181,027 | 1,816,138 |
| Duluth      | GA | 638,509   | 1,186,594 | None | None | 638,509   | 1,186,594 | 1,825,103 |
| Hiram       | GA | 635,111   | 1,181,017 | None | None | 635,111   | 1,181,017 | 1,816,128 |

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| Description<br>(Note 1) |    | Initial Cost to Company |  | Cost Capitalized<br>Subsequent<br>to Acquisition |                   | Gross Amount at Which Carried<br>at Close of Period (Notes 2, 3, 5, 6 and 7) |  | Total     |
|-------------------------|----|-------------------------|--|--|-------------------|--|--|-----------|
|                         |    | Land                    | Buildings,<br>Improvements<br>and<br>Acquisition<br>Fees | Improvements                                     | Carrying<br>Costs | Land   | Buildings,<br>Improvements<br>and<br>Acquisition<br>Fees |           |
| Kennesaw                | GA | 519,903                 | 967,180  | None   | None              | 519,903  | 967,180  | 1,487,083 |
| Lawrenceville           | GA | 635,111                 | 1,181,137  | None   | 500               | 635,111  | 1,181,637  | 1,816,748 |
| Marietta                | GA | 500,293                 | 930,657  | None   | None              | 500,293  | 930,657  | 1,430,950 |
| Mcdonough               | GA | 635,111                 | 1,181,032  | None   | 500               | 635,111  | 1,181,532  | 1,816,643 |
| Peachtree City          | GA | 625,316                 | 1,162,827  | None   | None              | 625,316  | 1,162,827  | 1,788,143 |
| Roswell                 | GA | 515,617                 | 959,138  | None   | None              | 515,617  | 959,138  | 1,474,755 |
| Sandy Springs           | GA | 586,211                 | 1,090,241  | None   | None              | 586,211  | 1,090,241  | 1,676,452 |
| Stockbridge             | GA | 632,128                 | 1,175,478  | None   | 500               | 632,128  | 1,175,978  | 1,808,106 |
| Aurora                  | IL | 513,204                 | 953,885  | None   | None              | 513,204  | 953,885  | 1,467,089 |
| Joliet                  | IL | 452,267                 | 840,716  | None   | None              | 452,267  | 840,716  | 1,292,983 |
| Niles                   | IL | 366,969                 | 682,306  | None   | None              | 366,969  | 682,306  | 1,049,275 |
| Orland Park             | IL | 663,087                 | 1,232,240  | None   | None              | 663,087  | 1,232,240  | 1,895,327 |
| Vernon Hills            | IL | 524,948                 | 975,668  | None   | None              | 524,948  | 975,668  | 1,500,616 |
| Village<br>ofLombard    | IL | 428,170                 | 795,965  | None   | 2,000             | 428,170  | 797,965  | 1,226,135 |
| West Dundee             | IL | 530,835                 | 986,628  | None   | None              | 530,835  | 986,628  | 1,517,463 |
| Overland Park           | KS | 1,101,841               | 2,047,067  | None   | None              | 1,101,841  | 2,047,067  | 3,148,908 |
| Allston                 | MA | 576,505                 | 1,071,520  | None   | None              | 576,505  | 1,071,520  | 1,648,025 |
| Shrewsbury              | MA | 721,065                 | 1,339,913  | None   | None              | 721,065  | 1,339,913  | 2,060,978 |
| Waltham                 | MA | 338,955                 | 630,279  | None   | None              | 338,955  | 630,279  | 969,234   |
| Weymouth                | MA | 752,234                 | 1,397,799  | None   | None              | 752,234  | 1,397,799  | 2,150,033 |
| Woburn                  | MA | 676,968                 | 1,258,018  | None   | None              | 676,968  | 1,258,018  | 1,934,986 |
| Annapolis               | MD | 780,806                 | 1,450,860  | None   | None              | 780,806  | 1,450,860  | 2,231,666 |
| Bowie                   | MD | 734,558                 | 1,364,970  | None   | None              | 734,558  | 1,364,970  | 2,099,528 |
| Capital Heights         | MD | 701,705                 | 1,303,958  | None   | None              | 701,705  | 1,303,958  | 2,005,663 |
| Germantown              | MD | 808,296                 | 1,501,913  | None   | None              | 808,296  | 1,501,913  | 2,310,209 |
| Waldorf                 | MD | 427,033                 | 793,854  | None   | None              | 427,033  | 793,854  | 1,220,887 |
| Eagan                   | MN | 902,443                 | 845,536  | None   | None              | 902,443  | 845,536  | 1,747,979 |
| Ferguson                | MO | 386,112                 | 717,856  | None   | None              | 386,112  | 717,856  | 1,103,968 |
| Grandview               | MO | 347,150                 | 711,024  | None   | None              | 347,150  | 711,024  | 1,058,174 |
| Independence            | MO | 721,020                 | 1,339,829  | None   | None              | 721,020  | 1,339,829  | 2,060,849 |
| Charlotte               | NC | 181,662                 | 338,164  | None   | None              | 181,662  | 338,164  | 519,826   |
| Clemmons                | NC | 630,000                 | 1,100,160  | None   | None              | 630,000  | 1,100,160  | 1,730,160 |
| Jamestown               | NC | 650,000                 | 857,823  | None   | None              | 650,000  | 857,823  | 1,507,823 |
| Matthews                | NC | 489,063                 | 909,052  | None   | None              | 489,063  | 909,052  | 1,398,115 |
| Omaha                   | NE | 253,128                 | 810,922  | None   | None              | 253,128  | 810,922  | 1,064,050 |
| Manchester              | NH | 722,532                 | 1,342,636  | None   | None              | 722,532  | 1,342,636  | 2,065,168 |
| Newington               | NH | 690,753                 | 1,283,624  | None   | None              | 690,753  | 1,283,624  | 1,974,377 |
| Salem                   | NH | 597,833                 | 1,111,059  | None   | None              | 597,833  | 1,111,059  | 1,708,892 |
| Deptford                | NJ | 619,376                 | 1,151,062  | None   | None              | 619,376  | 1,151,062  | 1,770,438 |

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|               |    |         |           |         |      |         |           |           |
|---------------|----|---------|-----------|---------|------|---------|-----------|-----------|
| Maple Shade   | NJ | 508,285 | 944,750   | None    | None | 508,285 | 944,750   | 1,453,035 |
| Akron         | OH | 242,133 | 450,467   | None    | None | 242,133 | 450,467   | 692,600   |
| Cambridge     | OH | 103,368 | 192,760   | None    | 7    | 103,368 | 192,767   | 296,135   |
| Canton        | OH | 337,161 | 626,948   | None    | None | 337,161 | 626,948   | 964,109   |
| Cleveland     | OH | 582,107 | 1,081,848 | None    | None | 582,107 | 1,081,848 | 1,663,955 |
| Columbus      | OH | 385,878 | 717,422   | None    | None | 385,878 | 717,422   | 1,103,300 |
| Oklahoma City | OK | 509,370 | 752,691   | None    | None | 509,370 | 752,691   | 1,262,061 |
| Oklahoma City | OK | 404,815 | 771,625   | None    | None | 404,815 | 771,625   | 1,176,440 |
| Greensburg    | PA | 594,891 | 1,105,589 | None    | None | 594,891 | 1,105,589 | 1,700,480 |
| Lancaster     | PA | 431,050 | 801,313   | None    | None | 431,050 | 801,313   | 1,232,363 |
| Mechanicsburg | PA | 455,854 | 847,377   | None    | None | 455,854 | 847,377   | 1,303,231 |
| Monroeville   | PA | 723,660 | 1,344,733 | None    | None | 723,660 | 1,344,733 | 2,068,393 |
| Philadelphia  | PA | 334,939 | 622,821   | None    | None | 334,939 | 622,821   | 957,760   |
| Pittsburgh    | PA | 384,756 | 715,339   | None    | None | 384,756 | 715,339   | 1,100,095 |
| York          | PA | 389,291 | 723,760   | None    | None | 389,291 | 723,760   | 1,113,051 |
| Columbia      | SC | 343,785 | 295,001   | 183,130 | None | 343,785 | 478,131   | 821,916   |
| Sioux Falls   | SD | 332,979 | 498,108   | None    | None | 332,979 | 498,108   | 831,087   |

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| Description<br>(Note 1) | Initial Cost to Company |  | Cost Capitalized<br>Subsequent<br>to Acquisition |                   | Gross Amount at Which Carried<br>at Close of Period (Notes 2, 3, 5, 6 and 7) |  |           |
|-------------------------|-------------------------|--|--|-------------------|--|--|-----------|
|                         | Land                    | Buildings,<br>Improvements<br>and<br>Acquisition<br>Fees | Improvements                                     | Carrying<br>Costs | Land   | Buildings,<br>Improvements<br>and<br>Acquisition<br>Fees | Total     |
| Goodlettsville TN       | 601,306                 | 1,117,504  | None   | None              | 601,306  | 1,117,504  | 1,718,810 |
| Arlington TX            | 599,558                 | 1,114,256  | None   | None              | 599,558  | 1,114,256  | 1,713,814 |
| Austin TX               | 185,454                 | 411,899  | None   | None              | 185,454  | 411,899  | 597,353   |
| Austin TX               | 710,485                 | 1,320,293  | None   | None              | 710,485  | 1,320,293  | 2,030,778 |
| Austin TX               | 590,828                 | 1,098,073  | None   | None              | 590,828  | 1,098,073  | 1,688,901 |
| Austin TX               | 569,909                 | 1,059,195  | None   | None              | 569,909  | 1,059,195  | 1,629,104 |
| Austin TX               | 532,497                 | 989,715  | None   | None              | 532,497  | 989,715  | 1,522,212 |
| Carrollton TX           | 568,401                 | 1,056,394  | None   | None              | 568,401  | 1,056,394  | 1,624,795 |
| Conroe TX               | 396,068                 | 736,346  | None   | None              | 396,068  | 736,346  | 1,132,414 |
| Dallas TX               | 191,267                 | 424,811  | None   | 15,282            | 191,267  | 440,093  | 631,360   |
| Fort Worth TX           | 543,950                 | 1,010,984  | None   | None              | 543,950  | 1,010,984  | 1,554,934 |
| Garland TX              | 242,887                 | 539,461  | None   | None              | 242,887  | 539,461  | 782,348   |
| Harlingen TX            | 134,599                 | 298,948  | None   | None              | 134,599  | 298,948  | 433,547   |
| Houston TX              | 151,018                 | 335,417  | None   | None              | 151,018  | 335,417  | 486,435   |
| Houston TX              | 392,113                 | 729,002  | None   | None              | 392,113  | 729,002  | 1,121,115 |
| Houston TX              | 1,030,379               | 1,914,353  | None   | None              | 1,030,379  | 1,914,353  | 2,944,732 |
| Houston TX              | 619,101                 | 1,150,551  | None   | None              | 619,101  | 1,150,551  | 1,769,652 |
| Houston TX              | 642,495                 | 1,193,997  | None   | None              | 642,495  | 1,193,997  | 1,836,492 |
| Houston TX              | 872,866                 | 1,621,829  | None   | None              | 872,866  | 1,621,829  | 2,494,695 |
| Humble TX               | 612,414                 | 1,138,132  | None   | None              | 612,414  | 1,138,132  | 1,750,546 |
| Leon Valley TX          | 178,221                 | 395,834  | None   | None              | 178,221  | 395,834  | 574,055   |
| Leon Valley TX          | 529,967                 | 985,046  | None   | None              | 529,967  | 985,046  | 1,515,013 |
| Mesquite TX             | 591,538                 | 1,099,363  | None   | None              | 591,538  | 1,099,363  | 1,690,901 |
| N. Richland Hills TX    | 509,861                 | 947,707  | None   | None              | 509,861  | 947,707  | 1,457,568 |
| Pasadena TX             | 107,391                 | 238,519  | None   | None              | 107,391  | 238,519  | 345,910   |
| Plano TX                | 187,564                 | 417,157  | 700  | None              | 187,564  | 417,857  | 605,421   |
| Plano TX                | 494,407                 | 918,976  | None   | None              | 494,407  | 918,976  | 1,413,383 |
| Richardson TX           | 555,188                 | 1,031,855  | None   | None              | 555,188  | 1,031,855  | 1,587,043 |
| San Antonio TX          | 245,164                 | 544,518  | None   | None              | 245,164  | 544,518  | 789,682   |
| San Antonio TX          | 688,249                 | 1,278,967  | None   | None              | 688,249  | 1,278,967  | 1,967,216 |
| Stafford TX             | 706,786                 | 1,313,395  | None   | None              | 706,786  | 1,313,395  | 2,020,181 |
| Waco TX                 | 401,999                 | 747,362  | None   | None              | 401,999  | 747,362  | 1,149,361 |
| Webster TX              | 600,261                 | 1,115,563  | None   | None              | 600,261  | 1,115,563  | 1,715,824 |
| Bountiful UT            | 183,750                 | 408,115  | None   | 111               | 183,750  | 408,226  | 591,976   |
| Alexandria VA           | 542,791                 | 1,008,832  | None   | None              | 542,791  | 1,008,832  | 1,551,623 |
| Alexandria VA           | 592,698                 | 1,101,517  | None   | None              | 592,698  | 1,101,517  | 1,694,215 |
| Chesapeake VA           | 770,000                 | 1,112,334  | None   | None              | 770,000  | 1,112,334  | 1,882,334 |
| Lynchburg VA            | 342,751                 | 637,329  | None   | None              | 342,751  | 637,329  | 980,080   |
|                         | 780,000                 | 1,026,384  | None   | None              | 780,000  | 1,026,384  | 1,806,384 |

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Virginia  
Beach

|            |    |         |           |      |      |         |           |           |
|------------|----|---------|-----------|------|------|---------|-----------|-----------|
| Woodbridge | VA | 774,854 | 1,439,806 | None | None | 774,854 | 1,439,806 | 2,214,660 |
| Tacoma     | WA | 187,111 | 415,579   | None | None | 187,111 | 415,579   | 602,690   |
| Brown Deer | WI | 257,408 | 802,141   | None | None | 257,408 | 802,141   | 1,059,549 |
| Delafield  | WI | 324,574 | 772,702   | None | None | 324,574 | 772,702   | 1,097,276 |
| Madison    | WI | 452,630 | 811,977   | None | None | 452,630 | 811,977   | 1,264,607 |
| Oak Creek  | WI | 420,465 | 852,408   | None | None | 420,465 | 852,408   | 1,272,873 |

Book Stores

|          |    |         |           |        |      |         |           |           |
|----------|----|---------|-----------|--------|------|---------|-----------|-----------|
| Tampa    | FL | 998,250 | 3,696,707 | None   | None | 998,250 | 3,696,707 | 4,694,957 |
| Matthews | NC | 768,222 | 843,401   | 21,654 | 418  | 768,222 | 865,473   | 1,633,695 |

Business  
Services

|         |    |        |         |      |     |        |         |         |
|---------|----|--------|---------|------|-----|--------|---------|---------|
| Midland | TX | 45,500 | 101,058 | None | 295 | 45,500 | 101,353 | 146,853 |
|---------|----|--------|---------|------|-----|--------|---------|---------|

Child Care

|            |    |        |         |      |      |        |         |         |
|------------|----|--------|---------|------|------|--------|---------|---------|
| Birmingham | AL | 63,800 | 295,791 | None | None | 63,800 | 295,791 | 359,591 |
|------------|----|--------|---------|------|------|--------|---------|---------|

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| Description<br>(Note 1) |    | Initial Cost to Company |  | Cost Capitalized<br>Subsequent<br>to Acquisition |                   | Gross Amount at Which Carried<br>at Close of Period (Notes 2, 3, 5, 6 and 7) |  |           |
|-------------------------|----|-------------------------|--|--|-------------------|--|--|-----------|
|                         |    | Land                    | Buildings,<br>Improvements<br>and<br>Acquisition<br>Fees | Improvements                                     | Carrying<br>Costs | Land   | Buildings,<br>Improvements<br>and<br>Acquisition<br>Fees | Total     |
| Avondale                | AZ | 242,723                 | 1,129,139  | None   | None              | 242,723  | 1,129,139  | 1,371,862 |
| Chandler                | AZ | 291,720                 | 647,923  | None   | 110               | 291,720  | 648,033  | 939,753   |
| Chandler                | AZ | 271,695                 | 603,446  | None   | 29,100            | 271,695  | 632,546  | 904,241   |
| Mesa                    | AZ | 308,951                 | 1,025,612  | None   | None              | 308,951  | 1,025,612  | 1,334,563 |
| Phoenix                 | AZ | 115,000                 | 285,172  | 39,971   | 22,413            | 115,000  | 347,556  | 462,556   |
| Phoenix                 | AZ | 318,500                 | 707,397  | None   | 134               | 318,500  | 707,531  | 1,026,031 |
| Phoenix                 | AZ | 264,504                 | 587,471  | None   | 88                | 264,504  | 587,559  | 852,063   |
| Phoenix                 | AZ | 260,719                 | 516,181  | None   | 32,173            | 260,719  | 548,354  | 809,073   |
| Scottsdale              | AZ | 291,993                 | 648,529  | None   | 110               | 291,993  | 648,639  | 940,632   |
| Tempe                   | AZ | 292,200                 | 648,989  | None   | 110               | 292,200  | 649,099  | 941,299   |
| Tucson                  | AZ | 304,500                 | 676,303  | None   | 107               | 304,500  | 676,410  | 980,910   |
| Tucson                  | AZ | 283,500                 | 546,878  | None   | 110               | 283,500  | 546,988  | 830,488   |
| Calabasas               | CA | 156,430                 | 725,248  | 100,838  | 58,993            | 156,430  | 885,079  | 1,041,509 |
| Carmichael              | CA | 131,035                 | 607,507  | 5,528  | 25,249            | 131,035  | 638,284  | 769,319   |
| Chino                   | CA | 155,000                 | 634,071  | None   | 22                | 155,000  | 634,093  | 789,093   |
| Chula Vista             | CA | 350,563                 | 778,614  | None   | None              | 350,563  | 778,614  | 1,129,177 |
| Corona                  | CA | 144,856                 | 671,584  | None   | 54                | 144,856  | 671,638  | 816,494   |
| El Cajon                | CA | 157,804                 | 731,621  | None   | 122               | 157,804  | 731,743  | 889,547   |
| Escondido               | CA | 276,286                 | 613,638  | 4,030  | 44,389            | 276,286  | 662,057  | 938,343   |
| Folsom                  | CA | 281,563                 | 625,363  | None   | None              | 281,563  | 625,363  | 906,926   |
| Mission Viejo           | CA | 353,891                 | 744,367  | 12,500   | None              | 353,891  | 756,867  | 1,110,758 |
| Moreno Valley           | CA | 304,489                 | 676,214  | None   | 131               | 304,489  | 676,345  | 980,834   |
| Oceanside               | CA | 145,568                 | 674,889  | 11,000   | 22,105            | 145,568  | 707,994  | 853,562   |
| Palmdale                | CA | 249,490                 | 554,125  | 9,864  | None              | 249,490  | 563,989  | 813,479   |
| Rancho Cordova          | CA | 276,328                 | 613,733  | 24,967   | None              | 276,328  | 638,700  | 915,028   |
| Rancho Cucamonga        | CA | 471,733                 | 1,047,739  | 49,000   | 80                | 471,733  | 1,096,819  | 1,568,552 |
| Roseville               | CA | 297,343                 | 660,411  | 27,496   | None              | 297,343  | 687,907  | 985,250   |
| Sacramento              | CA | 290,734                 | 645,732  | None   | 127               | 290,734  | 645,859  | 936,593   |
| Santee                  | CA | 248,418                 | 551,748  | None   | 15                | 248,418  | 551,763  | 800,181   |
| Simi Valley             | CA | 208,585                 | 967,055  | 22,800   | 75,638            | 208,585  | 1,065,493  | 1,274,078 |
| Valencia                | CA | 301,295                 | 669,185  | 25,000   | 80                | 301,295  | 694,265  | 995,560   |
| Walnut                  | CA | 217,365                 | 1,007,753  | 1,200  | 51,312            | 217,365  | 1,060,265  | 1,277,630 |
| Aurora                  | CO | 287,000                 | 637,440  | None   | 196               | 287,000  | 637,636  | 924,636   |
| Broomfield              | CO | 107,000                 | 403,080  | 16,438   | 8,241             | 107,000  | 427,759  | 534,759   |
| Broomfield              | CO | 155,306                 | 344,941  | 25,000   | 128               | 155,306  | 370,069  | 525,375   |
|                         | CO | 58,400                  | 271,217  | 25,000   | 128               | 58,400   | 296,345  | 354,745   |

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Colorado  
Springs

|                   |    |         |         |        |        |         |         |           |
|-------------------|----|---------|---------|--------|--------|---------|---------|-----------|
| Colorado Springs  | CO | 115,542 | 535,700 | None   | 146    | 115,542 | 535,846 | 651,388   |
| Fort Collins      | CO | 55,200  | 256,356 | None   | None   | 55,200  | 256,356 | 311,556   |
| Fort Collins      | CO | 137,734 | 638,593 | None   | 22,196 | 137,734 | 660,789 | 798,523   |
| Greeley           | CO | 58,400  | 270,755 | 25,000 | 196    | 58,400  | 295,951 | 354,351   |
| Greenwood Village | CO | 131,216 | 608,372 | 6,862  | 175    | 131,216 | 615,409 | 746,625   |
| Littleton         | CO | 161,617 | 358,956 | None   | 146    | 161,617 | 359,102 | 520,719   |
| Longmont          | CO | 115,592 | 535,931 | None   | 146    | 115,592 | 536,077 | 651,669   |
| Louisville        | CO | 58,089  | 269,313 | None   | 274    | 58,089  | 269,587 | 327,676   |
| Parker            | CO | 153,551 | 341,042 | None   | 274    | 153,551 | 341,316 | 494,867   |
| Westminster       | CO | 306,387 | 695,737 | None   | 196    | 306,387 | 695,933 | 1,002,320 |
| Bradenton         | FL | 160,060 | 355,501 | 25,000 | None   | 160,060 | 380,501 | 540,561   |
| Clearwater        | FL | 42,223  | 269,380 | None   | 124    | 42,223  | 269,504 | 311,727   |
| Jacksonville      | FL | 48,000  | 243,060 | None   | None   | 48,000  | 243,060 | 291,060   |
| Jacksonville      | FL | 184,800 | 410,447 | 22,872 | 189    | 184,800 | 433,508 | 618,308   |
| Margate           | FL | 66,686  | 309,183 | None   | 424    | 66,686  | 309,607 | 376,293   |
| Melbourne         | FL | 256,439 | 549,345 | None   | None   | 256,439 | 549,345 | 805,784   |
| Niceville         | FL | 73,696  | 341,688 | None   | None   | 73,696  | 341,688 | 415,384   |
| Orlando           | FL | 68,001  | 313,922 | None   | 497    | 68,001  | 314,419 | 382,420   |
| Orlando           | FL | 159,177 | 353,538 | None   | 184    | 159,177 | 353,722 | 512,899   |
| Orlando           | FL | 190,050 | 422,107 | 5,707  | 189    | 190,050 | 428,003 | 618,053   |

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| Description<br>(Note 1) |    | Initial Cost to Company |  | Cost Capitalized<br>Subsequent<br>to Acquisition |                   | Gross Amount at Which Carried<br>at Close of Period (Notes 2, 3, 5, 6 and 7) |  |           |
|-------------------------|----|-------------------------|--|--|-------------------|--|--|-----------|
|                         |    | Land                    | Buildings,<br>Improvements<br>and<br>Acquisition<br>Fees | Improvements                                     | Carrying<br>Costs | Land   | Buildings,<br>Improvements<br>and<br>Acquisition<br>Fees | Total     |
| Oviedo                  | FL | 166,409                 | 369,598  | None   | 184               | 166,409  | 369,782  | 536,191   |
| Panama City             | FL | 69,500                  | 244,314  | 14,500   | 240               | 69,500   | 259,054  | 328,554   |
| Pensacola               | FL | 147,000                 | 326,492  | 20,000   | 240               | 147,000  | 346,732  | 493,732   |
| Royal Palm<br>Beach     | FL | 194,193                 | 431,309  | 25,000   | None              | 194,193  | 456,309  | 650,502   |
| Spring Hill             | FL | 146,939                 | 326,356  | None   | None              | 146,939  | 326,356  | 473,295   |
| St. Augustine           | FL | 44,800                  | 213,040  | 23,090   | 189               | 44,800   | 236,319  | 281,119   |
| Sunrise                 | FL | 245,000                 | 533,280  | 92,266   | 28,408            | 245,000  | 653,954  | 898,954   |
| Tampa                   | FL | 53,385                  | 199,846  | None   | None              | 53,385   | 199,846  | 253,231   |
| Duluth                  | GA | 310,000                 | 1,040,008  | None   | None              | 310,000  | 1,040,008  | 1,350,008 |
| Ellenwood               | GA | 119,678                 | 275,414  | None   | 205               | 119,678  | 275,619  | 395,297   |
| Lawrenceville           | GA | 141,449                 | 314,161  | 3,766  | None              | 141,449  | 317,927  | 459,376   |
| Lithia Springs          | GA | 187,444                 | 363,358  | None   | 147               | 187,444  | 363,505  | 550,949   |
| Lithonia                | GA | 239,715                 | 524,459  | 24,410   | 26,108            | 239,715  | 574,977  | 814,692   |
| Marietta                | GA | 148,620                 | 330,090  | 25,000   | 205               | 148,620  | 355,295  | 503,915   |
| Marietta                | GA | 292,250                 | 649,095  | None   | 415               | 292,250  | 649,510  | 941,760   |
| Marietta                | GA | 295,750                 | 596,299  | None   | 426               | 295,750  | 596,725  | 892,475   |
| Marietta                | GA | 301,000                 | 668,529  | None   | 11,707            | 301,000  | 680,236  | 981,236   |
| Smyrna                  | GA | 274,750                 | 610,229  | None   | 415               | 274,750  | 610,644  | 885,394   |
| Stockbridge             | GA | 168,700                 | 374,688  | 24,894   | 415               | 168,700  | 399,997  | 568,697   |
| Stone<br>Mountain       | GA | 65,000                  | -  | None   | None              | 65,000   | -  | 65,000    |
| Cedar Rapids            | IA | 194,950                 | 427,085  | None   | None              | 194,950  | 427,085  | 622,035   |
| Iowa City               | IA | 186,900                 | 408,910  | None   | None              | 186,900  | 408,910  | 595,810   |
| Addison                 | IL | 125,780                 | 583,146  | None   | 241               | 125,780  | 583,387  | 709,167   |
| Algonquin               | IL | 241,500                 | 509,629  | None   | 20,382            | 241,500  | 530,011  | 771,511   |
| Aurora                  | IL | 165,679                 | 398,738  | 27,450   | 21,087            | 165,679  | 447,275  | 612,954   |
| Aurora                  | IL | 468,000                 | 1,259,926  | None   | None              | 468,000  | 1,259,926  | 1,727,926 |
| Bartlett                | IL | 120,824                 | 560,166  | None   | 241               | 120,824  | 560,407  | 681,231   |
| Carol Stream            | IL | 122,831                 | 586,416  | None   | 241               | 122,831  | 586,657  | 709,488   |
| Crystal Lake            | IL | 400,000                 | 1,259,424  | None   | None              | 400,000  | 1,259,424  | 1,659,424 |
| Elk Grove<br>Village    | IL | 126,860                 | 588,175  | None   | 241               | 126,860  | 588,416  | 715,276   |
| Glendale<br>Heights     | IL | 318,500                 | 707,399  | None   | 172               | 318,500  | 707,571  | 1,026,071 |
| Hoffman<br>Estates      | IL | 318,500                 | 707,399  | None   | 172               | 318,500  | 707,571  | 1,026,071 |
| Lake in the<br>Hills    | IL | 375,000                 | 1,127,678  | None   | None              | 375,000  | 1,127,678  | 1,502,678 |
| Lockport                | IL | 189,477                 | 442,018  | None   | 151               | 189,477  | 442,169  | 631,646   |

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|               |    |         |           |        |        |         |           |           |
|---------------|----|---------|-----------|--------|--------|---------|-----------|-----------|
| Naperville    | IL | 425,000 | 1,230,654 | None   | None   | 425,000 | 1,230,654 | 1,655,654 |
| O'Fallon      | IL | 141,250 | 313,722   | None   | None   | 141,250 | 313,722   | 454,972   |
| Oswego        | IL | 380,000 | 1,165,818 | None   | None   | 380,000 | 1,165,818 | 1,545,818 |
| Palatine      | IL | 121,911 | 565,232   | None   | 241    | 121,911 | 565,473   | 687,384   |
| Roselle       | IL | 297,541 | 561,037   | None   | 172    | 297,541 | 561,209   | 858,750   |
| Schaumburg    | IL | 218,798 | 485,955   | 20,461 | None   | 218,798 | 506,416   | 725,214   |
| Vernon Hills  | IL | 132,523 | 614,430   | None   | 241    | 132,523 | 614,671   | 747,194   |
| Westmont      | IL | 124,742 | 578,330   | None   | 413    | 124,742 | 578,743   | 703,485   |
| Carmel        | IN | 217,565 | 430,742   | None   | 432    | 217,565 | 431,174   | 648,739   |
| Fishers       | IN | 60,000  | 278,175   | None   | 154    | 60,000  | 278,329   | 338,329   |
| Fishers       | IN | 212,118 | 419,958   | None   | 595    | 212,118 | 420,553   | 632,671   |
| Highland      | IN | 220,460 | 436,476   | None   | 404    | 220,460 | 436,880   | 657,340   |
| Indianapolis  | IN | 245,000 | 544,153   | None   | 365    | 245,000 | 544,518   | 789,518   |
| Lenexa        | KS | 318,500 | 707,399   | 14,200 | 167    | 318,500 | 721,766   | 1,040,266 |
| Olathe        | KS | 304,500 | 676,308   | 37,904 | 9,147  | 304,500 | 723,359   | 1,027,859 |
| Overland Park | KS | 357,500 | 1,115,171 | None   | None   | 357,500 | 1,115,171 | 1,472,671 |
| Shawnee       | KS | 315,000 | 699,629   | None   | 233    | 315,000 | 699,862   | 1,014,862 |
| Shawnee       | KS | 288,246 | 935,875   | None   | None   | 288,246 | 935,875   | 1,224,121 |
| Wichita       | KS | 108,569 | 350,312   | None   | None   | 108,569 | 350,312   | 458,881   |
| Wichita       | KS | 209,890 | 415,549   | 25,699 | 16,136 | 209,890 | 457,384   | 667,274   |
| Lexington     | KY | 210,427 | 420,883   | None   | None   | 210,427 | 420,883   | 631,310   |
| Acton         | MA | 315,533 | 700,813   | None   | 278    | 315,533 | 701,091   | 1,016,624 |

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| Description<br>(Note 1) | Initial Cost to Company |  | Cost Capitalized<br>Subsequent<br>to Acquisition |                   | Gross Amount at Which Carried<br>at Close of Period (Notes 2, 3, 5, 6 and 7) |  |           |
|-------------------------|-------------------------|--|--|-------------------|--|--|-----------|
|                         | Land                    | Buildings,<br>Improvements<br>and<br>Acquisition<br>Fees | Improvements                                     | Carrying<br>Costs | Land   | Buildings,<br>Improvements<br>and<br>Acquisition<br>Fees | Total     |
| Marlborough MA          | 352,765                 | 776,488  | None   | 286               | 352,765  | 776,774  | 1,129,539 |
| Westborough MA          | 359,412                 | 773,877  | None   | 250               | 359,412  | 774,127  | 1,133,539 |
| Ellicott City MD        | 219,368                 | 630,839  | 26,550   | None              | 219,368  | 657,389  | 876,757   |
| Frederick MD            | 203,352                 | 1,017,109  | None   | None              | 203,352  | 1,017,109  | 1,220,461 |
| Olney MD                | 342,500                 | 760,701  | 4,400  | 41,605            | 342,500  | 806,706  | 1,149,206 |
| Waldorf MD              | 130,430                 | 604,702  | None   | 731               | 130,430  | 605,433  | 735,863   |
| Waldorf MD              | 237,207                 | 526,844  | None   | 399               | 237,207  | 527,243  | 764,450   |
| Canton MI               | 55,000                  | 378,848  | 2,913  | None              | 55,000   | 381,761  | 436,761   |
| Apple Valley MN         | 113,523                 | 526,319  | None   | 333               | 113,523  | 526,652  | 640,175   |
| Brooklyn Park MN        | 118,111                 | 547,587  | None   | 333               | 118,111  | 547,920  | 666,031   |
| Eagan MN                | 112,127                 | 519,845  | None   | 925               | 112,127  | 520,770  | 632,897   |
| Eden Prairie MN         | 124,286                 | 576,243  | None   | 333               | 124,286  | 576,576  | 700,862   |
| Maple Grove MN          | 313,250                 | 660,149  | None   | 460               | 313,250  | 660,609  | 973,859   |
| Plymouth MN             | 134,221                 | 622,350  | None   | 182               | 134,221  | 622,532  | 756,753   |
| White Bear Lake MN      | 242,165                 | 537,856  | None   | 460               | 242,165  | 538,316  | 780,481   |
| Florissant MO           | 181,300                 | 402,672  | 23,000   | 41                | 181,300  | 425,713  | 607,013   |
| Florissant MO           | 318,500                 | 707,399  | None   | None              | 318,500  | 707,399  | 1,025,899 |
| Gladstone MO            | 294,000                 | 652,987  | None   | 326               | 294,000  | 653,313  | 947,313   |
| Lee's Summit MO         | 239,627                 | 532,220  | None   | 179               | 239,627  | 532,399  | 772,026   |
| Lee's Summit MO         | 330,000                 | 993,787  | None   | None              | 330,000  | 993,787  | 1,323,787 |
| Lee's Summit MO         | 313,740                 | 939,367  | None   | None              | 313,740  | 939,367  | 1,253,107 |
| Liberty MO              | 65,400                  | 303,211  | 25,000   | None              | 65,400   | 328,211  | 393,611   |
| North Kansas City MO    | 307,784                 | 910,401  | None   | None              | 307,784  | 910,401  | 1,218,185 |
| Pearl MS                | 121,801                 | 270,524  | 18,837   | 11,896            | 121,801  | 301,257  | 423,058   |
| Cary NC                 | 75,200                  | 262,973  | 15,000   | 94                | 75,200   | 278,067  | 353,267   |
| Charlotte NC            | 27,551                  | 247,000  | None   | 168               | 27,551   | 247,168  | 274,719   |
| Charlotte NC            | 134,582                 | 268,222  | 24,478   | 139               | 134,582  | 292,839  | 427,421   |
| Concord NC              | 32,441                  | 190,859  | None   | 139               | 32,441   | 190,998  | 223,439   |
| Durham NC               | 175,700                 | 390,234  | 26,312   | 94                | 175,700  | 416,640  | 592,340   |
| Durham NC               | 220,728                 | 429,380  | None   | 270               | 220,728  | 429,650  | 650,378   |
| Durham NC               | 238,000                 | 471,201  | 5,375  | 25                | 238,000  | 476,601  | 714,601   |
| Kernersville NC         | 162,216                 | 316,300  | None   | 316               | 162,216  | 316,616  | 478,832   |
| Bellevue NE             | 60,568                  | 280,819  | None   | 345               | 60,568   | 281,164  | 341,732   |
| Omaha NE                | 60,500                  | 280,491  | None   | 179               | 60,500   | 280,670  | 341,170   |

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|               |    |         |         |        |      |         |         |           |
|---------------|----|---------|---------|--------|------|---------|---------|-----------|
| Omaha         | NE | 53,000  | 245,720 | 22,027 | 179  | 53,000  | 267,926 | 320,926   |
| Omaha         | NE | 142,867 | 317,315 | None   | 312  | 142,867 | 317,627 | 460,494   |
| Londonderry   | NH | 335,467 | 745,082 | None   | 332  | 335,467 | 745,414 | 1,080,881 |
| Clementon     | NJ | 279,851 | 554,060 | None   | 399  | 279,851 | 554,459 | 834,310   |
| Las Vegas     | NV | 201,250 | 446,983 | None   | 126  | 201,250 | 447,109 | 648,359   |
| Sparks        | NV | 244,752 | 543,605 | 19,912 | 285  | 244,752 | 563,802 | 808,554   |
| Beavercreek   | OH | 179,552 | 398,786 | None   | 273  | 179,552 | 399,059 | 578,611   |
| Centerville   | OH | 174,519 | 387,613 | None   | 273  | 174,519 | 387,886 | 562,405   |
| Dublin        | OH | 84,000  | 389,446 | None   | 230  | 84,000  | 389,676 | 473,676   |
| Englewood     | OH | 74,000  | 343,083 | None   | 327  | 74,000  | 343,410 | 417,410   |
| Forest Park   | OH | 170,778 | 379,305 | None   | 151  | 170,778 | 379,456 | 550,234   |
| Huber Heights | OH | 245,000 | 544,153 | None   | 176  | 245,000 | 544,329 | 789,329   |
| Loveland      | OH | 206,136 | 457,829 | 23,656 | 23   | 206,136 | 481,508 | 687,644   |
| Pickerington  | OH | 87,580  | 406,055 | None   | None | 87,580  | 406,055 | 493,635   |
| Westerville   | OH | 82,000  | 380,173 | None   | 122  | 82,000  | 380,295 | 462,295   |
| Westerville   | OH | 294,350 | 646,557 | None   | 176  | 294,350 | 646,733 | 941,083   |
| Broken Arrow  | OK | 78,705  | 220,434 | None   | None | 78,705  | 220,434 | 299,139   |
| Midwest City  | OK | 67,800  | 314,338 | None   | 124  | 67,800  | 314,462 | 382,262   |
| Oklahoma City | OK | 50,800  | 214,474 | None   | 173  | 50,800  | 214,647 | 265,447   |
| Oklahoma City | OK | 79,000  | 366,261 | 17,659 | 173  | 79,000  | 384,093 | 463,093   |
| Yukon         | OK | 61,000  | 282,812 | 27,000 | 173  | 61,000  | 309,985 | 370,985   |
| Beaverton     | OR | 135,148 | 626,647 | None   | 249  | 135,148 | 626,896 | 762,044   |

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| Description<br>(Note 1) | Initial Cost to Company |  | Cost Capitalized<br>Subsequent<br>to Acquisition |                   | Gross Amount at Which Carried<br>at Close of Period (Notes 2, 3, 5, 6 and 7) |  |           |
|-------------------------|-------------------------|--|--|-------------------|--|--|-----------|
|                         | Land                    | Buildings,<br>Improvements<br>and<br>Acquisition<br>Fees | Improvements                                     | Carrying<br>Costs | Land   | Buildings,<br>Improvements<br>and<br>Acquisition<br>Fees | Total     |
| Charleston SC           | 125,593                 | 278,947  | None   | 361               | 125,593  | 279,308  | 404,901   |
| Charleston SC           | 140,700                 | 312,498  | 25,000   | 223               | 140,700  | 337,721  | 478,421   |
| Columbia SC             | 58,160                  | 269,643  | None   | 330               | 58,160   | 269,973  | 328,133   |
| Elgin SC                | 160,831                 | 313,600  | None   | 223               | 160,831  | 313,823  | 474,654   |
| Goose Creek SC          | 61,635                  | 192,905  | None   | 223               | 61,635   | 193,128  | 254,763   |
| Summerville SC          | 44,400                  | 174,500  | None   | 168               | 44,400   | 174,668  | 219,068   |
| Sumter SC               | 56,010                  | 268,903  | None   | 1,351             | 56,010   | 270,254  | 326,264   |
| Memphis TN              | 238,263                 | 504,897  | None   | 248               | 238,263  | 505,145  | 743,408   |
| Memphis TN              | 238,000                 | 528,608  | None   | 349               | 238,000  | 528,957  | 766,957   |
| Nashville TN            | 274,298                 | 609,223  | None   | 293               | 274,298  | 609,516  | 883,814   |
| Arlington TX            | 82,109                  | 380,677  | None   | 149               | 82,109   | 380,826  | 462,935   |
| Arlington TX            | 238,000                 | 528,604  | 16,747   | 404               | 238,000  | 545,755  | 783,755   |
| Arlington TX            | 241,500                 | 550,559  | 33,725   | 13,377            | 241,500  | 597,661  | 839,161   |
| Austin TX               | 103,600                 | 230,532  | 8,750  | 142               | 103,600  | 239,424  | 343,024   |
| Austin TX               | 88,872                  | 222,684  | 48,416   | 14,887            | 88,872   | 285,987  | 374,859   |
| Austin TX               | 134,383                 | 623,103  | None   | 566               | 134,383  | 623,669  | 758,052   |
| Austin TX               | 236,733                 | 640,023  | 36,746   | 11,951            | 236,733  | 688,720  | 925,453   |
| Austin TX               | 191,636                 | 425,629  | 15,530   | 294               | 191,636  | 441,453  | 633,089   |
| Austin TX               | 217,878                 | 483,913  | 29,469   | None              | 217,878  | 513,382  | 731,260   |
| Bedford TX              | 241,500                 | 550,559  | None   | 73                | 241,500  | 550,632  | 792,132   |
| Carrollton TX           | 277,850                 | 617,113  | 12,086   | 18,283            | 277,850  | 647,482  | 925,332   |
| Cedar Park TX           | 168,857                 | 375,036  | 5,200  | 142               | 168,857  | 380,378  | 549,235   |
| Colleyville TX          | 250,000                 | 1,070,360  | None   | None              | 250,000  | 1,070,360  | 1,320,360 |
| Converse TX             | 217,000                 | 481,963  | None   | 294               | 217,000  | 482,257  | 699,257   |
| Corinth TX              | 285,000                 | 1,041,626  | None   | None              | 285,000  | 1,041,626  | 1,326,626 |
| Denton TX               | 192,777                 | 428,121  | None   | 237               | 192,777  | 428,358  | 621,135   |
| Eules TX                | 234,111                 | 519,962  | None   | 217               | 234,111  | 520,179  | 754,290   |
| Flower Mound TX         | 202,773                 | 442,845  | 8,877  | 9,358             | 202,773  | 461,080  | 663,853   |
| Flower Mound TX         | 281,735                 | 1,099,726  | None   | None              | 281,735  | 1,099,726  | 1,381,461 |
| Fort Worth TX           | 85,518                  | 396,495  | 24,625   | 95                | 85,518   | 421,215  | 506,733   |
| Fort Worth TX           | 238,000                 | 528,608  | None   | 95                | 238,000  | 528,703  | 766,703   |
| Fort Worth TX           | 216,160                 | 427,962  | None   | 95                | 216,160  | 428,057  | 644,217   |
| Garland TX              | 211,050                 | 468,749  | 19,199   | 17,516            | 211,050  | 505,464  | 716,514   |
| Grand Prairie TX        | 167,164                 | 371,276  | 30,086   | 19,492            | 167,164  | 420,854  | 588,018   |
| Houston TX              | 60,000                  | 278,175  | None   | 263               | 60,000   | 278,438  | 338,438   |
| Houston TX              | 139,125                 | 308,997  | 19,128   | 3,036             | 139,125  | 331,161  | 470,286   |
| Houston TX              | 141,296                 | 313,824  | 12,442   | 7                 | 141,296  | 326,273  | 467,569   |

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|             |    |         |           |        |        |         |           |           |
|-------------|----|---------|-----------|--------|--------|---------|-----------|-----------|
| Houston     | TX | 219,100 | 486,631   | None   | 256    | 219,100 | 486,887   | 705,987   |
| Houston     | TX | 149,109 | 323,314   | None   | 14,118 | 149,109 | 337,432   | 486,541   |
| Houston     | TX | 294,582 | 919,276   | None   | None   | 294,582 | 919,276   | 1,213,858 |
| Humble      | TX | 278,915 | 1,034,868 | None   | None   | 278,915 | 1,034,868 | 1,313,783 |
| Katy        | TX | 309,898 | 983,041   | None   | None   | 309,898 | 983,041   | 1,292,939 |
| Mansfield   | TX | 181,375 | 402,839   | 46,878 | 17,315 | 181,375 | 467,032   | 648,407   |
| Mesquite    | TX | 85,000  | 394,079   | 9,855  | 12,885 | 85,000  | 416,819   | 501,819   |
| Mesquite    | TX | 139,466 | 326,525   | 7,902  | 343    | 139,466 | 334,770   | 474,236   |
| Pasadena    | TX | 60,000  | 278,173   | 8,630  | 10     | 60,000  | 286,813   | 346,813   |
| Plano       | TX | 261,912 | 581,658   | 30,831 | 18,311 | 261,912 | 630,800   | 892,712   |
| Plano       | TX | 250,514 | 556,399   | None   | 73     | 250,514 | 556,472   | 806,986   |
| Plano       | TX | 259,000 | 575,246   | None   | 124    | 259,000 | 575,370   | 834,370   |
| Round Rock  | TX | 80,525  | 373,347   | None   | 552    | 80,525  | 373,899   | 454,424   |
| Round Rock  | TX | 186,380 | 413,957   | 30,800 | 266    | 186,380 | 445,023   | 631,403   |
| San Antonio | TX | 130,833 | 606,596   | None   | 115    | 130,833 | 606,711   | 737,544   |
| San Antonio | TX | 102,512 | 475,288   | None   | 456    | 102,512 | 475,744   | 578,256   |
| San Antonio | TX | 81,530  | 378,007   | None   | 266    | 81,530  | 378,273   | 459,803   |
| San Antonio | TX | 139,125 | 308,997   | 30,885 | 13,246 | 139,125 | 353,128   | 492,253   |
| San Antonio | TX | 181,412 | 402,923   | None   | 418    | 181,412 | 403,341   | 584,753   |

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| Description<br>(Note 1) | Initial Cost to Company |  | Cost Capitalized<br>Subsequent<br>to Acquisition |                   | Gross Amount at Which Carried<br>at Close of Period (Notes 2, 3, 5, 6 and 7) |  |            | Total |
|-------------------------|-------------------------|--|--|-------------------|--|--|------------|-------|
|                         | Land                    | Buildings,<br>Improvements<br>and<br>Acquisition<br>Fees | Improvements                                     | Carrying<br>Costs | Land   | Buildings,<br>Improvements<br>and<br>Acquisition<br>Fees |            |       |
| San Antonio TX          | 234,500                 | 520,831  | None   | 304               | 234,500  | 521,135  | 755,635    |       |
| San Antonio TX          | 217,000                 | 481,967  | None   | 276               | 217,000  | 482,243  | 699,243    |       |
| San Antonio TX          | 182,868                 | 406,155  | 18,940   | None              | 182,868  | 425,095  | 607,963    |       |
| San Antonio TX          | 220,500                 | 447,108  | None   | 276               | 220,500  | 447,384  | 667,884    |       |
| Southlake TX            | 228,279                 | 511,750  | None   | 95                | 228,279  | 511,845  | 740,124    |       |
| Sugar Land TX           | 339,310                 | 1,000,876  | None   | None              | 339,310  | 1,000,876  | 1,340,186  |       |
| Layton UT               | 136,574                 | 269,008  | None   | 314               | 136,574  | 269,322  | 405,896    |       |
| Sandy UT                | 168,089                 | 373,330  | None   | 314               | 168,089  | 373,644  | 541,733    |       |
| Centreville VA          | 371,000                 | 824,003  | None   | 223               | 371,000  | 824,226  | 1,195,226  |       |
| Chesapeake VA           | 190,050                 | 422,107  | 24,568   | 94                | 190,050  | 446,769  | 636,819    |       |
| Glen Allen VA           | 74,643                  | 346,060  | None   | 223               | 74,643   | 346,283  | 420,926    |       |
| Portsmouth VA           | 171,575                 | 381,073  | 24,932   | 203               | 171,575  | 406,208  | 577,783    |       |
| Richmond VA             | 71,001                  | 327,771  | None   | 129               | 71,001   | 327,900  | 398,901    |       |
| Richmond VA             | 269,500                 | 598,567  | None   | 199               | 269,500  | 598,766  | 868,266    |       |
| Virginia Beach          | 69,080                  | 320,270  | None   | 13,825            | 69,080   | 334,095  | 403,175    |       |
| Woodbridge VA           | 358,050                 | 795,239  | None   | 407               | 358,050  | 795,646  | 1,153,696  |       |
| Federal Way WA          | 150,785                 | 699,101  | None   | 117               | 150,785  | 699,218  | 850,003    |       |
| Federal Way WA          | 261,943                 | 581,782  | 27,500   | None              | 261,943  | 609,282  | 871,225    |       |
| Kent WA                 | 128,300                 | 539,141  | None   | None              | 128,300  | 539,141  | 667,441    |       |
| Kent WA                 | 140,763                 | 678,809  | None   | 117               | 140,763  | 678,926  | 819,689    |       |
| Kirkland WA             | 301,000                 | 668,534  | None   | None              | 301,000  | 668,534  | 969,534    |       |
| Puyallup WA             | 195,552                 | 434,327  | 27,000   | None              | 195,552  | 461,327  | 656,879    |       |
| Redmond WA              | 279,830                 | 621,513  | None   | 117               | 279,830  | 621,630  | 901,460    |       |
| Renton WA               | 111,183                 | 515,490  | None   | None              | 111,183  | 515,490  | 626,673    |       |
| Appleton WI             | 196,000                 | 424,038  | None   | 354               | 196,000  | 424,392  | 620,392    |       |
| Waukesha WI             | 233,100                 | 461,500  | None   | 354               | 233,100  | 461,854  | 694,954    |       |
| Waukesha WI             | 215,950                 | 427,546  | None   | 354               | 215,950  | 427,900  | 643,850    |       |
| Consumer Electronics    |                         |  |  |                   |  |  |            |       |
| Mary Esther FL          | 149,696                 | 363,263  | None   | None              | 149,696  | 363,263  | 512,959    |       |
| Merritt Island          | 309,652                 | 482,459  | None   | None              | 309,652  | 482,459  | 792,111    |       |
| Smyrna GA               | 1,094,058               | 3,090,236  | None   | None              | 1,094,058  | 3,090,236  | 4,184,294  |       |
| Richmond IN             | 93,999                  | 193,753  | None   | None              | 93,999   | 193,753  | 287,752    |       |
| Jackson MI              | 550,162                 | 571,590  | None   | None              | 550,162  | 571,590  | 1,121,752  |       |
| Tupelo MS               | 121,697                 | 637,691  | None   | 15                | 121,697  | 637,706  | 759,403    |       |
| Pineville NC            | 567,864                 | 840,284  | 3,125  | 19,654            | 567,864  | 863,063  | 1,430,927  |       |
| Westbury NY             | 6,333,590               | 3,952,773  | 4,073  | None              | 6,333,590  | 3,956,846  | 10,290,436 |       |

**Convenience  
Stores**

|             |    |         |           |      |      |         |           |           |
|-------------|----|---------|-----------|------|------|---------|-----------|-----------|
| Daphne      | AL | 140,000 | 391,637   | None | None | 140,000 | 391,637   | 531,637   |
| Mobile      | AL | 190,000 | 301,637   | None | None | 190,000 | 301,637   | 491,637   |
| Mobile      | AL | 180,000 | 421,637   | None | None | 180,000 | 421,637   | 601,637   |
| Florence    | AZ | 150,000 | 371,637   | None | None | 150,000 | 371,637   | 521,637   |
| Gilbert     | AZ | 680,000 | 1,111,637 | None | None | 680,000 | 1,111,637 | 1,791,637 |
| Litchfield  | AZ | 610,000 | 531,637   | None | None | 610,000 | 531,637   | 1,141,637 |
| <b>Park</b> |    |         |           |      |      |         |           |           |
| Marana      | AZ | 180,000 | 331,637   | None | None | 180,000 | 331,637   | 511,637   |
| Marana      | AZ | 330,000 | 911,637   | None | None | 330,000 | 911,637   | 1,241,637 |
| Maricopa    | AZ | 170,000 | 361,637   | None | None | 170,000 | 361,637   | 531,637   |
| Mesa        | AZ | 560,000 | 821,637   | None | None | 560,000 | 821,637   | 1,381,637 |
| Mesa        | AZ | 750,000 | 1,071,637 | None | None | 750,000 | 1,071,637 | 1,821,637 |
| Mesa        | AZ | 810,000 | 1,061,637 | None | None | 810,000 | 1,061,637 | 1,871,637 |
| Mesa        | AZ | 890,000 | 1,081,637 | None | None | 890,000 | 1,081,637 | 1,971,637 |
| Mesa        | AZ | 780,000 | 1,071,637 | None | None | 780,000 | 1,071,637 | 1,851,637 |
| Mesa        | AZ | 900,000 | 1,191,637 | None | None | 900,000 | 1,191,637 | 2,091,637 |
| Payson      | AZ | 210,000 | 351,637   | None | None | 210,000 | 351,637   | 561,637   |

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| Description<br>(Note 1) | Initial Cost to Company |  |                       | Cost Capitalized<br>Subsequent<br>to Acquisition | Gross Amount at Which Carried<br>at Close of Period (Notes 2, 3, 5, 6 and 7) |  |           | Acc<br>Dep<br>(1) |
|-------------------------|-------------------------|--|-----------------------|--|--|--|-----------|-------------------|
|                         | Land                    | Buildings,<br>Improvements<br>and<br>Acquisition<br>Fees | Improvements<br>Costs | Carrying   | Land   | Buildings,<br>Improvements<br>and<br>Acquisition<br>Fees | Total     |                   |
| Payson AZ               | 260,000                 | 311,637  | None                  | None   | 260,000  | 311,637  | 571,637   |                   |
| Peoria AZ               | 520,000                 | 751,637  | None                  | None   | 520,000  | 751,637  | 1,271,637 |                   |
| Phoenix AZ              | 440,000                 | 511,637  | None                  | None   | 440,000  | 511,637  | 951,637   |                   |
| Phoenix AZ              | 360,000                 | 421,637  | None                  | None   | 360,000  | 421,637  | 781,637   |                   |
| Phoenix AZ              | 710,000                 | 591,637  | None                  | None   | 710,000  | 591,637  | 1,301,637 |                   |
| Phoenix AZ              | 320,000                 | 661,637  | None                  | None   | 320,000  | 661,637  | 981,637   |                   |
| Phoenix AZ              | 450,000                 | 651,637  | None                  | None   | 450,000  | 651,637  | 1,101,637 |                   |
| Phoenix AZ              | 430,000                 | 711,637  | None                  | None   | 430,000  | 711,637  | 1,141,637 |                   |
| Phoenix AZ              | 730,000                 | 931,637  | None                  | None   | 730,000  | 931,637  | 1,661,637 |                   |
| Phoenix AZ              | 400,000                 | 931,637  | None                  | None   | 400,000  | 931,637  | 1,331,637 |                   |
| Phoenix AZ              | 790,000                 | 1,051,637  | None                  | None   | 790,000  | 1,051,637  | 1,841,637 |                   |
| Pinetop AZ              | 170,000                 | 311,637  | None                  | None   | 170,000  | 311,637  | 481,637   |                   |
| Queen<br>Creek AZ       | 520,000                 | 891,637  | None                  | None   | 520,000  | 891,637  | 1,411,637 |                   |
| Scottsdale AZ           | 210,000                 | 201,637  | None                  | None   | 210,000  | 201,637  | 411,637   |                   |
| Scottsdale AZ           | 660,000                 | 1,031,637  | None                  | None   | 660,000  | 1,031,637  | 1,691,637 |                   |
| Sierra Vista AZ         | 110,000                 | 301,637  | None                  | None   | 110,000  | 301,637  | 411,637   |                   |
| Tempe AZ                | 620,000                 | 1,071,637  | None                  | None   | 620,000  | 1,071,637  | 1,691,637 |                   |
| Tempe AZ                | 270,000                 | 461,637  | None                  | None   | 270,000  | 461,637  | 731,637   |                   |
| Tolleson AZ             | 460,000                 | 1,231,637  | None                  | None   | 460,000  | 1,231,637  | 1,691,637 |                   |
| Tombstone AZ            | 110,000                 | 381,637  | None                  | None   | 110,000  | 381,637  | 491,637   |                   |
| Tucson AZ               | 220,000                 | 311,637  | None                  | None   | 220,000  | 311,637  | 531,637   |                   |
| Tucson AZ               | 240,000                 | 341,637  | None                  | None   | 240,000  | 341,637  | 581,637   |                   |
| Tucson AZ               | 550,000                 | 511,637  | None                  | None   | 550,000  | 511,637  | 1,061,637 |                   |
| Tucson AZ               | 126,000                 | 234,565  | None                  | None   | 126,000  | 234,565  | 360,565   |                   |
| Wellton AZ              | 120,000                 | 291,637  | None                  | None   | 120,000  | 291,637  | 411,637   |                   |
| Wickenburg AZ           | 150,000                 | 291,637  | None                  | None   | 150,000  | 291,637  | 441,637   |                   |
| Manchester CT           | 118,262                 | 305,510  | None                  | None   | 118,262  | 305,510  | 423,772   |                   |
| Vernon CT               | 179,646                 | 319,372  | None                  | None   | 179,646  | 319,372  | 499,018   |                   |
| Westbrook CT            | 98,247                  | 373,340  | None                  | None   | 98,247   | 373,340  | 471,587   |                   |
| Camden DE               | 113,811                 | 174,435  | None                  | None   | 113,811  | 174,435  | 288,246   |                   |
| Camden DE               | 250,528                 | 379,165  | None                  | None   | 250,528  | 379,165  | 629,693   |                   |
| Dewey DE                | 147,465                 | 224,665  | None                  | None   | 147,465  | 224,665  | 372,130   |                   |
| Dover DE                | 278,804                 | 421,707  | None                  | None   | 278,804  | 421,707  | 700,511   |                   |
| Dover DE                | 367,137                 | 554,207  | None                  | None   | 367,137  | 554,207  | 921,344   |                   |
| Dover DE                | 367,425                 | 554,884  | None                  | None   | 367,425  | 554,884  | 922,309   |                   |
| Felton DE               | 307,260                 | 464,391  | None                  | None   | 307,260  | 464,391  | 771,651   |                   |
| Greenwood DE            | 632,303                 | 1,176,711  | None                  | None   | 632,303  | 1,176,711  | 1,809,014 |                   |
| Harrington DE           | 563,812                 | 849,220  | None                  | None   | 563,812  | 849,220  | 1,413,032 |                   |

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|             |    |         |         |      |      |         |         |           |
|-------------|----|---------|---------|------|------|---------|---------|-----------|
| Milford     | DE | 310,049 | 468,575 | None | None | 310,049 | 468,575 | 778,624   |
| Newcastle   | DE | 589,325 | 887,488 | None | None | 589,325 | 887,488 | 1,476,813 |
| Smyrna      | DE | 121,774 | 186,436 | None | None | 121,774 | 186,436 | 308,210   |
| Smyrna      | DE | 401,135 | 605,332 | None | None | 401,135 | 605,332 | 1,006,467 |
| Townsend    | DE | 241,416 | 365,749 | None | None | 241,416 | 365,749 | 607,165   |
| Wilmington  | DE | 280,682 | 424,525 | None | None | 280,682 | 424,525 | 705,207   |
| Archer      | FL | 296,238 | 578,145 | None | None | 296,238 | 578,145 | 874,383   |
| Bushnell    | FL | 130,000 | 291,637 | None | None | 130,000 | 291,637 | 421,637   |
| Clearwater  | FL | 359,792 | 311,845 | None | None | 359,792 | 311,845 | 671,637   |
| Cocoa       | FL | 323,827 | 287,810 | None | None | 323,827 | 287,810 | 611,637   |
| Deltona     | FL | 140,000 | 321,637 | None | None | 140,000 | 321,637 | 461,637   |
| Ellenton    | FL | 250,000 | 261,637 | None | None | 250,000 | 261,637 | 511,637   |
| Englewood   | FL | 270,000 | 331,637 | None | None | 270,000 | 331,637 | 601,637   |
| Gainesville | FL | 515,834 | 873,187 | None | None | 515,834 | 873,187 | 1,389,021 |
| Gainesville | FL | 480,318 | 600,633 | None | None | 480,318 | 600,633 | 1,080,951 |
| Gainesville | FL | 347,310 | 694,859 | None | None | 347,310 | 694,859 | 1,042,169 |
| Gainesville | FL | 339,263 | 658,807 | None | None | 339,263 | 658,807 | 998,070   |
| Gainesville | FL | 351,921 | 552,557 | None | None | 351,921 | 552,557 | 904,478   |

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| Description<br>(Note 1) | Initial Cost to Company |  |                       | Cost Capitalized<br>Subsequent<br>to Acquisition | Gross Amount at Which Carried<br>at Close of Period (Notes 2, 3, 5, 6 and 7) |  |           |
|-------------------------|-------------------------|--|-----------------------|--|--|--|-----------|
|                         | Land                    | Buildings,<br>Improvements<br>and<br>Acquisition<br>Fees | Improvements<br>Costs | Carrying   | Land   | Buildings,<br>Improvements<br>and<br>Acquisition<br>Fees | Total     |
| Gainesville FL          | 500,032                 | 850,291  | None                  | None   | 500,032  | 850,291  | 1,350,323 |
| Homosassa Springs FL    | 740,000                 | 621,637  | None                  | None   | 740,000  | 621,637  | 1,361,637 |
| Hudson FL               | 300,000                 | 351,637  | None                  | None   | 300,000  | 351,637  | 651,637   |
| Intercession City FL    | 161,776                 | 319,861  | None                  | None   | 161,776  | 319,861  | 481,637   |
| Jacksonville FL         | 266,111                 | 494,206  | None                  | None   | 266,111  | 494,206  | 760,317   |
| Jacksonville Bch FL     | 522,188                 | 371,885  | None                  | None   | 522,188  | 371,885  | 894,073   |
| Key West FL             | 873,700                 | 627,937  | None                  | None   | 873,700  | 627,937  | 1,501,637 |
| Key West FL             | 492,785                 | 208,852  | None                  | None   | 492,785  | 208,852  | 701,637   |
| Lakeland FL             | 527,076                 | 464,561  | None                  | None   | 527,076  | 464,561  | 991,637   |
| Lakeland FL             | 300,000                 | 321,637  | None                  | None   | 300,000  | 321,637  | 621,637   |
| Lakeport FL             | 180,342                 | 331,295  | None                  | None   | 180,342  | 331,295  | 511,637   |
| Land O'Lakes FL         | 120,000                 | 361,637  | None                  | None   | 120,000  | 361,637  | 481,637   |
| Lutz FL                 | 480,000                 | 421,637  | None                  | None   | 480,000  | 421,637  | 901,637   |
| Naples FL               | 150,000                 | 301,637  | None                  | None   | 150,000  | 301,637  | 451,637   |
| Naples FL               | 620,000                 | 381,637  | None                  | None   | 620,000  | 381,637  | 1,001,637 |
| New Port Richey FL      | 190,000                 | 601,637  | None                  | None   | 190,000  | 601,637  | 791,637   |
| North Fort Meyers FL    | 140,000                 | 281,637  | None                  | None   | 140,000  | 281,637  | 421,637   |
| Okeechobee FL           | 195,075                 | 346,562  | None                  | None   | 195,075  | 346,562  | 541,637   |
| Orlando FL              | 240,000                 | 301,637  | None                  | None   | 240,000  | 301,637  | 541,637   |
| Palm Bay FL             | 230,880                 | 300,757  | None                  | None   | 230,880  | 300,757  | 531,637   |
| Palm Harbor FL          | 510,000                 | 381,637  | None                  | None   | 510,000  | 381,637  | 891,637   |
| Panama City FL          | 210,000                 | 431,637  | None                  | None   | 210,000  | 431,637  | 641,637   |
| Pensacola FL            | 168,000                 | 312,727  | None                  | None   | 168,000  | 312,727  | 480,727   |
| Port Charlotte FL       | 170,000                 | 311,637  | None                  | None   | 170,000  | 311,637  | 481,637   |
| Port Orange FL          | 609,438                 | 512,199  | None                  | None   | 609,438  | 512,199  | 1,121,637 |
| Pt Charlotte FL         | 200,000                 | 356,637  | None                  | None   | 200,000  | 356,637  | 556,637   |
| Punta Gorda FL          | 400,000                 | 511,637  | None                  | None   | 400,000  | 511,637  | 911,637   |
| Tallahassee FL          | 600,000                 | 341,637  | None                  | None   | 600,000  | 341,637  | 941,637   |
| Tampa FL                | 300,000                 | 301,637  | None                  | None   | 300,000  | 301,637  | 601,637   |
| Tampa FL                | 380,000                 | 361,637  | None                  | None   | 380,000  | 361,637  | 741,637   |
| Tampa FL                | 320,000                 | 591,637  | None                  | None   | 320,000  | 591,637  | 911,637   |
| Webster FL              | 640,000                 | 1,071,637  | None                  | None   | 640,000  | 1,071,637  | 1,711,637 |

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|                |    |         |         |      |      |         |         |           |
|----------------|----|---------|---------|------|------|---------|---------|-----------|
| Winter Springs | FL | 150,000 | 291,637 | None | None | 150,000 | 291,637 | 441,637   |
| Augusta        | GA | 620,000 | 383,232 | None | None | 620,000 | 383,232 | 1,003,232 |
| Augusta        | GA | 540,000 | 337,853 | None | None | 540,000 | 337,853 | 877,853   |
| Augusta        | GA | 510,000 | 392,929 | None | None | 510,000 | 392,929 | 902,929   |
| Augusta        | GA | 180,000 | 422,020 | None | None | 180,000 | 422,020 | 602,020   |
| Augusta        | GA | 260,000 | 392,171 | None | None | 260,000 | 392,171 | 652,171   |
| Augusta        | GA | 240,000 | 451,637 | None | None | 240,000 | 451,637 | 691,637   |
| Cahutta        | GA | 437,500 | 813,742 | None | None | 437,500 | 813,742 | 1,251,242 |
| Calhoun        | GA | 122,500 | 228,742 | None | None | 122,500 | 228,742 | 351,242   |
| Calhoun        | GA | 262,500 | 488,742 | None | None | 262,500 | 488,742 | 751,242   |
| Cartersville   | GA | 262,500 | 488,742 | None | None | 262,500 | 488,742 | 751,242   |
| Chatsworth     | GA | 140,000 | 261,242 | None | 47   | 140,000 | 261,289 | 401,289   |
| Chatsworth     | GA | 140,000 | 261,242 | None | 47   | 140,000 | 261,289 | 401,289   |
| Chatsworth     | GA | 140,000 | 261,242 | None | 47   | 140,000 | 261,289 | 401,289   |
| Chickamauga    | GA | 181,731 | 338,742 | None | None | 181,731 | 338,742 | 520,473   |
| Dalton         | GA | 171,500 | 319,742 | None | None | 171,500 | 319,742 | 491,242   |
| Dalton         | GA | 87,500  | 163,742 | None | None | 87,500  | 163,742 | 251,242   |
| Dalton         | GA | 485,650 | 903,162 | None | None | 485,650 | 903,162 | 1,388,812 |
| Dalton         | GA | 146,000 | 272,385 | None | None | 146,000 | 272,385 | 418,385   |
| Dalton         | GA | 420,000 | 781,242 | None | None | 420,000 | 781,242 | 1,201,242 |
| Dalton         | GA | 210,000 | 391,242 | None | None | 210,000 | 391,242 | 601,242   |
| Dalton         | GA | 332,500 | 618,742 | None | None | 332,500 | 618,742 | 951,242   |
| Decatur        | GA | 529,383 | 532,429 | None | None | 529,383 | 532,429 | 1,061,812 |
| Dunwoody       | GA | 545,462 | 724,254 | None | None | 545,462 | 724,254 | 1,269,716 |

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| Description<br>(Note 1) | Initial Cost to Company |  | Cost Capitalized<br>Subsequent<br>to Acquisition |          | Gross Amount at Which Carried<br>at Close of Period (Notes 2, 3, 5, 6 and 7) |  |           |
|-------------------------|-------------------------|--|--|----------|--|--|-----------|
|                         | Land                    | Buildings,<br>Improvements<br>and<br>Acquisition<br>Fees | Improvements<br>Costs                            | Carrying | Land   | Buildings,<br>Improvements<br>and<br>Acquisition<br>Fees | Total     |
| Flintstone GA           | 157,500                 | 293,742  | None   | None     | 157,500  | 293,742  | 451,242   |
| Lafayette GA            | 122,500                 | 228,742  | None   | None     | 122,500  | 228,742  | 351,242   |
| Lithonia GA             | 386,784                 | 776,436  | None   | None     | 386,784  | 776,436  | 1,163,220 |
| Mableton GA             | 491,069                 | 355,957  | None   | None     | 491,069  | 355,957  | 847,026   |
| Martinez GA             | 450,000                 | 402,777  | None   | None     | 450,000  | 402,777  | 852,777   |
| Martinez GA             | 830,000                 | 871,637  | None   | None     | 830,000  | 871,637  | 1,701,637 |
| Norcross GA             | 384,162                 | 651,273  | None   | None     | 384,162  | 651,273  | 1,035,435 |
| Ringgold GA             | 350,000                 | 651,242  | None   | None     | 350,000  | 651,242  | 1,001,242 |
| Ringgold GA             | 234,500                 | 1,168,914  | None   | None     | 234,500  | 1,168,914  | 1,403,414 |
| Ringgold GA             | 385,000                 | 716,242  | -21,175  | None     | 363,825  | 716,242  | 1,080,067 |
| Ringgold GA             | 482,251                 | 896,851  | None   | None     | 482,251  | 896,851  | 1,379,102 |
| Rocky Face GA           | 164,231                 | 306,241  | None   | None     | 164,231  | 306,241  | 470,472   |
| Rome GA                 | 210,000                 | 391,242  | None   | None     | 210,000  | 391,242  | 601,242   |
| Rome GA                 | 199,199                 | 371,183  | None   | None     | 199,199  | 371,183  | 570,382   |
| Rome GA                 | 201,791                 | 375,997  | None   | None     | 201,791  | 375,997  | 577,788   |
| Rome GA                 | 315,000                 | 586,242  | None   | None     | 315,000  | 586,242  | 901,242   |
| Rossville GA            | 157,500                 | 293,742  | None   | None     | 157,500  | 293,742  | 451,242   |
| Summerville GA          | 66,231                  | 124,242  | None   | None     | 66,231   | 124,242  | 190,473   |
| Trenton GA              | 129,231                 | 241,242  | None   | None     | 129,231  | 241,242  | 370,473   |
| Belvidere IL            | 768,748                 | 1,426,176  | 1,500  | None     | 768,748  | 1,427,676  | 2,196,424 |
| Dekalb IL               | 661,500                 | 1,226,500  | 2,000  | None     | 661,500  | 1,228,500  | 1,890,000 |
| Godfrey IL              | 374,586                 | 733,190  | None   | 314      | 374,586  | 733,504  | 1,108,090 |
| Granite City IL         | 362,287                 | 737,255  | None   | 314      | 362,287  | 737,569  | 1,099,856 |
| Hartford IL             | 599,172                 | 1,110,747  | 2,000  | None     | 599,172  | 1,112,747  | 1,711,919 |
| Love's Park IL          | 547,582                 | 1,016,523  | 1,500  | None     | 547,582  | 1,018,023  | 1,565,605 |
| Loves Park IL           | 760,725                 | 1,410,775  | 2,000  | None     | 760,725  | 1,412,775  | 2,173,500 |
| Machesney Park IL       | 562,275                 | 1,043,225  | 1,000  | None     | 562,275  | 1,044,225  | 1,606,500 |
| Madison IL              | 173,812                 | 625,030  | None   | 314      | 173,812  | 625,344  | 799,156   |
| Marengo IL              | 501,948                 | 930,688  | 1,500  | None     | 501,948  | 932,188  | 1,434,136 |
| Rochelle IL             | 607,418                 | 1,128,145  | 1,000  | None     | 607,418  | 1,129,145  | 1,736,563 |
| Rockford IL             | 463,050                 | 858,450  | 1,500  | None     | 463,050  | 859,950  | 1,323,000 |
| Rockford IL             | 388,631                 | 720,244  | 1,500  | None     | 388,631  | 721,744  | 1,110,375 |
| Tuscola IL              | 752,456                 | 1,394,419  | 3,000  | None     | 752,456  | 1,397,419  | 2,149,875 |
| Albany IN               | 427,437                 | 794,632  | 2,000  | None     | 427,437  | 796,632  | 1,224,069 |
| Alexandria IN           | 139,219                 | 259,369  | None   | None     | 139,219  | 259,369  | 398,588   |
| Anderson IN             | 147,263                 | 274,307  | None   | None     | 147,263  | 274,307  | 421,570   |
| Anderson IN             | 283,430                 | 527,190  | 2,000  | None     | 283,430  | 529,190  | 812,620   |
| Elkhart IN              | 495,914                 | 922,471  | 1,500  | None     | 495,914  | 923,971  | 1,419,885 |

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|              |    |         |         |       |      |         |         |           |
|--------------|----|---------|---------|-------|------|---------|---------|-----------|
| Frankfort    | IN | 208,666 | 388,345 | 2,000 | None | 208,666 | 390,345 | 599,011   |
| Greenwood    | IN | 173,250 | 323,022 | None  | None | 173,250 | 323,022 | 496,272   |
| Hartford     | IN | 250,310 | 465,702 | 2,000 | None | 250,310 | 467,702 | 718,012   |
| City         |    |         |         |       |      |         |         |           |
| Indianapolis | IN | 129,938 | 242,134 | None  | None | 129,938 | 242,134 | 372,072   |
| Indianapolis | IN | 269,294 | 500,939 | 1,500 | None | 269,294 | 502,439 | 771,733   |
| Indianapolis | IN | 318,432 | 592,193 | 1,500 | None | 318,432 | 593,693 | 912,125   |
| Knox         | IN | 341,250 | 633,499 | 1,500 | None | 341,250 | 634,999 | 976,249   |
| Lafayette    | IN | 147,263 | 274,309 | None  | None | 147,263 | 274,309 | 421,572   |
| Lafayette    | IN | 112,613 | 209,959 | None  | None | 112,613 | 209,959 | 322,572   |
| Marion       | IN | 209,196 | 389,995 | 1,500 | None | 209,196 | 391,495 | 600,691   |
| Michigan     | IN | 227,500 | 422,249 | 1,500 | None | 227,500 | 423,749 | 651,249   |
| City         |    |         |         |       |      |         |         |           |
| Mishawaka    | IN | 123,983 | 231,743 | 2,000 | None | 123,983 | 233,743 | 357,726   |
| Morristown   | IN | 366,590 | 682,082 | 2,000 | None | 366,590 | 684,082 | 1,050,672 |
| Muncie       | IN | 103,950 | 193,870 | None  | None | 103,950 | 193,870 | 297,820   |
| Muncie       | IN | 184,237 | 342,974 | 2,000 | None | 184,237 | 344,974 | 529,211   |
| New Albany   | IN | 181,459 | 289,353 | None  | 211  | 181,459 | 289,564 | 471,023   |
| New Albany   | IN | 262,465 | 331,796 | None  | 211  | 262,465 | 332,007 | 594,472   |
| New Castle   | IN | 138,600 | 258,672 | None  | None | 138,600 | 258,672 | 397,272   |

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| Description<br>(Note 1) |    | Initial Cost to Company |  | Cost Capitalized<br>Subsequent<br>to Acquisition |                   | Gross Amount at Which Carried<br>at Close of Period (Notes 2, 3, 5, 6 and 7) |  | Total     |
|-------------------------|----|-------------------------|--|--|-------------------|--|--|-----------|
|                         |    | Land                    | Buildings,<br>Improvements<br>and<br>Acquisition<br>Fees | Improvements                                     | Carrying<br>Costs | Land   | Buildings,<br>Improvements<br>and<br>Acquisition<br>Fees |           |
| New Castle              | IN | 79,854                  | 149,572  | 1,000  | None              | 79,854   | 150,572  | 230,426   |
| New Castle              | IN | 203,941                 | 380,019  | 1,500  | None              | 203,941  | 381,519  | 585,460   |
| Richmond                | IN | 281,248                 | 523,589  | 1,500  | None              | 281,248  | 525,089  | 806,337   |
| Richmond                | IN | 255,908                 | 476,528  | 2,000  | None              | 255,908  | 478,528  | 734,436   |
| Rushville               | IN | 138,600                 | 258,672  | None   | None              | 138,600  | 258,672  | 397,272   |
| Rushville               | IN | 121,275                 | 226,497  | None   | None              | 121,275  | 226,497  | 347,772   |
| South Bend              | IN | 372,387                 | 693,064  | 2,000  | None              | 372,387  | 695,064  | 1,067,451 |
| Wabash                  | IN | 430,437                 | 800,871  | 2,000  | None              | 430,437  | 802,871  | 1,233,308 |
| Wabash                  | IN | 334,923                 | 623,488  | 1,500  | None              | 334,923  | 624,988  | 959,911   |
| Warsaw                  | IN | 415,275                 | 772,713  | 1,500  | None              | 415,275  | 774,213  | 1,189,488 |
| West Lafayette          | IN | 1,052,628               | 1,340,855  | 2,000  | None              | 1,052,628  | 1,342,855  | 2,395,483 |
| Zionsville              | IN | 910,595                 | 1,691,926  | 2,000  | None              | 910,595  | 1,693,926  | 2,604,521 |
| Berea                   | KY | 252,077                 | 360,815  | None   | 197               | 252,077  | 361,012  | 613,089   |
| Elizabethtown           | KY | 286,106                 | 286,106  | None   | 211               | 286,106  | 286,317  | 572,423   |
| Lebanon                 | KY | 158,052                 | 316,105  | None   | 197               | 158,052  | 316,302  | 474,354   |
| Louisville              | KY | 198,926                 | 368,014  | None   | 211               | 198,926  | 368,225  | 567,151   |
| Louisville              | KY | 216,849                 | 605,697  | None   | None              | 216,849  | 605,697  | 822,546   |
| Mt. Washington          | KY | 327,245                 | 479,593  | None   | None              | 327,245  | 479,593  | 806,838   |
| Owensboro               | KY | 360,000                 | 590,000  | None   | None              | 360,000  | 590,000  | 950,000   |
| Alexandria              | LA | 170,000                 | 371,637  | None   | None              | 170,000  | 371,637  | 541,637   |
| Baton Rouge             | LA | 500,000                 | 521,637  | None   | None              | 500,000  | 521,637  | 1,021,637 |
| Baton Rouge             | LA | 210,000                 | 361,637  | None   | None              | 210,000  | 361,637  | 571,637   |
| Bossier City            | LA | 230,000                 | 431,637  | None   | None              | 230,000  | 431,637  | 661,637   |
| Destrehan               | LA | 200,000                 | 411,637  | None   | None              | 200,000  | 411,637  | 611,637   |
| Lafayette               | LA | 240,000                 | 391,637  | None   | None              | 240,000  | 391,637  | 631,637   |
| Shreveport              | LA | 192,500                 | 358,227  | None   | None              | 192,500  | 358,227  | 550,727   |
| Amherst                 | MA | 110,969                 | 639,806  | None   | None              | 110,969  | 639,806  | 750,775   |
| North Reading           | MA | 574,601                 | 756,174  | None   | None              | 574,601  | 756,174  | 1,330,775 |
| Seekonk                 | MA | 298,354                 | 268,518  | None   | None              | 298,354  | 268,518  | 566,872   |
| Berlin                  | MD | 255,951                 | 387,395  | None   | None              | 255,951  | 387,395  | 643,346   |
| Crisfield               | MD | 219,704                 | 333,024  | None   | None              | 219,704  | 333,024  | 552,728   |
| Hebron                  | MD | 376,251                 | 567,844  | None   | None              | 376,251  | 567,844  | 944,095   |
| La Plata                | MD | 1,017,544               | 2,706,729  | None   | None              | 1,017,544  | 2,706,729  | 3,724,273 |
| Mechanicsville          | MD | 1,540,335               | 2,860,928  | None   | None              | 1,540,335  | 2,860,928  | 4,401,263 |
| Millersville            | MD | 830,737                 | 2,696,245  | None   | None              | 830,737  | 2,696,245  | 3,526,982 |
| Breckenridge            | MI | 437,500                 | 811,968  | 1,500  | None              | 437,500  | 813,468  | 1,250,968 |
| Carson City             | MI | 262,500                 | 486,468  | 2,000  | None              | 262,500  | 488,468  | 750,968   |
| Charlevoix              | MI | 385,000                 | 713,013  | 2,500  | None              | 385,000  | 715,513  | 1,100,513 |
| Cheboygan               | MI | 280,000                 | 518,013  | 2,500  | None              | 280,000  | 520,513  | 800,513   |

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|                |    |         |         |       |      |         |         |           |
|----------------|----|---------|---------|-------|------|---------|---------|-----------|
| Clare          | MI | 306,250 | 567,718 | 2,000 | None | 306,250 | 569,718 | 875,968   |
| Clare          | MI | 229,250 | 426,218 | 500   | None | 229,250 | 426,718 | 655,968   |
| Comstock       | MI | 315,000 | 583,761 | 2,500 | None | 315,000 | 586,261 | 901,261   |
| Farwell        | MI | 437,500 | 811,468 | 2,000 | None | 437,500 | 813,468 | 1,250,968 |
| Flint          | MI | 194,492 | 476,504 | None  | 209  | 194,492 | 476,713 | 671,205   |
| Gladwin        | MI | 140,000 | 259,013 | 1,500 | None | 140,000 | 260,513 | 400,513   |
| Grand Rapids   | MI | 437,500 | 812,261 | 1,500 | None | 437,500 | 813,761 | 1,251,261 |
| Kalamazoo      | MI | 238,000 | 442,249 | 1,000 | None | 238,000 | 443,249 | 681,249   |
| Kalkaska       | MI | 437,500 | 809,513 | 3,500 | None | 437,500 | 813,013 | 1,250,513 |
| Lake City      | MI | 115,500 | 213,513 | 1,500 | None | 115,500 | 215,013 | 330,513   |
| Lakeview       | MI | 96,250  | 177,718 | 2,000 | None | 96,250  | 179,718 | 275,968   |
| Mackinaw City  | MI | 455,000 | 844,513 | 1,000 | None | 455,000 | 845,513 | 1,300,513 |
| Mecosta        | MI | 122,500 | 227,468 | 1,000 | None | 122,500 | 228,468 | 350,968   |
| Midland        | MI | 437,500 | 811,013 | 2,000 | None | 437,500 | 813,013 | 1,250,513 |
| Mount Pleasant | MI | 162,750 | 300,794 | 2,500 | None | 162,750 | 303,294 | 466,044   |
| Mount Pleasant | MI | 463,750 | 860,718 | 1,500 | None | 463,750 | 862,218 | 1,325,968 |
| Mount Pleasant | MI | 210,000 | 388,968 | 2,000 | None | 210,000 | 390,968 | 600,968   |

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| Description<br>(Note 1) |    | Initial Cost to Company |  | Cost Capitalized<br>Subsequent<br>to Acquisition |          | Gross Amount at Which Carried<br>at Close of Period (Notes 2, 3, 5, 6 and 7) |  |           | Acc<br>De |
|-------------------------|----|-------------------------|--|--|----------|--|--|-----------|-----------|
|                         |    | Land                    | Buildings,<br>Improvements<br>and<br>Acquisition<br>Fees | Improvements<br>Costs                            | Carrying | Land   | Buildings,<br>Improvements<br>and<br>Acquisition<br>Fees | Total     |           |
| Mount Pleasant          | MI | 437,500                 | 810,968  | 2,500  | None     | 437,500  | 813,468  | 1,250,968 |           |
| Mount Pleasant          | MI | 350,000                 | 649,468  | 1,500  | None     | 350,000  | 650,968  | 1,000,968 |           |
| Mount Pleasant          | MI | 175,000                 | 324,468  | 1,500  | None     | 175,000  | 325,968  | 500,968   |           |
| Petoskey                | MI | 490,000                 | 909,513  | 1,000  | None     | 490,000  | 910,513  | 1,400,513 |           |
| Prudenville             | MI | 133,000                 | 245,013  | 2,500  | None     | 133,000  | 247,513  | 380,513   |           |
| Saginaw                 | MI | 262,500                 | 486,513  | 1,500  | None     | 262,500  | 488,013  | 750,513   |           |
| Standish                | MI | 92,750                  | 171,263  | 1,500  | None     | 92,750   | 172,763  | 265,513   |           |
| Traverse City           | MI | 210,000                 | 389,002  | 2,000  | None     | 210,000  | 391,002  | 601,002   |           |
| Walker                  | MI | 586,250                 | 1,088,499  | 1,500  | None     | 586,250  | 1,089,999  | 1,676,249 |           |
| Brandon                 | MS | 671,486                 | 1,247,588  | None   | None     | 671,486  | 1,247,588  | 1,919,074 |           |
| Flowood                 | MS | 437,926                 | 813,832  | None   | None     | 437,926  | 813,832  | 1,251,758 |           |
| Flowood                 | MS | 399,972                 | 743,347  | None   | None     | 399,972  | 743,347  | 1,143,319 |           |
| Jackson                 | MS | 329,904                 | 613,221  | None   | None     | 329,904  | 613,221  | 943,125   |           |
| Jackson                 | MS | 540,108                 | 1,003,600  | None   | None     | 540,108  | 1,003,600  | 1,543,708 |           |
| Marion                  | MS | 350,341                 | 651,013  | None   | None     | 350,341  | 651,013  | 1,001,354 |           |
| Meridian                | MS | 437,926                 | 813,671  | None   | None     | 437,926  | 813,671  | 1,251,597 |           |
| Meridian                | MS | 405,811                 | 754,030  | None   | None     | 405,811  | 754,030  | 1,159,841 |           |
| Meridian                | MS | 145,975                 | 271,478  | None   | None     | 145,975  | 271,478  | 417,453   |           |
| Meridian                | MS | 280,273                 | 520,887  | None   | None     | 280,273  | 520,887  | 801,160   |           |
| Meridian                | MS | 321,146                 | 596,794  | None   | None     | 321,146  | 596,794  | 917,940   |           |
| Newton                  | MS | 467,121                 | 867,891  | None   | None     | 467,121  | 867,891  | 1,335,012 |           |
| Pearl                   | MS | 544,488                 | 1,011,733  | None   | None     | 544,488  | 1,011,733  | 1,556,221 |           |
| Philadelphia            | MS | 472,960                 | 878,735  | None   | None     | 472,960  | 878,735  | 1,351,695 |           |
| Southaven               | MS | 310,000                 | 641,637  | None   | None     | 310,000  | 641,637  | 951,637   |           |
| Terry                   | MS | 583,901                 | 1,084,930  | None   | None     | 583,901  | 1,084,930  | 1,668,831 |           |
| Waveland                | MS | 180,000                 | 331,637  | None   | None     | 180,000  | 331,637  | 511,637   |           |
| Aberdeen                | NC | 600,000                 | 300,625  | None   | None     | 600,000  | 300,625  | 900,625   |           |
| Archdale                | NC | 410,000                 | 731,637  | None   | None     | 410,000  | 731,637  | 1,141,637 |           |
| Banner Elk              | NC | 386,993                 | 718,861  | 2,000  | None     | 386,993  | 720,861  | 1,107,854 |           |
| Banner Elk              | NC | 355,330                 | 660,558  | 1,500  | None     | 355,330  | 662,058  | 1,017,388 |           |
| Blowing Rock            | NC | 369,403                 | 685,693  | 2,500  | None     | 369,403  | 688,193  | 1,057,596 |           |
| Burgaw                  | NC | 198,774                 | 369,653  | 1,000  | None     | 198,774  | 370,653  | 569,427   |           |
| Burgaw                  | NC | 457,356                 | 849,377  | 1,500  | None     | 457,356  | 850,877  | 1,308,233 |           |
|                         | NC | 457,356                 | 848,929  | 2,000  | None     | 457,356  | 850,929  | 1,308,285 |           |

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Carolina  
Beach

|              |    |         |           |       |      |         |           |           |
|--------------|----|---------|-----------|-------|------|---------|-----------|-----------|
| Cary         | NC | 255,064 | 473,349   | 2,500 | None | 255,064 | 475,849   | 730,913   |
| Charlotte    | NC | 300,000 | 291,637   | None  | None | 300,000 | 291,637   | 591,637   |
| Charlotte    | NC | 640,000 | 581,637   | None  | None | 640,000 | 581,637   | 1,221,637 |
| Durham       | NC | 720,000 | 851,637   | None  | None | 720,000 | 851,637   | 1,571,637 |
| Goldsboro    | NC | 460,000 | 740,625   | None  | None | 460,000 | 740,625   | 1,200,625 |
| Greensboro   | NC | 700,000 | 655,000   | None  | None | 700,000 | 655,000   | 1,355,000 |
| Greenville   | NC | 330,000 | 515,000   | None  | None | 330,000 | 515,000   | 845,000   |
| Hampstead    | NC | 562,900 | 1,045,971 | 1,000 | None | 562,900 | 1,046,971 | 1,609,871 |
| Holly Ridge  | NC | 721,215 | 1,339,486 | 1,500 | None | 721,215 | 1,340,986 | 2,062,201 |
| Hubert       | NC | 404,584 | 750,372   | 2,500 | None | 404,584 | 752,872   | 1,157,456 |
| Jacksonville | NC | 150,000 | 530,000   | None  | None | 150,000 | 530,000   | 680,000   |
| Jacksonville | NC | 180,000 | 371,637   | None  | None | 180,000 | 371,637   | 551,637   |
| Jacksonville | NC | 140,000 | 260,727   | None  | None | 140,000 | 260,727   | 400,727   |
| Jacksonville | NC | 351,812 | 653,367   | 1,500 | None | 351,812 | 654,867   | 1,006,679 |
| Kinston      | NC | 550,000 | 1,057,833 | None  | None | 550,000 | 1,057,833 | 1,607,833 |
| Raleigh      | NC | 740,000 | 791,637   | None  | None | 740,000 | 791,637   | 1,531,637 |
| Richlands    | NC | 492,537 | 914,735   | 1,500 | None | 492,537 | 916,235   | 1,408,772 |
| Richlands    | NC | 376,439 | 698,103   | 2,500 | None | 376,439 | 700,603   | 1,077,042 |
| Riegelwood   | NC | -       | 452,416   | 1,500 | None | -       | 453,916   | 453,916   |
| Rose Hill    | NC | 198,774 | 369,153   | 1,500 | None | 198,774 | 370,653   | 569,427   |
| Roxboro      | NC | 243,112 | 368,107   | None  | None | 243,112 | 368,107   | 611,219   |
| Salisbury    | NC | 474,946 | 882,203   | 2,000 | None | 474,946 | 884,203   | 1,359,149 |

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| Description<br>(Note 1) |    | Initial Cost to Company |  | Cost Capitalized<br>Subsequent<br>to Acquisition |                   | Gross Amount at Which Carried<br>at Close of Period (Notes 2, 3, 5, 6 and 7) |  | Total    |
|-------------------------|----|-------------------------|--|--|-------------------|--|--|----------|
|                         |    | Land                    | Buildings,<br>Improvements<br>and<br>Acquisition<br>Fees | Improvements                                     | Carrying<br>Costs | Land   | Buildings,<br>Improvements<br>and<br>Acquisition<br>Fees |          |
| Shallotte               | NC | 492,537                 | 914,766  | 1,500  | None              | 492,537  | 916,266  | 1,408,80 |
| Wallace                 | NC | -                       | 175,408  | 2,000  | None              | -  | 177,408  | 177,40   |
| Whitelake               | NC | 351,812                 | 653,367  | 1,500  | None              | 351,812  | 654,867  | 1,006,67 |
| Wilmington              | NC | 228,678                 | 424,774  | 1,500  | None              | 228,678  | 426,274  | 654,95   |
| Wilmington              | NC | 527,718                 | 979,145  | 2,500  | None              | 527,718  | 981,645  | 1,509,36 |
| Wilmington              | NC | 351,812                 | 653,930  | 1,000  | None              | 351,812  | 654,930  | 1,006,74 |
| Wilmington              | NC | 474,946                 | 881,640  | 2,000  | None              | 474,946  | 883,640  | 1,358,58 |
| Wilmington              | NC | -                       | 351,366  | 2,000  | None              | -  | 353,366  | 353,36   |
| Wilmington              | NC | 364,126                 | 676,287  | 1,500  | None              | 364,126  | 677,787  | 1,041,91 |
| Wilmington              | NC | 439,765                 | 817,271  | 1,000  | None              | 439,765  | 818,271  | 1,258,03 |
| Wilmington              | NC | -                       | 804,196  | 1,500  | None              | -  | 805,696  | 805,69   |
| Wilmington              | NC | 334,222                 | 621,320  | 1,000  | None              | 334,222  | 622,320  | 956,54   |
| Wilmington              | NC | 386,993                 | 718,788  | 1,500  | None              | 386,993  | 720,288  | 1,107,28 |
| Wilmington              | NC | 439,765                 | 815,793  | 2,500  | None              | 439,765  | 818,293  | 1,258,05 |
| Wilmington              | NC | 527,718                 | 979,102  | 2,500  | None              | 527,718  | 981,602  | 1,509,32 |
| Wilmington              | NC | 334,222                 | 620,284  | 2,000  | None              | 334,222  | 622,284  | 956,50   |
| Wilmington              | NC | 334,222                 | 620,751  | 1,500  | None              | 334,222  | 622,251  | 956,47   |
| Winston-Salem           | NC | 320,000                 | 311,637  | None   | None              | 320,000  | 311,637  | 631,63   |
| Zebulon                 | NC | 306,077                 | 568,087  | 2,500  | None              | 306,077  | 570,587  | 876,66   |
| Farmingdale             | NJ | 1,459,957               | 2,712,264  | None   | None              | 1,459,957  | 2,712,264  | 4,172,22 |
| Galloway                | NJ | 1,367,872               | 2,540,604  | None   | None              | 1,367,872  | 2,540,604  | 3,908,47 |
| Hamilton                | NJ | 1,539,117               | 2,858,630  | None   | None              | 1,539,117  | 2,858,630  | 4,397,74 |
| Millville               | NJ | 953,891                 | 1,771,782  | None   | None              | 953,891  | 1,771,782  | 2,725,67 |
| Toms River              | NJ | 1,265,861               | 2,351,154  | None   | None              | 1,265,861  | 2,351,154  | 3,617,01 |
| Toms River              | NJ | 982,526                 | 1,824,961  | None   | None              | 982,526  | 1,824,961  | 2,807,48 |
| Albuquerque             | NM | 200,000                 | 271,637  | None   | None              | 200,000  | 271,637  | 471,63   |
| Kingston                | NY | 257,763                 | 456,042  | None   | None              | 257,763  | 456,042  | 713,80   |
| Atwater                 | OH | 118,555                 | 266,748  | None   | 209               | 118,555  | 266,957  | 385,51   |
| Bellefontaine           | OH | 560,000                 | 1,039,610  | 2,500  | None              | 560,000  | 1,042,110  | 1,602,11 |
| Bellefontaine           | OH | 455,000                 | 845,610  | 1,500  | None              | 455,000  | 847,110  | 1,302,11 |
| Columbus                | OH | 147,296                 | 304,411  | None   | 122               | 147,296  | 304,533  | 451,82   |
| Columbus                | OH | 273,085                 | 471,693  | None   | 122               | 273,085  | 471,815  | 744,90   |
| Cuyahoga Falls          | OH | 321,792                 | 1,144,619  | None   | None              | 321,792  | 1,144,619  | 1,466,41 |
| De Graff                | OH | 302,750                 | 561,860  | 2,500  | None              | 302,750  | 564,360  | 867,11   |
| Eaton                   | OH | 164,588                 | 306,934  | None   | None              | 164,588  | 306,934  | 471,52   |
| Galion                  | OH | 138,981                 | 327,597  | None   | 209               | 138,981  | 327,806  | 466,78   |
| Groveport               | OH | 277,198                 | 445,497  | None   | 122               | 277,198  | 445,619  | 722,81   |
| Jackson Center          | OH | 367,500                 | 682,110  | 2,500  | None              | 367,500  | 684,610  | 1,052,11 |
| Kento                   | OH | 140,000                 | 261,462  | 1,000  | None              | 140,000  | 262,462  | 402,46   |
| Marysville              | OH | 507,500                 | 943,110  | 1,500  | None              | 507,500  | 944,610  | 1,452,11 |

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|                |    |           |           |       |      |           |           |           |
|----------------|----|-----------|-----------|-------|------|-----------|-----------|-----------|
| Marysville     | OH | 700,000   | 1,300,610 | 1,500 | None | 700,000   | 1,302,110 | 2,002,110 |
| Marysville     | OH | 350,000   | 650,610   | 1,500 | None | 350,000   | 652,110   | 1,002,110 |
| Perrysburg     | OH | 211,678   | 390,680   | None  | None | 211,678   | 390,680   | 602,350   |
| Russells Point | OH | 546,000   | 1,013,610 | 2,500 | None | 546,000   | 1,016,110 | 1,562,110 |
| Streetsboro    | OH | 402,988   | 533,349   | None  | None | 402,988   | 533,349   | 936,330   |
| Tipp City      | OH | 355,009   | 588,111   | None  | None | 355,009   | 588,111   | 943,120   |
| Triffin        | OH | 117,017   | 273,040   | None  | 209  | 117,017   | 273,249   | 390,260   |
| Wadsworth      | OH | 266,507   | 496,917   | None  | None | 266,507   | 496,917   | 763,420   |
| Tulsa          | OK | 126,545   | 508,266   | None  | 173  | 126,545   | 508,439   | 634,980   |
| Aliquippa      | PA | 226,195   | 452,631   | None  | None | 226,195   | 452,631   | 678,820   |
| Beaver         | PA | 95,626    | 223,368   | None  | None | 95,626    | 223,368   | 318,990   |
| Beaver Falls   | PA | 92,207    | 230,758   | None  | None | 92,207    | 230,758   | 322,960   |
| Cornwells      | PA | 569,763   | 387,611   | None  | None | 569,763   | 387,611   | 957,370   |
| Heights        |    |           |           |       |      |           |           |           |
| Doylestown     | PA | 800,134   | 1,226,452 | None  | None | 800,134   | 1,226,452 | 2,026,580 |
| East Caln      | PA | 1,722,222 | 576       | None  | None | 1,722,222 | 576       | 1,722,790 |
| Lansdale       | PA | 1,356,324 | 385,761   | None  | None | 1,356,324 | 385,761   | 1,742,080 |

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| Description     |    | Initial Cost to Company |  | Cost Capitalized<br>Subsequent<br>to Acquisition |          | Gross Amount at Which Carried<br>at Close of Period (Notes 2, 3, 5, 6 and 7) |  |           |
|-----------------|----|-------------------------|--|--|----------|--|--|-----------|
|                 |    | Land                    | Buildings,<br>Improvements<br>and<br>Acquisition<br>Fees | Improvements<br>Costs                            | Carrying | Land   | Buildings,<br>Improvements<br>and<br>Acquisition<br>Fees | Total     |
| Penndel         | PA | 739,487                 | 1,003,809  | None   | None     | 739,487  | 1,003,809  | 1,743,296 |
| Perryopolis     | PA | 148,953                 | 134,299  | None   | None     | 148,953  | 134,299  | 283,252   |
| Philadelphia    | PA | 808,681                 | 256,843  | None   | None     | 808,681  | 256,843  | 1,065,524 |
| Philadelphia    | PA | 425,928                 | 167,147  | None   | None     | 425,928  | 167,147  | 593,075   |
| Philadelphia    | PA | 390,342                 | 226,919  | None   | None     | 390,342  | 226,919  | 617,261   |
| Philadelphia    | PA | 541,792                 | 236,049  | None   | None     | 541,792  | 236,049  | 777,841   |
| Philadelphia    | PA | 530,018                 | 214,977  | None   | None     | 530,018  | 214,977  | 744,995   |
| Philadelphia    | PA | 614,101                 | 277,277  | None   | None     | 614,101  | 277,277  | 891,378   |
| Philadelphia    | PA | 1,011,389               | 491,302  | None   | None     | 1,011,389  | 491,302  | 1,502,691 |
| Philadelphia    | PA | 935,672                 | 448,426  | None   | None     | 935,672  | 448,426  | 1,384,098 |
| Philadelphia    | PA | 689,172                 | 426,596  | None   | None     | 689,172  | 426,596  | 1,115,768 |
| Philadelphia    | PA | 349,294                 | 134,485  | None   | None     | 349,294  | 134,485  | 483,779   |
| Philadelphia    | PA | 557,515                 | 244,121  | None   | None     | 557,515  | 244,121  | 801,636   |
| Pittsburgh      | PA | 497,668                 | 320,170  | None   | None     | 497,668  | 320,170  | 817,838   |
| Pittsburgh      | PA | 296,277                 | 287,540  | None   | None     | 296,277  | 287,540  | 583,817   |
| Pittsburgh      | PA | 395,417                 | 474,741  | None   | None     | 395,417  | 474,741  | 870,158   |
| Pittsburgh      | PA | 118,118                 | 231,108  | None   | None     | 118,118  | 231,108  | 349,226   |
| South Park      | PA | 252,247                 | 436,182  | None   | None     | 252,247  | 436,182  | 688,429   |
| Southampton     | PA | 783,279                 | 163,721  | None   | None     | 783,279  | 163,721  | 947,000   |
| Valencia        | PA | 440,565                 | 278,492  | None   | None     | 440,565  | 278,492  | 719,057   |
| Verona          | PA | 171,411                 | 257,358  | None   | None     | 171,411  | 257,358  | 428,769   |
| Willow<br>Grove | PA | 329,934                 | 73,123   | None   | None     | 329,934  | 73,123   | 403,057   |
| Aiken           | SC | 320,000                 | 432,527  | None   | None     | 320,000  | 432,527  | 752,527   |
| Aiken           | SC | 330,000                 | 472,679  | None   | None     | 330,000  | 472,679  | 802,679   |
| Aiken           | SC | 560,000                 | 543,588  | None   | None     | 560,000  | 543,588  | 1,103,588 |
| Aiken           | SC | 360,000                 | 542,982  | None   | None     | 360,000  | 542,982  | 902,982   |
| Aiken           | SC | 540,000                 | 388,058  | None   | None     | 540,000  | 388,058  | 928,058   |
| Aiken           | SC | 250,000                 | 251,770  | None   | None     | 250,000  | 251,770  | 501,770   |
| Belvedere       | SC | 490,000                 | 463,080  | None   | None     | 490,000  | 463,080  | 953,080   |
| Bishopville     | SC | 191,738                 | 356,130  | 1,500  | None     | 191,738  | 357,630  | 549,368   |
| Bonneau         | SC | 128,411                 | 239,191  | 1,500  | None     | 128,411  | 240,691  | 369,102   |
| Camden          | SC | 269,136                 | 499,897  | 1,500  | None     | 269,136  | 501,397  | 770,533   |
| Charleston      | SC | 170,000                 | 350,000  | None   | None     | 170,000  | 350,000  | 520,000   |
| Columbia        | SC | 150,000                 | 450,000  | None   | None     | 150,000  | 450,000  | 600,000   |
| Columbia        | SC | 520,000                 | 471,637  | None   | None     | 520,000  | 471,637  | 991,637   |
| Conway          | SC | 325,426                 | 604,464  | 1,500  | None     | 325,426  | 605,964  | 931,390   |
| Conway          | SC | -                       | 251,890  | 1,000  | None     | -  | 252,890  | 252,890   |
| Cordova         | SC | 137,207                 | 255,025  | 2,000  | None     | 137,207  | 257,025  | 394,232   |

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|             |    |         |         |       |      |         |         |           |
|-------------|----|---------|---------|-------|------|---------|---------|-----------|
| Eastover    | SC | 138,966 | 258,625 | 1,000 | None | 138,966 | 259,625 | 398,591   |
| Florence    | SC | 193,497 | 359,413 | 1,500 | None | 193,497 | 360,913 | 554,410   |
| Florence    | SC | 337,740 | 627,293 | 1,500 | None | 337,740 | 628,793 | 966,533   |
| Goose Creek | SC | 150,000 | 241,637 | None  | None | 150,000 | 241,637 | 391,637   |
| Greenville  | SC | 390,000 | 462,847 | None  | None | 390,000 | 462,847 | 852,847   |
| Greenville  | SC | 300,000 | 402,392 | None  | None | 300,000 | 402,392 | 702,392   |
| Greenville  | SC | 370,000 | 432,695 | None  | None | 370,000 | 432,695 | 802,695   |
| Greenville  | SC | 620,000 | 483,604 | None  | None | 620,000 | 483,604 | 1,103,604 |
| Greenville  | SC | 680,000 | 423,604 | None  | None | 680,000 | 423,604 | 1,103,604 |
| Greer       | SC | 400,000 | 502,879 | None  | None | 400,000 | 502,879 | 902,879   |
| Hemingway   | SC | 246,269 | 458,069 | 1,500 | None | 246,269 | 459,569 | 705,838   |
| Hilton Head | SC | 500,000 | 691,637 | None  | None | 500,000 | 691,637 | 1,191,637 |
| Hilton Head | SC | 185,500 | 344,510 | None  | None | 185,500 | 344,510 | 530,010   |
| Irmo        | SC | 690,000 | 461,637 | None  | None | 690,000 | 461,637 | 1,151,637 |
| Jackson     | SC | 170,000 | 632,626 | None  | None | 170,000 | 632,626 | 802,626   |
| Kingstree   | SC | -       | 301,766 | 2,000 | None | -       | 303,766 | 303,766   |
| Kingstree   | SC | 209,328 | 389,965 | 1,000 | None | 209,328 | 390,965 | 600,293   |
| Lake City   | SC | 202,292 | 376,398 | 1,500 | None | 202,292 | 377,898 | 580,190   |

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| Description<br>(Note 1) | Initial Cost to Company |  | Cost Capitalized<br>Subsequent<br>to Acquisition |          | Gross Amount at Which Carried<br>at Close of Period (Notes 2, 3, 5, 6 and 7) |  |           |
|-------------------------|-------------------------|--|--|----------|--|--|-----------|
|                         | Land                    | Buildings,<br>Improvements<br>and<br>Acquisition<br>Fees | Improvements<br>Costs                            | Carrying | Land   | Buildings,<br>Improvements<br>and<br>Acquisition<br>Fees | Total     |
| Lexington SC            | 255,000                 | 545,000  | None   | None     | 255,000  | 545,000  | 800,000   |
| Lexington SC            | 640,000                 | 563,891  | None   | None     | 640,000  | 563,891  | 1,203,891 |
| Lexington SC            | 540,000                 | 563,588  | None   | None     | 540,000  | 563,588  | 1,103,588 |
| Lexington SC            | 360,000                 | 843,891  | None   | None     | 360,000  | 843,891  | 1,203,891 |
| Lugoff SC               | 200,533                 | 372,490  | 1,500  | None     | 200,533  | 373,990  | 574,523   |
| Moncks Corner SC        | 351,812                 | 654,578  | 1,000  | None     | 351,812  | 655,578  | 1,007,390 |
| Moncks Corner SC        | 404,584                 | 752,083  | -108,790   | None     | 404,584  | 643,293  | 1,047,877 |
| Mt. Pleasant SC         | 668,443                 | 1,241,940  | 1,000  | None     | 668,443  | 1,242,940  | 1,911,383 |
| Myrtle Beach SC         | 140,725                 | 261,942  | 1,000  | None     | 140,725  | 262,942  | 403,667   |
| Myrtle Beach SC         | 492,537                 | 913,807  | 2,500  | None     | 492,537  | 916,307  | 1,408,844 |
| Myrtle Beach SC         | 527,718                 | 980,766  | 1,500  | None     | 527,718  | 982,266  | 1,509,984 |
| Myrtle Beach SC         | 703,624                 | 1,307,326  | 1,000  | None     | 703,624  | 1,308,326  | 2,011,950 |
| Myrtle Beach SC         | -                       | 176,002  | 1,500  | None     | -  | 177,502  | 177,502   |
| Myrtle Beach SC         | -                       | 753,979  | 1,500  | None     | -  | 755,479  | 755,479   |
| Myrtle Beach SC         | -                       | 327,278  | 1,000  | None     | -  | 328,278  | 328,278   |
| Myrtle Beach SC         | -                       | 277,019  | 1,000  | None     | -  | 278,019  | 278,019   |
| North Augusta SC        | 400,000                 | 452,777  | None   | None     | 400,000  | 452,777  | 852,777   |
| North Augusta SC        | 330,000                 | 481,637  | None   | None     | 330,000  | 481,637  | 811,637   |
| North Augusta SC        | 490,000                 | 1,221,637  | None   | None     | 490,000  | 1,221,637  | 1,711,637 |
| North Charleston SC     | 400,000                 | 650,000  | None   | None     | 400,000  | 650,000  | 1,050,000 |
| Orangeburg SC           | 320,000                 | 691,637  | None   | None     | 320,000  | 691,637  | 1,011,637 |
| Pinewood SC             | 325,426                 | 605,076  | 1,500  | None     | 325,426  | 606,576  | 932,002   |
| Simpsonville SC         | 530,000                 | 573,485  | None   | None     | 530,000  | 573,485  | 1,103,485 |
| Spartanburg SC          | 470,000                 | 432,879  | None   | None     | 470,000  | 432,879  | 902,879   |
| Summerton SC            | 142,484                 | 265,326  | 1,500  | None     | 142,484  | 266,826  | 409,310   |

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|                |    |         |         |         |      |         |         |           |
|----------------|----|---------|---------|---------|------|---------|---------|-----------|
| Summerville SC |    | 115,000 | 515,000 | None    | None | 115,000 | 515,000 | 630,000   |
| Summerville SC |    | 297,500 | 553,227 | None    | None | 297,500 | 553,227 | 850,727   |
| Sumter         | SC | 211,087 | 392,065 | 1,500   | None | 211,087 | 393,565 | 604,652   |
| Sumter         | SC | 263,859 | 490,128 | 1,500   | None | 263,859 | 491,628 | 755,487   |
| Sumter         | SC | 362,367 | 673,012 | 1,500   | None | 362,367 | 674,512 | 1,036,879 |
| Sumter         | SC | 181,183 | 336,587 | 1,500   | None | 181,183 | 338,087 | 519,270   |
| Sumter         | SC | 154,797 | 287,584 | 1,500   | None | 154,797 | 289,084 | 443,881   |
| Sumter         | SC | 351,812 | 653,469 | 1,500   | None | 351,812 | 654,969 | 1,006,781 |
| Sumter         | SC | 334,222 | 620,801 | 1,500   | None | 334,222 | 622,301 | 956,523   |
| Sumter         | SC | 281,450 | 522,796 | 1,500   | None | 281,450 | 524,296 | 805,746   |
| Sumter         | SC | 149,520 | 278,284 | 1,000   | None | 149,520 | 279,284 | 428,804   |
| Sumter         | SC | 146,002 | 271,250 | 1,500   | None | 146,002 | 272,750 | 418,752   |
| Sumter         | SC | 372,921 | 693,113 | 1,000   | None | 372,921 | 694,113 | 1,067,034 |
| Sumter         | SC | 149,520 | 277,726 | 1,500   | None | 149,520 | 279,226 | 428,746   |
| Sumter         | SC | 262,100 | 486,861 | 1,500   | None | 262,100 | 488,361 | 750,461   |
| Sumter         | SC | 184,701 | 344,620 | None    | None | 184,701 | 344,620 | 529,321   |
| West Aiken     | SC | 400,000 | 402,665 | None    | None | 400,000 | 402,665 | 802,665   |
| West           | SC | 410,000 | 693,574 | None    | None | 410,000 | 693,574 | 1,103,574 |
| Columbia       |    |         |         |         |      |         |         |           |
| West           | SC | 336,000 | 624,727 | None    | None | 336,000 | 624,727 | 960,727   |
| Columbia       |    |         |         |         |      |         |         |           |
| Arrington      | TN | 385,000 | 716,242 | None    | None | 385,000 | 716,242 | 1,101,242 |
| Athens         | TN | 175,000 | 326,242 | None    | None | 175,000 | 326,242 | 501,242   |
| Athens         | TN | 124,179 | 231,860 | None    | None | 124,179 | 231,860 | 356,039   |
| Benton         | TN | 192,500 | 358,742 | None    | None | 192,500 | 358,742 | 551,242   |
| Chattanooga    | TN | 181,731 | 338,741 | None    | None | 181,731 | 338,741 | 520,472   |
| Chattanooga    | TN | 168,000 | 313,242 | None    | None | 168,000 | 313,242 | 481,242   |
| Chattanooga    | TN | 175,000 | 326,242 | -79,571 | None | 162,879 | 258,792 | 421,671   |
| Chattanooga    | TN | 159,979 | 298,346 | None    | None | 159,979 | 298,346 | 458,325   |
| Chattanooga    | TN | 105,000 | 196,242 | None    | None | 105,000 | 196,242 | 301,242   |
| Chattanooga    | TN | 245,000 | 456,242 | None    | None | 245,000 | 456,242 | 701,242   |
| Chattanooga    | TN | 297,500 | 553,742 | None    | None | 297,500 | 553,742 | 851,242   |
| Chattanooga    | TN | 323,750 | 822,529 | None    | None | 323,750 | 822,529 | 1,146,279 |

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| Description<br>(Note 1) | Initial Cost to Company |  |                       | Cost Capitalized<br>Subsequent<br>to Acquisition | Gross Amount at Which Carried<br>at Close of Period (Notes 2, 3, 5, 6 and 7) |  |           |
|-------------------------|-------------------------|--|-----------------------|--|--|--|-----------|
|                         | Land                    | Buildings,<br>Improvements<br>and<br>Acquisition<br>Fees | Improvements<br>Costs | Carrying   | Land   | Buildings,<br>Improvements<br>and<br>Acquisition<br>Fees | Total     |
| Chattanooga TN          | 280,000                 | 521,242  | None                  | None   | 280,000  | 521,242  | 801,242   |
| Chattanooga TN          | 257,250                 | 478,992  | None                  | None   | 257,250  | 478,992  | 736,242   |
| Chattanooga TN          | 283,209                 | 527,201  | None                  | None   | 283,209  | 527,201  | 810,410   |
| Chattanooga TN          | 542,500                 | 1,008,742  | None                  | None   | 542,500  | 1,008,742  | 1,551,242 |
| Chattanooga TN          | 332,500                 | 618,742  | None                  | None   | 332,500  | 618,742  | 951,242   |
| Chattanooga TN          | 300,373                 | 559,077  | -39,679               | None   | 260,694  | 559,077  | 819,771   |
| Chattanooga TN          | 175,000                 | 326,242  | None                  | None   | 175,000  | 326,242  | 501,242   |
| Cleveland TN            | 110,009                 | 205,545  | None                  | None   | 110,009  | 205,545  | 315,554   |
| Cleveland TN            | 227,500                 | 423,742  | None                  | None   | 227,500  | 423,742  | 651,242   |
| Cleveland TN            | 280,000                 | 521,242  | None                  | None   | 280,000  | 521,242  | 801,242   |
| Cleveland TN            | 245,000                 | 456,242  | None                  | None   | 245,000  | 456,242  | 701,242   |
| Cleveland TN            | 157,500                 | 293,742  | None                  | None   | 157,500  | 293,742  | 451,242   |
| Cleveland TN            | 122,500                 | 228,742  | None                  | None   | 122,500  | 228,742  | 351,242   |
| Cleveland TN            | 300,373                 | 559,077  | None                  | None   | 300,373  | 559,077  | 859,450   |
| Dayton TN               | 262,500                 | 488,742  | None                  | None   | 262,500  | 488,742  | 751,242   |
| Decatur TN              | 181,731                 | 338,742  | None                  | None   | 181,731  | 338,742  | 520,473   |
| Dunlap TN               | 315,000                 | 586,242  | None                  | None   | 315,000  | 586,242  | 901,242   |
| Etowah TN               | 192,500                 | 358,742  | None                  | None   | 192,500  | 358,742  | 551,242   |
| Gallatin TN             | 525,000                 | 976,242  | None                  | None   | 525,000  | 976,242  | 1,501,242 |
| Gray TN                 | 191,151                 | 355,563  | None                  | None   | 191,151  | 355,563  | 546,714   |
| Harrison TN             | 484,313                 | 900,680  | None                  | None   | 484,313  | 900,680  | 1,384,993 |
| Hixson TN               | 271,250                 | 504,992  | None                  | None   | 271,250  | 504,992  | 776,242   |
| Hixson TN               | 513,215                 | 954,355  | None                  | None   | 513,215  | 954,355  | 1,467,570 |
| Hixson TN               | 94,500                  | 176,742  | None                  | None   | 94,500   | 176,742  | 271,242   |
| Hixson TN               | 300,373                 | 559,077  | None                  | None   | 300,373  | 559,077  | 859,450   |
| Kimball TN              | 332,500                 | 618,742  | None                  | None   | 332,500  | 618,742  | 951,242   |
| Kingsport TN            | 155,603                 | 289,545  | None                  | None   | 155,603  | 289,545  | 445,148   |
| Kingsport TN            | 310,303                 | 576,845  | None                  | None   | 310,303  | 576,845  | 887,148   |
| La Vergne TN            | 340,000                 | 650,000  | None                  | None   | 340,000  | 650,000  | 990,000   |
| Le Vergne TN            | 577,500                 | 1,073,742  | -15,745               | None   | 561,755  | 1,073,742  | 1,635,497 |
| Manchester TN           | 266,119                 | 495,463  | None                  | None   | 266,119  | 495,463  | 761,582   |
| Manchester TN           | 281,675                 | 524,352  | None                  | None   | 281,675  | 524,352  | 806,027   |
| Manchester TN           | 319,846                 | 595,242  | None                  | None   | 319,846  | 595,242  | 915,088   |
| Monteagle TN            | 271,173                 | 504,849  | None                  | None   | 271,173  | 504,849  | 776,022   |
| Mt. Juliet TN           | 397,128                 | 738,764  | None                  | None   | 397,128  | 738,764  | 1,135,892 |
| Murfreesboro TN         | 549,500                 | 1,021,742  | None                  | None   | 549,500  | 1,021,742  | 1,571,242 |
| Murfreesboro TN         | 467,810                 | 870,032  | None                  | None   | 467,810  | 870,032  | 1,337,842 |
| Murfreesboro TN         | 300,373                 | 559,077  | None                  | None   | 300,373  | 559,077  | 859,450   |
| Nashville TN            | 498,628                 | 927,264  | None                  | None   | 498,628  | 927,264  | 1,425,892 |

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|             |    |         |           |          |      |         |           |           |
|-------------|----|---------|-----------|----------|------|---------|-----------|-----------|
| Ocoee       | TN | 119,792 | 223,713   | -11,239  | None | 108,553 | 223,713   | 332,266   |
| Ooltewah    | TN | 234,231 | 436,241   | None     | None | 234,231 | 436,241   | 670,472   |
| Ooltewah    | TN | 700,000 | 1,301,242 | -190,623 | None | 635,909 | 1,174,710 | 1,810,619 |
| Ooltewah    | TN | 105,000 | 196,242   | None     | None | 105,000 | 196,242   | 301,242   |
| Red Bank    | TN | 350,000 | 651,242   | None     | None | 350,000 | 651,242   | 1,001,242 |
| Roan        | TN | 286,303 | 532,274   | None     | None | 286,303 | 532,274   | 818,577   |
| Mountain    |    |         |           |          |      |         |           |           |
| Shelbyville | TN | 320,229 | 595,953   | None     | None | 320,229 | 595,953   | 916,182   |
| Smyrna      | TN | 426,466 | 793,251   | None     | None | 426,466 | 793,251   | 1,219,717 |
| Smyrna      | TN | 630,000 | 1,170,036 | None     | None | 630,000 | 1,170,036 | 1,800,036 |
| Soddy Daisy | TN | 297,500 | 553,732   | None     | None | 297,500 | 553,732   | 851,232   |
| Soddy Daisy | TN | 350,000 | 651,242   | None     | None | 350,000 | 651,242   | 1,001,242 |
| Soddy Daisy | TN | 245,000 | 456,242   | None     | None | 245,000 | 456,242   | 701,242   |
| Sweetwater  | TN | 122,500 | 228,742   | None     | None | 122,500 | 228,742   | 351,242   |
| Sweetwater  | TN | 339,231 | 1,131,287 | None     | None | 339,231 | 1,131,287 | 1,470,518 |
| Sweetwater  | TN | 133,000 | 248,242   | None     | None | 133,000 | 248,242   | 381,242   |
| Abingdon    | VA | 57,847  | 107,997   | None     | None | 57,847  | 107,997   | 165,844   |
| Big Stone   | VA | 527,303 | 979,860   | None     | None | 527,303 | 979,860   | 1,507,163 |
| Gap         |    |         |           |          |      |         |           |           |

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| Description<br>(Note 1) |    | Initial Cost to Company |  | Cost Capitalized<br>Subsequent<br>to Acquisition |                   | Gross Amount at Which Carried<br>at Close of Period (Notes 2, 3, 5, 6 and 7) |  |           |
|-------------------------|----|-------------------------|--|--|-------------------|--|--|-----------|
|                         |    | Land                    | Buildings,<br>Improvements<br>and<br>Acquisition<br>Fees | Improvements                                     | Carrying<br>Costs | Land   | Buildings,<br>Improvements<br>and<br>Acquisition<br>Fees | Total     |
| Bristol                 | VA | 213,369                 | 396,824  | None   | None              | 213,369  | 396,824  | 610,193   |
| Bristol                 | VA | 268,303                 | 498,845  | None   | None              | 268,303  | 498,845  | 767,148   |
| Bristol                 | VA | 171,156                 | 318,428  | None   | None              | 171,156  | 318,428  | 489,584   |
| Castlewood              | VA | 387,303                 | 720,307  | None   | None              | 387,303  | 720,307  | 1,107,610 |
| Cedar Bluff             | VA | 492,303                 | 915,307  | None   | None              | 492,303  | 915,307  | 1,407,610 |
| Chatham                 | VA | 347,728                 | 525,031  | None   | None              | 347,728  | 525,031  | 872,759   |
| Chesapeake              | VA | 225,000                 | 400,366  | None   | None              | 225,000  | 400,366  | 625,366   |
| Clintwood               | VA | 378,553                 | 703,610  | None   | None              | 378,553  | 703,610  | 1,082,163 |
| Coeburn                 | VA | 168,934                 | 314,764  | None   | None              | 168,934  | 314,764  | 483,698   |
| Coeburn                 | VA | 312,303                 | 581,021  | None   | None              | 312,303  | 581,021  | 893,324   |
| Coeburn                 | VA | 282,303                 | 525,307  | None   | None              | 282,303  | 525,307  | 807,610   |
| Collinsville            | VA | 84,465                  | 130,137  | None   | None              | 84,465   | 130,137  | 214,602   |
| Danville                | VA | 149,276                 | 227,333  | None   | None              | 149,276  | 227,333  | 376,609   |
| Danville                | VA | 83,644                  | 128,884  | None   | None              | 83,644   | 128,884  | 212,528   |
| Danville                | VA | 266,722                 | 403,501  | None   | None              | 266,722  | 403,501  | 670,223   |
| Franklin                | VA | 536,667                 | 863,699  | None   | None              | 536,667  | 863,699  | 1,400,366 |
| Gate City               | VA | 422,303                 | 784,845  | None   | None              | 422,303  | 784,845  | 1,207,148 |
| Glen Allen              | VA | 700,000                 | 440,965  | None   | 297               | 700,000  | 441,262  | 1,141,262 |
| Hampton                 | VA | 433,985                 | 459,108  | None   | 297               | 433,985  | 459,405  | 893,390   |
| Highland<br>Springs     | VA | 396,720                 | 598,547  | None   | None              | 396,720  | 598,547  | 995,267   |
| Honaker                 | VA | 492,303                 | 915,307  | None   | None              | 492,303  | 915,307  | 1,407,610 |
| Martinsville            | VA | 246,820                 | 373,653  | None   | None              | 246,820  | 373,653  | 620,473   |
| Martinsville            | VA | 83,521                  | 128,706  | None   | None              | 83,521   | 128,706  | 212,227   |
| Midlothian              | VA | 325,000                 | 302,872  | None   | None              | 325,000  | 302,872  | 627,872   |
| Newport<br>News         | VA | 490,616                 | 605,304  | None   | 297               | 490,616  | 605,601  | 1,096,217 |
| Norton                  | VA | 157,826                 | 293,688  | None   | None              | 157,826  | 293,688  | 451,514   |
| Norton                  | VA | 457,303                 | 849,860  | None   | None              | 457,303  | 849,860  | 1,307,163 |
| Norton                  | VA | 222,256                 | 413,344  | None   | None              | 222,256  | 413,344  | 635,600   |
| Pound                   | VA | 256,170                 | 476,327  | None   | None              | 256,170  | 476,327  | 732,497   |
| Pound                   | VA | 276,303                 | 513,717  | None   | None              | 276,303  | 513,717  | 790,020   |
| Richlands               | VA | 140,051                 | 261,125  | None   | None              | 140,051  | 261,125  | 401,176   |
| Richmond                | VA | 700,000                 | 400,740  | None   | 297               | 700,000  | 401,037  | 1,101,037 |
| Richmond                | VA | 400,000                 | 250,875  | None   | 297               | 400,000  | 251,172  | 651,172   |
| Richmond                | VA | 1,000,000               | 740  | None   | 297               | 1,000,000  | 1,037  | 1,001,037 |
| Richmond                | VA | 700,000                 | 100,695  | None   | 297               | 700,000  | 100,992  | 800,992   |
| Richmond                | VA | 1,144,841               | 3,371,146  | None   | None              | 1,144,841  | 3,371,146  | 4,515,987 |
| Richmond                | VA | 298,227                 | 451,014  | None   | None              | 298,227  | 451,014  | 749,241   |
| Richmond                | VA | 329,698                 | 498,015  | None   | None              | 329,698  | 498,015  | 827,713   |

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|                   |    |           |           |      |      |           |           |           |
|-------------------|----|-----------|-----------|------|------|-----------|-----------|-----------|
| Richmond          | VA | 213,982   | 324,659   | None | None | 213,982   | 324,659   | 538,641   |
| Richmond          | VA | 482,735   | 727,776   | None | None | 482,735   | 727,776   | 1,210,511 |
| Richmond          | VA | 350,453   | 529,365   | None | None | 350,453   | 529,365   | 879,818   |
| Richmond          | VA | 323,496   | 488,918   | None | None | 323,496   | 488,918   | 812,414   |
| Richmond          | VA | 278,443   | 421,584   | None | None | 278,443   | 421,584   | 700,027   |
| Roanoke           | VA | 325,000   | 575,366   | None | None | 325,000   | 575,366   | 900,366   |
| Rosedale          | VA | 211,147   | 393,160   | None | None | 211,147   | 393,160   | 604,307   |
| Sandston          | VA | 152,535   | 232,528   | None | None | 152,535   | 232,528   | 385,063   |
| South<br>Boston   | VA | 160,893   | 244,778   | None | None | 160,893   | 244,778   | 405,671   |
| St. Paul          | VA | 334,803   | 622,807   | None | None | 334,803   | 622,807   | 957,610   |
| St. Paul          | VA | 422,303   | 785,307   | None | None | 422,303   | 785,307   | 1,207,610 |
| Stafford          | VA | 271,865   | 601,997   | None | 6    | 271,865   | 602,003   | 873,868   |
| Staunton          | VA | 675,000   | 1,000,366 | None | None | 675,000   | 1,000,366 | 1,675,366 |
| Suffolk           | VA | 700,000   | 1,000,366 | None | None | 700,000   | 1,000,366 | 1,700,366 |
| Tazewell          | VA | 153,382   | 285,882   | None | None | 153,382   | 285,882   | 439,264   |
| Troutville        | VA | 575,000   | 975,366   | None | None | 575,000   | 975,366   | 1,550,366 |
| Virginia<br>Beach | VA | 1,194,560 | 2,218,773 | None | None | 1,194,560 | 2,218,773 | 3,413,333 |
| Warrenton         | VA | 515,971   | 649,125   | None | None | 515,971   | 649,125   | 1,165,096 |

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| Description<br>(Note 1) |    | Initial Cost to Company |  | Cost Capitalized<br>Subsequent<br>to Acquisition |                   | Gross Amount at Which Carried<br>at Close of Period (Notes 2, 3, 5, 6 and 7) |  |            |
|-------------------------|----|-------------------------|--|--|-------------------|--|--|------------|
|                         |    | Land                    | Buildings,<br>Improvements<br>and<br>Acquisition<br>Fees | Improvements                                     | Carrying<br>Costs | Land   | Buildings,<br>Improvements<br>and<br>Acquisition<br>Fees | Total      |
| Weber City              | VA | 369,803                 | 687,345  | None   | None              | 369,803  | 687,345  | 1,057,148  |
| Williamsburg            | VA | 838,172                 | 1,556,910  | None   | None              | 838,172  | 1,556,910  | 2,395,082  |
| Wise                    | VA | 334,803                 | 622,360  | None   | None              | 334,803  | 622,360  | 957,163    |
| Wise                    | VA | 66,733                  | 124,517  | None   | None              | 66,733   | 124,517  | 191,250    |
| Wise                    | VA | 527,303                 | 979,860  | None   | None              | 527,303  | 979,860  | 1,507,163  |
| Wytheville              | VA | 1,222,535               | 1,577,830  | None   | None              | 1,222,535  | 1,577,830  | 2,800,365  |
| Yorktown                | VA | 309,435                 | 447,144  | None   | 297               | 309,435  | 447,441  | 756,876    |
| East Troy               | WI | 578,813                 | 1,072,938  | 2,000  | None              | 578,813  | 1,074,938  | 1,653,750  |
| Craft and Novelty       |    |                         |  |  |                   |  |  |            |
| Cutler Ridge            | FL | 743,498                 | 657,485  | 182,751  | 35,162            | 743,498  | 875,398  | 1,618,896  |
| Tampa                   | FL | 401,874                 | 933,768  | 28,336   | None              | 401,874  | 962,104  | 1,363,978  |
| Rockford                | IL | 159,587                 | 618,398  | None   | None              | 159,587  | 618,398  | 777,985    |
| Stony Brook             | NY | 980,000                 | 1,801,586  | 5,641  | 232               | 980,000  | 1,807,459  | 2,787,459  |
| Pleasant Hills          | PA | 631,084                 | 1,172,563  | None   | None              | 631,084  | 1,172,563  | 1,803,647  |
| Distribution and Office |    |                         |  |  |                   |  |  |            |
| Escondido               | CA | 1,949,339               | 12,966,248   | 4,018  | None              | 1,949,339  | 12,970,266   | 14,919,605 |
| Lenexa                  | KS | 3,688,591               | 6,850,770  | None   | None              | 3,688,591  | 6,850,770  | 10,539,361 |
| Wilbraham               | MA | 9,626,112               | 17,877,779   | 2,500  | None              | 9,626,112  | 17,880,279   | 27,506,391 |
| Drug Stores             |    |                         |  |  |                   |  |  |            |
| Montgomery              | AL | 1,150,000               | 1,479,627  | None   | None              | 1,150,000  | 1,479,627  | 2,629,627  |
| Bakersfield             | CA | -                       | 3,501,678  | None   | None              | -  | 3,501,678  | 3,501,678  |
| Encinitas               | CA | -                       | 3,751,713  | None   | None              | -  | 3,751,713  | 3,751,713  |
| Indio                   | CA | 2,205,539               | 4,096,524  | None   | None              | 2,205,539  | 4,096,524  | 6,302,063  |
| Tracy                   | CA | 2,467,993               | 4,584,246  | None   | None              | 2,467,993  | 4,584,246  | 7,052,239  |
| Colorado Springs        | CO | 1,025,000               | 1,645,371  | None   | None              | 1,025,000  | 1,645,371  | 2,670,371  |
| Fort Collins            | CO | 1,100,000               | 1,385,014  | None   | None              | 1,100,000  | 1,385,014  | 2,485,014  |
| Casselberry             | FL | 1,075,020               | 1,664,284  | None   | None              | 1,075,020  | 1,664,284  | 2,739,304  |
| Adel                    | GA | 500,000                 | 1,056,116  | None   | None              | 500,000  | 1,056,116  | 1,556,116  |
| Blackshear              | GA | 430,000                 | 1,005,393  | None   | None              | 430,000  | 1,005,393  | 1,435,393  |
| Bowdon                  | GA | 410,000                 | 1,010,615  | None   | None              | 410,000  | 1,010,615  | 1,420,615  |
| Cairo                   | GA | 330,000                 | 1,152,243  | None   | None              | 330,000  | 1,152,243  | 1,482,243  |
| Quitman                 | GA | 730,000                 | 856,586  | None   | None              | 730,000  | 856,586  | 1,586,586  |
| Woodstock               | GA | 930,000                 | 1,035,544  | None   | None              | 930,000  | 1,035,544  | 1,965,544  |
| Blackfoot               | ID | 560,000                 | 1,932,186  | None   | None              | 560,000  | 1,932,186  | 2,492,186  |

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|                     |    |           |           |       |      |           |           |           |
|---------------------|----|-----------|-----------|-------|------|-----------|-----------|-----------|
| Burley              | ID | 700,000   | 2,011,543 | None  | None | 700,000   | 2,011,543 | 2,711,543 |
| Chubbuck            | ID | 890,000   | 1,267,183 | None  | None | 890,000   | 1,267,183 | 2,157,183 |
| Salem               | IN | -         | 2,351,296 | None  | None | -         | 2,351,296 | 2,351,296 |
| Elkton              | MD | 1,751,013 | 3,252,546 | None  | None | 1,751,013 | 3,252,546 | 5,003,559 |
| Laurel              | MD | -         | 2,400,696 | None  | None | -         | 2,400,696 | 2,400,696 |
| Portland            | ME | 2,100,849 | 3,902,402 | None  | None | 2,100,849 | 3,902,402 | 6,003,251 |
| Gladwin             | MI | 1,365,747 | 2,536,910 | None  | None | 1,365,747 | 2,536,910 | 3,902,657 |
| Metamora            | MI | 859,139   | 2,291,557 | None  | None | 859,139   | 2,291,557 | 3,150,696 |
| Carson City         | NV | 800,000   | 2,770,950 | None  | None | 800,000   | 2,770,950 | 3,570,950 |
| Reno                | NV | 1,100,000 | 2,602,911 | None  | None | 1,100,000 | 2,602,911 | 3,702,911 |
| Reno                | NV | 850,000   | 2,306,647 | None  | None | 850,000   | 2,306,647 | 3,156,647 |
| Sparks              | NV | 1,000,000 | 2,271,513 | None  | None | 1,000,000 | 2,271,513 | 3,271,513 |
| Sun Valley          | NV | 550,000   | 2,678,380 | None  | None | 550,000   | 2,678,380 | 3,228,380 |
| Cortland            | OH | 1,440,000 | 1,364,725 | 1,250 | None | 1,440,000 | 1,365,975 | 2,805,975 |
| Madison             | OH | 580,000   | 1,272,742 | None  | None | 580,000   | 1,272,742 | 1,852,742 |
| Mayfield<br>Heights | OH | -         | 2,703,730 | None  | None | -         | 2,703,730 | 2,703,730 |
| Warren              | OH | 960,000   | 1,326,083 | None  | None | 960,000   | 1,326,083 | 2,286,083 |
| Warren              | OH | 800,000   | 1,241,503 | None  | None | 800,000   | 1,241,503 | 2,041,503 |

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| Description<br>(Note 1)          |    | Initial Cost to Company |  | Cost Capitalized<br>Subsequent<br>to Acquisition |                   | Gross Amount at Which Carried<br>at Close of Period (Notes 2, 3, 5, 6 and 7) |  |           |
|----------------------------------|----|-------------------------|--|--|-------------------|--|--|-----------|
|                                  |    | Land                    | Buildings,<br>Improvements<br>and<br>Acquisition<br>Fees | Improvements                                     | Carrying<br>Costs | Land   | Buildings,<br>Improvements<br>and<br>Acquisition<br>Fees | Total     |
| Willowick                        | OH | 530,000                 | 1,241,308  | None   | None              | 530,000  | 1,241,308  | 1,771,308 |
| Beaver                           | PA | -                       | 3,003,160  | None   | None              | -  | 3,003,160  | 3,003,160 |
| Delmont                          | PA | 720,000                 | 1,246,023  | 10,475   | None              | 720,000  | 1,256,498  | 1,976,498 |
| Gettysburg                       | PA | -                       | 2,500,750  | None   | None              | -  | 2,500,750  | 2,500,750 |
| Girard                           | PA | -                       | 1,782,996  | None   | None              | -  | 1,782,996  | 1,782,996 |
| Johnstown                        | PA | 250,000                 | 2,593,436  | None   | None              | 250,000  | 2,593,436  | 2,843,436 |
| Johnstown                        | PA | 600,000                 | 2,010,255  | None   | None              | 600,000  | 2,010,255  | 2,610,255 |
| Murrysville                      | PA | 710,000                 | 1,666,912  | None   | None              | 710,000  | 1,666,912  | 2,376,912 |
| Oakdale                          | PA | 1,255,750               | 2,995,001  | None   | None              | 1,255,750  | 2,995,001  | 4,250,751 |
| Philadelphia                     | PA | -                       | 3,803,732  | None   | None              | -  | 3,803,732  | 3,803,732 |
| Reading                          | PA | 1,400,000               | 3,304,996  | None   | None              | 1,400,000  | 3,304,996  | 4,704,996 |
| Saint Marys                      | PA | 1,663,632               | 3,090,403  | None   | None              | 1,663,632  | 3,090,403  | 4,754,035 |
| Slippery Rock                    | PA | -                       | 1,778,404  | None   | None              | -  | 1,778,404  | 1,778,404 |
| West Norriton                    | PA | -                       | 3,603,611  | None   | None              | -  | 3,603,611  | 3,603,611 |
| Wexford                          | PA | 2,300,000               | 2,606,080  | None   | None              | 2,300,000  | 2,606,080  | 4,906,080 |
| Yeadon                           | PA | -                       | 3,253,285  | None   | None              | -  | 3,253,285  | 3,253,285 |
| Fredericksburg                   | VA | -                       | 2,901,815  | None   | None              | -  | 2,901,815  | 2,901,815 |
| Buckhannon                       | WV | 1,716,898               | 3,189,190  | None   | None              | 1,716,898  | 3,189,190  | 4,906,088 |
| <b>Entertainment</b>             |    |                         |  |  |                   |  |  |           |
| Riverside                        | CA | 7,800,000               | 130  | -416,985   | None              | 7,383,015  | 130  | 7,383,145 |
| Vista                            | CA | 2,300,000               | 22   | None   | None              | 2,300,000  | 22   | 2,300,022 |
| Dania                            | FL | 8,272,080               | 1,713  | None   | 36                | 8,272,080  | 1,749  | 8,273,829 |
| Marietta                         | GA | 1,500,000               | 768  | None   | None              | 1,500,000  | 768  | 1,500,768 |
| Norcross                         | GA | 1,600,000               | 768  | None   | None              | 1,600,000  | 768  | 1,600,768 |
| Greensboro                       | NC | 4,000,000               | 463  | None   | None              | 4,000,000  | 463  | 4,000,463 |
| Brookhaven                       | NY | 1,500,000               | 745  | None   | None              | 1,500,000  | 745  | 1,500,745 |
| Riverhead                        | NY | 6,200,000               | 744  | None   | None              | 6,200,000  | 744  | 6,200,744 |
| <b>Equipment Rental Services</b> |    |                         |  |  |                   |  |  |           |
| Lake Worth                       | FL | 679,079                 | 1,262,568  | None   | None              | 679,079  | 1,262,568  | 1,941,647 |
| Lewisville                       | TX | 1,010,134               | 1,877,384  | None   | None              | 1,010,134  | 1,877,384  | 2,887,518 |
| <b>Financial Services</b>        |    |                         |  |  |                   |  |  |           |
| Phoenix                          | AZ | 245,137                 | 456,324  | None   | None              | 245,137  | 456,324  | 701,461   |
| Canon City                       | CO | 66,500                  | 147,699  | None   | 146               | 66,500   | 147,845  | 214,345   |
| Colorado Springs                 | CO | 313,250                 | 695,730  | 40,500   | 20,171            | 313,250  | 756,401  | 1,069,651 |
| Clearwater                       | FL | 476,179                 | 725,023  | 6,500  | 120               | 476,179  | 731,643  | 1,207,822 |

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|               |    |         |         |        |        |         |         |          |
|---------------|----|---------|---------|--------|--------|---------|---------|----------|
| Orlando       | FL | 532,556 | 940,177 | None   | None   | 532,556 | 940,177 | 1,472,73 |
| Hinesville    | GA | 172,611 | 383,376 | 23,850 | 17,822 | 172,611 | 425,048 | 597,65   |
| Couer D'Alene | ID | 165,900 | 368,468 | None   | None   | 165,900 | 368,468 | 534,36   |
| Blue Springs  | MO | 222,569 | 494,333 | None   | 56     | 222,569 | 494,389 | 716,95   |
| Albuquerque   | NM | 80,500  | 178,794 | 8,003  | 299    | 80,500  | 187,096 | 267,59   |
| Santa Fe      | NM | 70,000  | 155,473 | None   | 327    | 70,000  | 155,800 | 225,80   |
| Pasadena      | TX | 385,199 | 716,468 | None   | None   | 385,199 | 716,468 | 1,101,66 |
| Madison       | WI | 154,375 | 287,794 | None   | None   | 154,375 | 287,794 | 442,16   |
| Milwaukee     | WI | 265,985 | 495,071 | None   | None   | 265,985 | 495,071 | 761,05   |

General

Merchandise

|             |    |         |         |      |      |         |         |          |
|-------------|----|---------|---------|------|------|---------|---------|----------|
| Canon City  | CO | 339,045 | 630,531 | None | None | 339,045 | 630,531 | 969,57   |
| Monte Vista | CO | 47,652  | 582,159 | None | None | 47,652  | 582,159 | 629,81   |
| Groveland   | FL | 101,782 | 189,258 | None | 189  | 101,782 | 189,447 | 291,22   |
| Clarinda    | IA | 439,267 | 816,010 | None | None | 439,267 | 816,010 | 1,255,27 |
| Garnett     | KS | 59,690  | 518,121 | None | None | 59,690  | 518,121 | 577,81   |

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| Description<br>(Note 1) |    | Initial Cost to Company |  | Cost Capitalized<br>Subsequent<br>to Acquisition |                   | Gross Amount at Which Carried<br>at Close of Period (Notes 2, 3, 5, 6 and 7) |  | Total     |
|-------------------------|----|-------------------------|--|--|-------------------|--|--|-----------|
|                         |    | Land                    | Buildings,<br>Improvements<br>and<br>Acquisition<br>Fees | Improvements                                     | Carrying<br>Costs | Land   | Buildings,<br>Improvements<br>and<br>Acquisition<br>Fees |           |
| Hillsboro               | KS | 335,292                 | 622,914  | None   | None              | 335,292  | 622,914  | 958,206   |
| Phillipsburg            | KS | 423,725                 | 787,146  | None   | None              | 423,725  | 787,146  | 1,210,871 |
| Caledonia               | MN | 89,723                  | 559,300  | None   | None              | 89,723   | 559,300  | 649,023   |
| Long Prarie             | MN | 88,892                  | 553,997  | None   | None              | 88,892   | 553,997  | 642,889   |
| Paynesville             | MN | 49,483                  | 525,406  | None   | None              | 49,483   | 525,406  | 574,889   |
| Spring Valley           | MN | 69,785                  | 579,238  | None   | None              | 69,785   | 579,238  | 649,023   |
| Warroad                 | MN | 70,000                  | 580,000  | None   | None              | 70,000   | 580,000  | 650,000   |
| Independence            | MO | 210,643                 | 467,844  | None   | None              | 210,643  | 467,844  | 678,487   |
| Kansas City             | MO | 210,070                 | 466,571  | None   | 202               | 210,070  | 466,773  | 676,843   |
| Kansas City             | MO | 168,350                 | 373,910  | None   | 202               | 168,350  | 374,112  | 542,462   |
| Willow<br>Springs       | MO | 416,494                 | 773,718  | None   | None              | 416,494  | 773,718  | 1,190,212 |
| Mayville                | ND | 59,333                  | 565,562  | None   | None              | 59,333   | 565,562  | 624,895   |
| Ainsworth               | NE | 362,675                 | 673,768  | None   | None              | 362,675  | 673,768  | 1,036,443 |
| Imperial                | NE | 388,599                 | 721,914  | None   | None              | 388,599  | 721,914  | 1,110,513 |
| Bloomfield              | NM | 59,559                  | 616,252  | None   | None              | 59,559   | 616,252  | 675,811   |
| Milwaukie               | OR | 180,250                 | 400,336  | 49,088   | 24,082            | 180,250  | 473,506  | 653,756   |
| Memphis                 | TN | 197,708                 | 507,647  | 17,670   | 23,366            | 197,708  | 548,683  | 746,391   |
| Amarillo                | TX | 140,000                 | 419,734  | None   | 173               | 140,000  | 419,907  | 559,907   |
| Coleman                 | TX | 243,060                 | 451,661  | None   | None              | 243,060  | 451,661  | 694,721   |
| Colorado<br>City        | TX | 92,535                  | 505,276  | None   | None              | 92,535   | 505,276  | 597,811   |
| Devine                  | TX | 212,408                 | 394,735  | None   | None              | 212,408  | 394,735  | 607,143   |
| Midland                 | TX | 544,075                 | 1,322,431  | None   | None              | 544,075  | 1,322,431  | 1,866,506 |
| Presidio                | TX | 407,657                 | 757,362  | None   | None              | 407,657  | 757,362  | 1,165,019 |
| Winnsboro               | TX | 79,280                  | 1,299,056  | None   | None              | 79,280   | 1,299,056  | 1,378,336 |
| Yoakum                  | TX | 390,147                 | 724,821  | None   | None              | 390,147  | 724,821  | 1,114,968 |
| Puyallup                | WA | 173,250                 | 384,795  | None   | 22,956            | 173,250  | 407,751  | 581,001   |
| Redmond                 | WA | 196,000                 | 435,317  | 42,356   | 29,290            | 196,000  | 506,963  | 702,963   |
| Tacoma                  | WA | 189,000                 | 419,777  | None   | 19,263            | 189,000  | 439,040  | 628,040   |
| Grocery<br>Stores       |    |                         |  |  |                   |  |  |           |
| Cloverdale              | CA | 1,505,000               | 2,795,321  | None   | None              | 1,505,000  | 2,795,321  | 4,300,321 |
| Fortuna                 | CA | 1,190,000               | 2,210,308  | None   | None              | 1,190,000  | 2,210,308  | 3,400,308 |
| Boulder                 | CO | 426,675                 | 1,199,508  | None   | 91,455            | 426,675  | 1,290,963  | 1,717,638 |
| Council<br>Bluffs       | IA | 255,217                 | 117,792  | 47,188   | 16,846            | 255,217  | 181,826  | 437,043   |
| Warsaw                  | IN | 2,140,000               | 4,689,646  | None   | None              | 2,140,000  | 4,689,646  | 6,829,646 |
| Reno                    | NV | 456,000                 | 562,344  | 19,733   | 30,571            | 456,000  | 612,648  | 1,068,648 |

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|                    |    |           |           |        |         |           |           |            |
|--------------------|----|-----------|-----------|--------|---------|-----------|-----------|------------|
| Central Point      | OR | 840,000   | 1,560,308 | None   | None    | 840,000   | 1,560,308 | 2,400,308  |
| Phoenix            | OR | 840,000   | 1,560,308 | None   | None    | 840,000   | 1,560,308 | 2,400,308  |
| Sheboygan          | WI | 1,513,216 | 4,427,968 | 15,220 | 10,182  | 1,513,216 | 4,453,370 | 5,966,586  |
| Health and Fitness |    |           |           |        |         |           |           |            |
| Paradise Valley    | AZ | 2,608,389 | 3,418,783 | None   | None    | 2,608,389 | 3,418,783 | 6,027,172  |
| Diamond Bar        | CA | 3,038,879 | 4,338,722 | None   | None    | 3,038,879 | 4,338,722 | 7,377,601  |
| Norco              | CA | 1,247,243 | 3,807,569 | None   | None    | 1,247,243 | 3,807,569 | 5,054,812  |
| Casselberry        | FL | 1,979,598 | 8,256,394 | 14,554 | 171,522 | 1,979,598 | 8,442,470 | 10,422,068 |
| Coral Springs      | FL | 891,496   | 2,798,204 | None   | None    | 891,496   | 2,798,204 | 3,689,700  |
| Hialeah            | FL | 2,104,393 | 3,910,500 | None   | None    | 2,104,393 | 3,910,500 | 6,014,893  |
| Miami              | FL | 3,115,101 | 4,439,526 | None   | None    | 3,115,101 | 4,439,526 | 7,554,627  |
| Oakland Park       | FL | 2,800,000 | 2,196,480 | None   | None    | 2,800,000 | 2,196,480 | 4,996,480  |
| Orlando            | FL | 2,144,778 | 3,755,905 | None   | None    | 2,144,778 | 3,755,905 | 5,900,683  |
| Pembroke Pines     | FL | 1,714,388 | 4,387,824 | None   | None    | 1,714,388 | 4,387,824 | 6,102,212  |
| Alsip              | IL | 2,944,221 | 5,467,839 | None   | None    | 2,944,221 | 5,467,839 | 8,412,060  |
| Bolinbrook         | IL | 3,010,512 | 8,161,186 | None   | None    | 3,010,512 | 8,161,186 | 11,171,698 |
| Glendale Heights   | IL | 1,213,770 | 2,255,063 | None   | None    | 1,213,770 | 2,255,063 | 3,468,833  |
| Waukegan           | IL | 2,961,950 | 5,500,766 | None   | None    | 2,961,950 | 5,500,766 | 8,462,716  |

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| Description<br>(Note 1) | Initial Cost to Company |  | Cost Capitalized<br>Subsequent<br>to Acquisition |                   | Gross Amount at Which Carried<br>at Close of Period (Notes 2, 3, 5, 6 and 7) |  |            | Total |
|-------------------------|-------------------------|--|--|-------------------|--|--|------------|-------|
|                         | Land                    | Buildings,<br>Improvements<br>and<br>Acquisition<br>Fees | Improvements                                     | Carrying<br>Costs | Land   | Buildings,<br>Improvements<br>and<br>Acquisition<br>Fees |            |       |
| Indianapolis IN         | 3,008,186               | 6,999,881  | None   | None              | 3,008,186  | 6,999,881  | 10,008,067 |       |
| Southport IN            | 2,121,873               | 7,522,735  | None   | None              | 2,121,873  | 7,522,735  | 9,644,608  |       |
| Nottingham MD           | 3,055,453               | 5,675,230  | None   | None              | 3,055,453  | 5,675,230  | 8,730,683  |       |
| Roseville MN            | 3,611,925               | 8,804,654  | None   | None              | 3,611,925  | 8,804,654  | 12,416,579 |       |
| East Brunswick NJ       | 1,654,529               | 3,073,912  | None   | None              | 1,654,529  | 3,073,912  | 4,728,441  |       |
| Yonkers NY              | 1,488,894               | 2,765,894  | None   | None              | 1,488,894  | 2,765,894  | 4,254,788  |       |
| Beachwood OH            | 1,504,354               | 2,794,305  | None   | None              | 1,504,354  | 2,794,305  | 4,298,659  |       |
| Philadelphia PA         | 2,254,830               | 4,188,725  | None   | None              | 2,254,830  | 4,188,725  | 6,443,555  |       |
| Cypress TX              | 1,417,377               | 5,696,789  | None   | None              | 1,417,377  | 5,696,789  | 7,114,166  |       |
| Dallas TX               | 5,293,733               | 6,555,637  | None   | None              | 5,293,733  | 6,555,637  | 11,849,370 |       |
| Fort Worth TX           | 1,445,901               | 5,277,886  | None   | None              | 1,445,901  | 5,277,886  | 6,723,787  |       |
| Keller TX               | 1,478,222               | 5,679,604  | None   | None              | 1,478,222  | 5,679,604  | 7,157,826  |       |
| McKinney TX             | 1,805,460               | 5,972,111  | None   | None              | 1,805,460  | 5,972,111  | 7,777,571  |       |
| Plano TX                | 3,178,115               | 5,832,224  | None   | None              | 3,178,115  | 5,832,224  | 9,010,339  |       |
| San Antonio TX          | 1,120,000               | 2,075,196  | None   | None              | 1,120,000  | 2,075,196  | 3,195,196  |       |
| San Antonio TX          | 1,200,000               | 2,489,568  | None   | None              | 1,200,000  | 2,489,568  | 3,689,568  |       |
| Kent WA                 | 4,086,250               | 7,588,750  | None   | None              | 4,086,250  | 7,588,750  | 11,675,000 |       |
| <b>Home Furnishings</b> |                         |  |  |                   |  |  |            |       |
| Osceola AR              | 88,759                  | 520,047  | 4,083  | None              | 88,759   | 524,130  | 612,889    |       |
| Danbury CT              | 643,736                 | 3,621,163  | 41,456   | None              | 643,736  | 3,662,619  | 4,306,355  |       |
| Brandon FL              | 430,000                 | 1,020,608  | None   | 218               | 430,000  | 1,020,826  | 1,450,826  |       |
| Jupiter FL              | 1,698,316               | 3,209,801  | None   | 106               | 1,698,316  | 3,209,907  | 4,908,223  |       |
| Melbourne FL            | 269,697                 | 522,414  | None   | 220               | 269,697  | 522,634  | 792,331    |       |
| Ocala FL                | 339,690                 | 543,504  | None   | 12,737            | 339,690  | 556,241  | 895,931    |       |
| Tampa FL                | 685,000                 | 885,624  | None   | 218               | 685,000  | 885,842  | 1,570,842  |       |
| Tampa FL                | 494,763                 | 767,737  | 71,880   | 1,854             | 494,763  | 841,471  | 1,336,234  |       |
| West Palm Beach FL      | 347,651                 | 706,081  | 69,111   | 32,441            | 347,651  | 807,633  | 1,155,284  |       |
| Rome GA                 | 254,902                 | 486,812  | None   | 455               | 254,902  | 487,267  | 742,169    |       |
| Davenport IA            | 270,000                 | 930,689  | None   | 146               | 270,000  | 930,835  | 1,200,835  |       |
| Boise ID                | 158,400                 | 351,812  | None   | 5,602             | 158,400  | 357,414  | 515,814    |       |
| Nampa ID                | 183,743                 | 408,101  | None   | 6,375             | 183,743  | 414,476  | 598,219    |       |
| Joilet IL               | 440,000                 | 910,689  | None   | 244               | 440,000  | 910,933  | 1,350,933  |       |
| Anderson IN             | 180,628                 | 653,162  | 100,170  | 15,955            | 180,628  | 769,287  | 949,915    |       |
| Wichita KS              | 430,000                 | 740,725  | None   | 146               | 430,000  | 740,871  | 1,170,871  |       |
| Alexandria LA           | 400,000                 | 810,608  | None   | None              | 400,000  | 810,608  | 1,210,608  |       |
| Monroe LA               | 450,000                 | 835,608  | None   | None              | 450,000  | 835,608  | 1,285,608  |       |

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|               |    |           |           |        |        |           |           |           |
|---------------|----|-----------|-----------|--------|--------|-----------|-----------|-----------|
| Shreveport    | LA | 525,000   | 725,642   | None   | None   | 525,000   | 725,642   | 1,250,642 |
| Battle Creek  | MI | 485,000   | 895,689   | None   | 209    | 485,000   | 895,898   | 1,380,898 |
| Eden Prairie  | MN | 500,502   | 1,055,244 | None   | None   | 500,502   | 1,055,244 | 1,555,746 |
| Gulfport      | MS | 299,464   | 502,326   | 49,988 | 16,756 | 299,464   | 569,070   | 868,534   |
| Hattiesburg   | MS | 300,000   | 660,608   | None   | None   | 300,000   | 660,608   | 960,608   |
| Ridgeland     | MS | 281,867   | 769,890   | None   | 211    | 281,867   | 770,101   | 1,051,968 |
| Omaha         | NE | 1,956,296 | 3,949,402 | None   | None   | 1,956,296 | 3,949,402 | 5,905,698 |
| Staten Island | NY | 3,190,883 | 2,569,802 | 9,932  | 31     | 3,190,883 | 2,579,765 | 5,770,648 |
| Lancaster     | OH | 250,000   | 830,689   | None   | 230    | 250,000   | 830,919   | 1,080,919 |
| Altoona       | PA | 455,000   | 745,694   | None   | None   | 455,000   | 745,694   | 1,200,694 |
| Erie          | PA | 510,000   | 900,689   | None   | None   | 510,000   | 900,689   | 1,410,689 |
| Pennsdale     | PA | 315,000   | 835,648   | None   | None   | 315,000   | 835,648   | 1,150,648 |
| Whitehall     | PA | 515,525   | 1,146,868 | None   | 457    | 515,525   | 1,147,325 | 1,662,850 |
| Columbia      | SC | 600,000   | 900,725   | None   | 428    | 600,000   | 901,153   | 1,501,153 |
| Jackson       | TN | 380,000   | 750,608   | None   | 82     | 380,000   | 750,690   | 1,130,690 |
| Memphis       | TN | 804,262   | 1,432,520 | None   | 192    | 804,262   | 1,432,712 | 2,236,974 |
| Abilene       | TX | 400,000   | 680,616   | None   | None   | 400,000   | 680,616   | 1,080,616 |
| Cedar Park    | TX | 253,591   | 827,237   | None   | 3,011  | 253,591   | 830,248   | 1,083,839 |

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| Description<br>(Note 1) |    | Initial Cost to Company |  | Cost Capitalized<br>Subsequent<br>to Acquisition |                   | Gross Amount at Which Carried<br>at Close of Period (Notes 2, 3, 5, 6 and 7) |  |           |
|-------------------------|----|-------------------------|--|--|-------------------|--|--|-----------|
|                         |    | Land                    | Buildings,<br>Improvements<br>and<br>Acquisition<br>Fees | Improvements                                     | Carrying<br>Costs | Land   | Buildings,<br>Improvements<br>and<br>Acquisition<br>Fees | Total     |
| Houston                 | TX | 867,767                 | 687,042  | 163,642  | 2,277             | 867,767  | 852,961  | 1,720,728 |
| Plainview               | TX | 125,000                 | 734,558  | 40,000   | 10,725            | 125,000  | 785,283  | 910,283   |
| San Antonio             | TX | 323,451                 | 637,991  | 47,914   | 34,266            | 323,451  | 720,171  | 1,043,622 |
| Spring                  | TX | 1,794,872               | 1,810,069  | 35,899   | 152               | 1,794,872  | 1,846,120  | 3,640,992 |
| Webster                 | TX | 283,604                 | 538,002  | 2,470  | 226               | 283,604  | 540,698  | 824,302   |
| Lacey                   | WA | 171,150                 | 380,125  | 21,071   | 117               | 171,150  | 401,313  | 572,463   |
| Pasco                   | WA | 161,700                 | 359,142  | 56,707   | 7,222             | 161,700  | 423,071  | 584,771   |
| Eau Claire              | WI | 260,000                 | 820,689  | None   | 146               | 260,000  | 820,835  | 1,080,835 |
| La Crosse               | WI | 372,883                 | 877,812  | None   | 146               | 372,883  | 877,958  | 1,250,841 |
| <b>Home Improvement</b> |    |                         |  |  |                   |  |  |           |
| Lawndale                | CA | 667,007                 | 1,238,841  | None   | None              | 667,007  | 1,238,841  | 1,905,848 |
| Los Angeles             | CA | 902,494                 | 1,676,204  | None   | None              | 902,494  | 1,676,204  | 2,578,698 |
| Los Angeles             | CA | 163,668                 | 304,097  | None   | 78                | 163,668  | 304,175  | 467,843   |
| Van Nuys                | CA | 750,293                 | 1,393,545  | None   | None              | 750,293  | 1,393,545  | 2,143,838 |
| West Covina             | CA | 311,040                 | 577,733  | None   | None              | 311,040  | 577,733  | 888,773   |
| Orange Park             | FL | 478,314                 | 618,348  | None   | None              | 478,314  | 618,348  | 1,096,662 |
| Pensacola               | FL | 419,842                 | 1,899,287  | 63,585   | 240               | 419,842  | 1,963,112  | 2,382,954 |
| Des Moines              | IA | 225,771                 | 682,604  | None   | None              | 225,771  | 682,604  | 908,375   |
| Broadview               | IL | 345,166                 | 641,739  | None   | None              | 345,166  | 641,739  | 986,905   |
| Springfield             | IL | 219,859                 | 630,595  | 17,583   | 17                | 219,859  | 648,195  | 868,054   |
| Lenexa                  | KS | 1,051,077               | 1,952,233  | None   | None              | 1,051,077  | 1,952,233  | 3,003,310 |
| Baltimore               | MD | 171,320                 | 318,882  | None   | 86                | 171,320  | 318,968  | 490,288   |
| Blue Springs            | MO | 870,071                 | 1,616,080  | None   | None              | 870,071  | 1,616,080  | 2,486,151 |
| Chillicothe             | MO | 804,948                 | 1,495,138  | None   | None              | 804,948  | 1,495,138  | 2,300,086 |
| Columbia                | MO | 2,039,436               | 3,787,757  | None   | 30                | 2,039,436  | 3,787,787  | 5,827,223 |
| Columbia,               | MO | 1,080,521               | 2,006,915  | None   | None              | 1,080,521  | 2,006,915  | 3,087,436 |
| Fulton                  | MO | 791,603                 | 1,470,353  | None   | None              | 791,603  | 1,470,353  | 2,261,956 |
| Jefferson City          | MO | 1,481,299               | 2,751,217  | None   | None              | 1,481,299  | 2,751,217  | 4,232,516 |
| Kirksville              | MO | 1,421,788               | 2,640,696  | None   | None              | 1,421,788  | 2,640,696  | 4,062,484 |
| Macon                   | MO | 493,394                 | 916,537  | None   | None              | 493,394  | 916,537  | 1,409,931 |
| Moberly                 | MO | 1,293,387               | 2,402,283  | None   | None              | 1,293,387  | 2,402,283  | 3,695,670 |
| Omaha                   | NE | 1,515,773               | 2,816,678  | None   | None              | 1,515,773  | 2,816,678  | 4,332,451 |
| Rochester               | NY | 158,168                 | 294,456  | None   | None              | 158,168  | 294,456  | 452,624   |
| Carrollton              | TX | 201,569                 | 374,342  | None   | None              | 201,569  | 374,342  | 575,911   |
| Mesquite                | TX | 1,049,287               | 1,949,085  | 134,528  | 76,032            | 1,049,287  | 2,159,645  | 3,208,932 |
| Midland                 | TX | 1,590,052               | 2,953,473  | None   | None              | 1,590,052  | 2,953,473  | 4,543,525 |
| Odessa                  | TX | 1,346,834               | 2,501,783  | None   | None              | 1,346,834  | 2,501,783  | 3,848,617 |
| Pasadena                | TX | 147,535                 | 274,521  | None   | None              | 147,535  | 274,521  | 422,056   |

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|             |    |         |         |      |        |         |         |           |
|-------------|----|---------|---------|------|--------|---------|---------|-----------|
| Plano       | TX | 363,851 | 676,249 | None | None   | 363,851 | 676,249 | 1,040,100 |
| San Antonio | TX | 367,890 | 683,750 | None | None   | 367,890 | 683,750 | 1,051,640 |
| Chesapeake  | VA | 144,014 | 649,869 | None | 11,754 | 144,014 | 661,623 | 805,637   |
| Spokane     | WA | 66,150  | 146,921 | None | 242    | 66,150  | 147,163 | 213,313   |

Motor Vehicle Delaerships

|             |    |           |           |          |      |           |           |           |
|-------------|----|-----------|-----------|----------|------|-----------|-----------|-----------|
| Robertsdale | AL | 3,026,015 | 6,117,490 | None     | None | 3,026,015 | 6,117,490 | 9,143,505 |
| Golden      | CO | 4,004,339 | 1,602,070 | -155,187 | 196  | 3,849,152 | 1,602,266 | 5,451,418 |
| Longmont    | CO | 2,502,092 | 6,906,609 | None     | None | 2,502,092 | 6,906,609 | 9,408,701 |
| Gulf Breeze | FL | 3,518,413 | 905,480   | None     | None | 3,518,413 | 905,480   | 4,423,893 |
| Snellville  | GA | 1,137,266 | 3,221,767 | None     | 51   | 1,137,266 | 3,221,818 | 4,359,084 |
| Woodstock   | GA | 2,509,102 | 2,509,993 | None     | None | 2,509,102 | 2,509,993 | 5,019,095 |
| Island Lake | IL | 2,107,134 | 6,383,412 | None     | None | 2,107,134 | 6,383,412 | 8,490,546 |
| Colfax      | NC | 1,125,979 | 2,196,033 | None     | None | 1,125,979 | 2,196,033 | 3,322,012 |
| Statesville | NC | 2,353,825 | 4,159,653 | None     | None | 2,353,825 | 4,159,653 | 6,513,478 |
| Chichester  | NH | 578,314   | 4,546,307 | None     | None | 578,314   | 4,546,307 | 5,124,621 |

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Table of contents

| Description<br>(Note 1)          |    | Initial Cost to Company |  | Cost Capitalized<br>Subsequent<br>to Acquisition |                   | Gross Amount at Which Carried<br>at Close of Period (Notes 2, 3, 5, 6 and 7) |  |           |
|----------------------------------|----|-------------------------|--|--|-------------------|--|--|-----------|
|                                  |    | Land                    | Buildings,<br>Improvements<br>and<br>Acquisition<br>Fees | Improvements                                     | Carrying<br>Costs | Land   | Buildings,<br>Improvements<br>and<br>Acquisition<br>Fees | Total     |
| Churchville                      | NY | 1,000,000               | 5,755,166  | None   | None              | 1,000,000  | 5,755,166  | 6,755,166 |
| Green                            | OH | 715,953                 | 554,589  | None   | None              | 715,953  | 554,589  | 1,270,542 |
| Hillsboro                        | OR | 1,611,084               | 1,936,755  | None   | None              | 1,611,084  | 1,936,755  | 3,547,839 |
| Woods                            | OR | 3,822,277               | 5,687,110  | None   | None              | 3,822,277  | 5,687,110  | 9,509,387 |
| Village                          |    |                         |  |  |                   |  |  |           |
| Myrtle Beach                     | SC | 4,099,824               | 2,081,997  | -1,800,804                                       | None              | 2,299,020  | 2,081,997  | 4,381,017 |
| Austin                           | TX | 2,100,000               | 3,900,895  | None   | None              | 2,100,000  | 3,900,895  | 6,000,895 |
| Katy                             | TX | 1,347,454               | 8,564,135  | None   | None              | 1,347,454  | 8,564,135  | 9,911,589 |
| <b>Office Supplies</b>           |    |                         |  |  |                   |  |  |           |
| Lakewood                         | CA | 1,398,387               | 3,098,607  | None   | None              | 1,398,387  | 3,098,607  | 4,496,994 |
| Riverside                        | CA | 1,410,177               | 1,659,850  | None   | None              | 1,410,177  | 1,659,850  | 3,070,027 |
| Casselberry                      | FL | -                       | 1,277,112  | None   | None              | -  | 1,277,112  | 1,277,112 |
| Hutchinson                       | KS | 269,964                 | 1,704,013  | 52,136   | None              | 269,964  | 1,756,149  | 2,026,113 |
| Salina                           | KS | 240,423                 | 1,829,837  | 51,939   | None              | 240,423  | 1,881,776  | 2,122,199 |
| Sikeston                         | MO | 409,114                 | 2,005,416  | None   | None              | 409,114  | 2,005,416  | 2,414,530 |
| Helena                           | MT | 564,241                 | 1,503,118  | 14,233   | None              | 564,241  | 1,517,351  | 2,081,592 |
| Asheboro                         | NC | 465,557                 | 2,176,416  | 21,418   | None              | 465,557  | 2,197,834  | 2,663,391 |
| Westbury                         | NY | 3,808,076               | 2,377,932  | None   | None              | 3,808,076  | 2,377,932  | 6,186,008 |
| New                              | OH | 726,636                 | 1,650,672  | 7,960  | None              | 726,636  | 1,658,632  | 2,385,268 |
| Philadelphia                     |    |                         |  |  |                   |  |  |           |
| <b>Pet Supplies and Services</b> |    |                         |  |  |                   |  |  |           |
| Tampa                            | FL | 347,794                 | 905,248  | 46,000   | 29,793            | 347,794  | 981,041  | 1,328,835 |
| Duluth                           | GA | 361,058                 | 1,591,629  | None   | None              | 361,058  | 1,591,629  | 1,952,687 |
| Marietta                         | GA | 495,412                 | 1,526,370  | None   | None              | 495,412  | 1,526,370  | 2,021,782 |
| Indianapolis                     | IN | 427,000                 | 1,296,901  | None   | None              | 427,000  | 1,296,901  | 1,723,901 |
| Sudbury                          | MA | 543,038                 | 2,477,213  | None   | None              | 543,038  | 2,477,213  | 3,020,251 |
| Tyngsborough                     | MA | 312,204                 | 1,222,522  | None   | None              | 312,204  | 1,222,522  | 1,534,726 |
| Warren                           | MI | 356,348                 | 903,351  | 15,018   | 15,844            | 356,348  | 934,213  | 1,290,561 |
| Matthews                         | NC | 610,177                 | 1,394,743  | None   | None              | 610,177  | 1,394,743  | 2,004,920 |
| North                            | NJ | 985,430                 | 1,590,447  | None   | 17                | 985,430  | 1,590,464  | 2,575,894 |
| Plainfield                       |    |                         |  |  |                   |  |  |           |
| Albuquerque                      | NM | 684,036                 | 874,914  | 300,000  | 42,875            | 684,036  | 1,217,789  | 1,901,825 |
| Maineville                       | OH | 173,105                 | 384,468  | 4,835  | 12,720            | 173,105  | 402,023  | 575,128   |
| Dickson City                     | PA | 659,790                 | 1,880,722  | 5,396  | None              | 659,790  | 1,886,118  | 2,545,908 |
| Mt Pleasant                      | SC | 40,700                  | 180,400  | 17,385   | 18,938            | 40,700   | 216,723  | 257,423   |
| Clarksville                      | TN | 290,775                 | 395,870  | None   | 13                | 290,775  | 395,883  | 686,658   |

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| Private Education |    |           |           |        |        |           |           |           |  |
|-------------------|----|-----------|-----------|--------|--------|-----------|-----------|-----------|--|
| Mobile            | AL | 78,400    | 237,671   | 40,370 | 5,564  | 78,400    | 283,605   | 362,005   |  |
| Peoria            | AZ | 281,750   | 625,779   | 69,854 | 32,448 | 281,750   | 728,081   | 1,009,831 |  |
| Coconut Creek     | FL | 310,111   | 1,243,682 | None   | None   | 310,111   | 1,243,682 | 1,553,793 |  |
| Las Vegas         | NV | 1,080,444 | 3,346,772 | None   | None   | 1,080,444 | 3,346,772 | 4,427,216 |  |
| Arlington         | TX | 195,650   | 387,355   | None   | 6,796  | 195,650   | 394,151   | 589,801   |  |
| Austin            | TX | 238,000   | 528,604   | 77,988 | 24,766 | 238,000   | 631,358   | 869,358   |  |
| Coppell           | TX | 208,641   | 463,398   | 28,600 | 8,150  | 208,641   | 500,148   | 708,789   |  |
| Missouri City     | TX | 221,025   | 437,593   | 2,202  | 21,467 | 221,025   | 461,262   | 682,287   |  |
| Sugar Land        | TX | 1,600,000 | 6,300,995 | None   | None   | 1,600,000 | 6,300,995 | 7,900,995 |  |
| Chantilly         | VA | 688,917   | 3,208,607 | None   | None   | 688,917   | 3,208,607 | 3,897,524 |  |
| Kingstowne        | VA | 300,000   | 1,191,396 | None   | None   | 300,000   | 1,191,396 | 1,491,396 |  |
| Restaurants       |    |           |           |        |        |           |           |           |  |
| Alabaster         | AL | 335,197   | 622,697   | None   | None   | 335,197   | 622,697   | 957,894   |  |
| Andalusia         | AL | 252,403   | 468,949   | None   | None   | 252,403   | 468,949   | 721,352   |  |
| Atmore            | AL | 272,044   | 505,636   | None   | None   | 272,044   | 505,636   | 777,680   |  |
| Attalla           | AL | 148,993   | 276,890   | None   | None   | 148,993   | 276,890   | 425,883   |  |

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Table of contents

| Description<br>(Note 1) |    | Initial Cost to Company |  | Cost Capitalized             | Carrying | Gross Amount at Which Carried<br>at Close of Period (Notes 2, 3, 5, 6 and 7) |  |           |
|-------------------------|----|-------------------------|--|------------------------------|----------|--|--|-----------|
|                         |    | Land                    | Buildings,<br>Improvements<br>and<br>Acquisition<br>Fees | Subsequent<br>to Acquisition |          | Land   | Buildings,<br>Improvements<br>and<br>Acquisition<br>Fees | Total     |
| Bessemer                | AL | 172,438                 | 320,429  | None                         | None     | 172,438  | 320,429  | 492,867   |
| Boaz                    | AL | 829,001                 | 1,541,245  | None                         | None     | 829,001  | 1,541,245  | 2,370,246 |
| Brent                   | AL | 134,432                 | 249,846  | None                         | None     | 134,432  | 249,846  | 384,278   |
| Clanton                 | AL | 230,036                 | 427,391  | None                         | None     | 230,036  | 427,391  | 657,427   |
| Demopolis               | AL | 251,349                 | 466,972  | None                         | None     | 251,349  | 466,972  | 718,321   |
| Enterprise              | AL | 840,946                 | 1,563,474  | None                         | None     | 840,946  | 1,563,474  | 2,404,420 |
| Evergreen               | AL | 148,982                 | 276,881  | None                         | None     | 148,982  | 276,881  | 425,863   |
| Fort Payne              | AL | 303,056                 | 563,001  | None                         | None     | 303,056  | 563,001  | 866,057   |
| Fort Payne              | AL | 814,113                 | 1,513,596  | None                         | None     | 814,113  | 1,513,596  | 2,327,709 |
| Gadsden                 | AL | 242,194                 | 449,977  | None                         | None     | 242,194  | 449,977  | 692,171   |
| Gadsden                 | AL | 851,124                 | 1,582,332  | None                         | 456      | 851,124  | 1,582,788  | 2,433,912 |
| Gardendale              | AL | 398,669                 | 740,568  | None                         | None     | 398,669  | 740,568  | 1,139,237 |
| Greenville              | AL | 226,108                 | 420,117  | None                         | None     | 226,108  | 420,117  | 646,225   |
| Haleyville              | AL | 262,500                 | 488,357  | None                         | None     | 262,500  | 488,357  | 750,857   |
| Hamilton                | AL | 214,198                 | 397,991  | None                         | None     | 214,198  | 397,991  | 612,189   |
| Hoover                  | AL | 251,434                 | 467,185  | None                         | None     | 251,434  | 467,185  | 718,619   |
| Hueytown                | AL | 281,422                 | 522,828  | None                         | None     | 281,422  | 522,828  | 804,250   |
| Huntsville              | AL | 826,840                 | 1,537,233  | None                         | None     | 826,840  | 1,537,233  | 2,364,073 |
| Huntsville              | AL | 811,599                 | 1,508,927  | None                         | None     | 811,599  | 1,508,927  | 2,320,526 |
| Leeds                   | AL | 171,145                 | 318,028  | None                         | None     | 171,145  | 318,028  | 489,173   |
| Mobile                  | AL | 286,333                 | 531,950  | None                         | None     | 286,333  | 531,950  | 818,283   |
| Montgomery              | AL | 143,693                 | 267,060  | None                         | None     | 143,693  | 267,060  | 410,753   |
| Montgomery              | AL | 145,206                 | 269,870  | None                         | None     | 145,206  | 269,870  | 415,076   |
| Montgomery              | AL | 380,468                 | 706,777  | None                         | None     | 380,468  | 706,777  | 1,087,245 |
| Opp                     | AL | 160,778                 | 298,782  | None                         | None     | 160,778  | 298,782  | 459,560   |
| Prattville              | AL | 254,278                 | 472,432  | None                         | None     | 254,278  | 472,432  | 726,710   |
| Sylacauga               | AL | 801,413                 | 1,490,012  | 15,338                       | None     | 801,413  | 1,505,350  | 2,306,763 |
| Trussville              | AL | 256,485                 | 476,510  | None                         | None     | 256,485  | 476,510  | 732,995   |
| Warrior                 | AL | 159,109                 | 295,676  | None                         | None     | 159,109  | 295,676  | 454,785   |
| Arkadelphia             | AR | 248,868                 | 462,744  | None                         | None     | 248,868  | 462,744  | 711,612   |
| Bentonville             | AR | 377,086                 | 700,582  | None                         | None     | 377,086  | 700,582  | 1,077,668 |
| Conway                  | AR | 941,465                 | 1,750,100  | None                         | None     | 941,465  | 1,750,100  | 2,691,565 |
| El Dorado               | AR | 907,534                 | 1,687,608  | None                         | None     | 907,534  | 1,687,608  | 2,595,142 |
| Hope                    | AR | 288,643                 | 536,715  | None                         | None     | 288,643  | 536,715  | 825,358   |
| Jacksonville            | AR | 267,376                 | 497,124  | None                         | None     | 267,376  | 497,124  | 764,500   |
| Jonesboro               | AR | 173,984                 | 323,371  | None                         | None     | 173,984  | 323,371  | 497,355   |
| Little Rock             | AR | 317,000                 | 589,377  | None                         | None     | 317,000  | 589,377  | 906,377   |
| Little Rock             | AR | 216,570                 | 402,459  | None                         | None     | 216,570  | 402,459  | 619,029   |
| Malvern                 | AR | 219,703                 | 408,588  | None                         | None     | 219,703  | 408,588  | 628,291   |
|                         | AR | 376,320                 | 699,138  | None                         | None     | 376,320  | 699,138  | 1,075,458 |

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North Little  
Rock

|              |    |           |           |      |      |           |           |           |
|--------------|----|-----------|-----------|------|------|-----------|-----------|-----------|
| Pocahontas   | AR | 241,128   | 447,988   | None | None | 241,128   | 447,988   | 689,116   |
| Russellville | AR | 864,497   | 1,607,158 | None | None | 864,497   | 1,607,158 | 2,471,655 |
| Siloam       | AR | 190,000   | 352,808   | None | None | 190,000   | 352,808   | 542,808   |
| Springs      |    |           |           |      |      |           |           |           |
| Glendale     | AZ | 624,761   | 895,976   | None | 110  | 624,761   | 896,086   | 1,520,847 |
| Glendale     | AZ | 1,511,430 | 3,264,231 | None | None | 1,511,430 | 3,264,231 | 4,775,661 |
| Glendale     | AZ | 740,707   | 1,376,143 | None | None | 740,707   | 1,376,143 | 2,116,850 |
| Goodyear     | AZ | 794,360   | 1,274,445 | None | None | 794,360   | 1,274,445 | 2,068,805 |
| Phoenix      | AZ | 704,014   | 1,307,998 | None | None | 704,014   | 1,307,998 | 2,012,012 |
| Phoenix      | AZ | 766,680   | 1,424,378 | None | None | 766,680   | 1,424,378 | 2,191,058 |
| Phoenix      | AZ | 813,750   | 1,511,928 | None | None | 813,750   | 1,511,928 | 2,325,678 |
| Surprise     | AZ | 681,288   | 1,008,310 | None | None | 681,288   | 1,008,310 | 1,689,598 |
| Tempe        | AZ | 525,463   | 976,404   | None | None | 525,463   | 976,404   | 1,501,867 |
| Tucson       | AZ | 107,393   | 500,154   | None | None | 107,393   | 500,154   | 607,547   |
| Tucson       | AZ | 463,231   | 860,982   | None | None | 463,231   | 860,982   | 1,324,213 |
| Tucson       | AZ | 496,194   | 922,053   | None | None | 496,194   | 922,053   | 1,418,247 |
| Yuma         | AZ | 236,121   | 541,651   | None | None | 236,121   | 541,651   | 777,772   |

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| Description<br>(Note 1) |    | Initial Cost to Company |  | Cost Capitalized<br>Subsequent<br>to Acquisition |                   | Gross Amount at Which Carried<br>at Close of Period (Notes 2, 3, 5, 6 and 7) |  |           |
|-------------------------|----|-------------------------|--|--|-------------------|--|--|-----------|
|                         |    | Land                    | Buildings,<br>Improvements<br>and<br>Acquisition<br>Fees | Improvements                                     | Carrying<br>Costs | Land   | Buildings,<br>Improvements<br>and<br>Acquisition<br>Fees | Total     |
| Barstow                 | CA | 689,842                 | 690,204  | None   | None              | 689,842  | 690,204  | 1,380,046 |
| Fresno                  | CA | 561,502                 | 1,043,688  | None   | None              | 561,502  | 1,043,688  | 1,605,190 |
| Livermore               | CA | 662,161                 | 823,242  | None   | None              | 662,161  | 823,242  | 1,485,403 |
| Northridge              | CA | -                       | -  | None   | 102               | -  | 102  | 102       |
| Rancho Cucamonga        | CA | 95,192                  | 441,334  | None   | 61                | 95,192   | 441,395  | 536,587   |
| Riverside               | CA | 90,000                  | 170,394  | 135,301  | None              | 90,000   | 305,695  | 395,695   |
| Sacramento              | CA | 386,793                 | 417,290  | None   | 127               | 386,793  | 417,417  | 804,210   |
| San Dimas               | CA | 240,562                 | 445,521  | 46,026   | None              | 240,562  | 491,547  | 732,109   |
| San Ramon               | CA | 406,000                 | 1,126,930  | None   | None              | 406,000  | 1,126,930  | 1,532,930 |
| Aurora                  | CO | 288,558                 | 537,322  | None   | None              | 288,558  | 537,322  | 825,880   |
| Colorado Springs        | CO | 152,000                 | 704,736  | None   | None              | 152,000  | 704,736  | 856,736   |
| Denver                  | CO | 540,250                 | 1,132,450  | None   | None              | 540,250  | 1,132,450  | 1,672,700 |
| Lakewood                | CO | 1,606,511               | 5,865  | None   | None              | 1,606,511  | 5,865  | 1,612,376 |
| Littleton               | CO | 700,000                 | 1,301,370  | None   | None              | 700,000  | 1,301,370  | 2,001,370 |
| Parker                  | CO | 778,054                 | 1,148,443  | None   | 98                | 778,054  | 1,148,541  | 1,926,595 |
| Westminster             | CO | 261,466                 | 487,102  | None   | None              | 261,466  | 487,102  | 748,568   |
| Cromwell                | CT | 531,861                 | 989,638  | None   | None              | 531,861  | 989,638  | 1,521,499 |
| Danbury                 | CT | 548,459                 | 284,639  | None   | None              | 548,459  | 284,639  | 833,098   |
| East Windsor            | CT | -                       | 1,235,134  | None   | None              | -  | 1,235,134  | 1,235,134 |
| Manchester              | CT | -                       | 1,353,727  | None   | None              | -  | 1,353,727  | 1,353,727 |
| Meriden                 | CT | 369,482                 | 687,116  | None   | None              | 369,482  | 687,116  | 1,056,598 |
| New Milford             | CT | -                       | 705,127  | None   | None              | -  | 705,127  | 705,127   |
| Norwich                 | CT | 644,000                 | 1,198,741  | None   | None              | 644,000  | 1,198,741  | 1,842,741 |
| Plainville              | CT | -                       | 1,452,933  | None   | None              | -  | 1,452,933  | 1,452,933 |
| Torrington              | CT | 504,167                 | 939,051  | None   | None              | 504,167  | 939,051  | 1,443,218 |
| Unionville              | CT | 167,740                 | 316,672  | None   | None              | 167,740  | 316,672  | 484,412   |
| Waterbury               | CT | 521,021                 | 705,163  | None   | None              | 521,021  | 705,163  | 1,226,184 |
| West Haven              | CT | 540,663                 | 1,006,829  | None   | None              | 540,663  | 1,006,829  | 1,547,492 |
| Windsor Locks           | CT | 844,967                 | 1,571,965  | None   | None              | 844,967  | 1,571,965  | 2,416,932 |
| Newark                  | DE | 647,500                 | 1,203,300  | None   | None              | 647,500  | 1,203,300  | 1,850,800 |
| Casselberry             | FL | 403,900                 | 897,075  | None   | 10                | 403,900  | 897,085  | 1,300,985 |
| Chipley                 | FL | 270,439                 | 502,655  | None   | None              | 270,439  | 502,655  | 773,094   |
| Clearwater              | FL | 484,090                 | 899,658  | None   | None              | 484,090  | 899,658  | 1,383,748 |
| Cutler Bay              | FL | 962,500                 | 1,788,329  | None   | None              | 962,500  | 1,788,329  | 2,750,829 |
| DeFuniak                | FL | 269,554                 | 501,010  | None   | None              | 269,554  | 501,010  | 770,564   |

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|                     |           |           |        |        |           |           |           |
|---------------------|-----------|-----------|--------|--------|-----------|-----------|-----------|
| Jacksonville FL     | 150,210   | 693,445   | None   | 240    | 150,210   | 693,685   | 843,895   |
| Jacksonville FL     | 143,299   | 664,373   | None   | 240    | 143,299   | 664,613   | 807,912   |
| Jacksonville FL     | 1,451,180 | 658,461   | 25,752 | 23,207 | 1,451,180 | 707,420   | 2,158,600 |
| Lake Mary FL        | 774,043   | 1,438,165 | None   | None   | 774,043   | 1,438,165 | 2,212,208 |
| Land O' Lakes FL    | 770,136   | 1,190,937 | None   | None   | 770,136   | 1,190,937 | 1,961,073 |
| Margate FL          | 688,583   | 1,279,430 | None   | None   | 688,583   | 1,279,430 | 1,968,013 |
| Melbourne FL        | -         | 790,083   | 500    | None   | -         | 790,583   | 790,583   |
| Miami FL            | 962,500   | 1,788,139 | None   | None   | 962,500   | 1,788,139 | 2,750,639 |
| Miami Beach FL      | 786,510   | 1,461,294 | None   | None   | 786,510   | 1,461,294 | 2,247,804 |
| New Port Richey FL  | 929,402   | 1,459,392 | 56,969 | 32,400 | 929,402   | 1,548,761 | 2,478,163 |
| North Miami Bch. FL | 505,870   | 940,302   | None   | None   | 505,870   | 940,302   | 1,446,172 |
| Orlando FL          | 230,000   | 1,066,339 | None   | 327    | 230,000   | 1,066,666 | 1,296,666 |
| Orlando FL          | 209,800   | 972,679   | None   | 314    | 209,800   | 972,993   | 1,182,793 |
| Orlando FL          | 600,000   | 949,489   | None   | None   | 600,000   | 949,489   | 1,549,489 |
| Orlando FL          | 1,135,310 | 1,306,940 | None   | 189    | 1,135,310 | 1,307,129 | 2,442,439 |
| Orlando FL          | 735,000   | 1,367,891 | None   | None   | 735,000   | 1,367,891 | 2,102,891 |
| Orlando FL          | -         | 790,583   | None   | None   | -         | 790,583   | 790,583   |
| Oviedo FL           | 204,200   | 911,338   | None   | None   | 204,200   | 911,338   | 1,115,538 |
| Oviedo FL           | 456,108   | 847,515   | None   | 18     | 456,108   | 847,533   | 1,303,641 |
| Oviedo FL           | 465,993   | 866,048   | None   | None   | 465,993   | 866,048   | 1,332,041 |
| Palm Bay FL         | 330,000   | 556,668   | None   | None   | 330,000   | 556,668   | 886,668   |

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| Description<br>(Note 1) |    | Initial Cost to Company |  | Cost Capitalized<br>Subsequent<br>to Acquisition |                   | Gross Amount at Which Carried<br>at Close of Period (Notes 2, 3, 5, 6 and 7) |  |           |
|-------------------------|----|-------------------------|--|--|-------------------|--|--|-----------|
|                         |    | Land                    | Buildings,<br>Improvements<br>and<br>Acquisition<br>Fees | Improvements                                     | Carrying<br>Costs | Land   | Buildings,<br>Improvements<br>and<br>Acquisition<br>Fees | Total     |
| Panama<br>City          | FL | 202,047                 | 375,424  | None   | None              | 202,047  | 375,424  | 577,471   |
| Pembroke<br>Pines       | FL | 741,074                 | 1,376,913  | None   | None              | 741,074  | 1,376,913  | 2,117,987 |
| St.<br>Petersburg       | FL | 379,455                 | 705,487  | None   | None              | 379,455  | 705,487  | 1,084,942 |
| Tallahassee             | FL | 385,000                 | 715,857  | None   | None              | 385,000  | 715,857  | 1,100,857 |
| Tallahassee             | FL | 175,000                 | 325,857  | None   | None              | 175,000  | 325,857  | 500,857   |
| Tampa                   | FL | 962,500                 | 1,788,133  | None   | None              | 962,500  | 1,788,133  | 2,750,633 |
| Tampa                   | FL | 700,000                 | 1,300,785  | None   | None              | 700,000  | 1,300,785  | 2,000,785 |
| Tampa                   | FL | 545,211                 | 1,013,321  | None   | None              | 545,211  | 1,013,321  | 1,558,532 |
| Albany                  | GA | 326,690                 | 607,247  | None   | None              | 326,690  | 607,247  | 933,937   |
| Americus                | GA | 709,624                 | 1,319,578  | None   | None              | 709,624  | 1,319,578  | 2,029,202 |
| Augusta                 | GA | 827,895                 | 1,539,237  | None   | None              | 827,895  | 1,539,237  | 2,367,132 |
| Cairo                   | GA | 210,000                 | 390,566  | None   | None              | 210,000  | 390,566  | 600,566   |
| Duluth                  | GA | 536,205                 | 996,521  | None   | None              | 536,205  | 996,521  | 1,532,726 |
| Gainesville             | GA | 952,660                 | 1,770,931  | None   | None              | 952,660  | 1,770,931  | 2,723,591 |
| Garden City             | GA | 197,225                 | 438,043  | 32,125   | 10,819            | 197,225  | 480,987  | 678,212   |
| Lagrange                | GA | 853,599                 | 1,586,959  | None   | None              | 853,599  | 1,586,959  | 2,440,558 |
| Lilburn                 | GA | 237,822                 | 442,409  | None   | None              | 237,822  | 442,409  | 680,231   |
| Lithonia                | GA | 89,220                  | 413,647  | None   | None              | 89,220   | 413,647  | 502,867   |
| Marietta                | GA | 423,132                 | 786,530  | None   | None              | 423,132  | 786,530  | 1,209,662 |
| Norcross                | GA | 827,707                 | 1,538,875  | None   | None              | 827,707  | 1,538,875  | 2,366,582 |
| Roswell                 | GA | 310,767                 | 578,088  | None   | None              | 310,767  | 578,088  | 888,855   |
| Savannah                | GA | 719,188                 | 1,337,352  | None   | None              | 719,188  | 1,337,352  | 2,056,540 |
| Snellville              | GA | 710,600                 | 1,321,389  | 52,416   | 593               | 710,600  | 1,374,398  | 2,084,998 |
| Statesboro              | GA | 201,250                 | 446,983  | None   | 415               | 201,250  | 447,398  | 648,648   |
| Statesboro              | GA | 926,462                 | 1,722,290  | None   | None              | 926,462  | 1,722,290  | 2,648,752 |
| Stone<br>Mountain       | GA | 215,940                 | 1,001,188  | 51,876   | 356               | 215,940  | 1,053,420  | 1,269,360 |
| Thomasville             | GA | 300,211                 | 558,074  | None   | None              | 300,211  | 558,074  | 858,285   |
| Thomasville             | GA | 894,504                 | 1,662,939  | None   | None              | 894,504  | 1,662,939  | 2,557,443 |
| Valdosta                | GA | 901,658                 | 1,676,225  | None   | None              | 901,658  | 1,676,225  | 2,577,883 |
| Warner<br>Robins        | GA | 896,841                 | 1,667,267  | None   | None              | 896,841  | 1,667,267  | 2,564,108 |
| Washington              | GA | 292,628                 | 543,862  | None   | None              | 292,628  | 543,862  | 836,490   |
| Waycross                | GA | 223,475                 | 415,563  | None   | None              | 223,475  | 415,563  | 639,038   |
| Waycross                | GA | 956,765                 | 1,778,566  | None   | None              | 956,765  | 1,778,566  | 2,735,331 |
| Altoona                 | IA | 654,179                 | 1,285,639  | None   | None              | 654,179  | 1,285,639  | 1,939,818 |
| Ankeny                  | IA | 100,000                 | 349,218  | 25,075   | 9,065             | 100,000  | 383,358  | 483,358   |

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|               |    |         |           |      |        |         |           |           |
|---------------|----|---------|-----------|------|--------|---------|-----------|-----------|
| Burlington    | IA | 653,057 | 1,214,571 | None | 284    | 653,057 | 1,214,855 | 1,867,912 |
| Cedar Falls   | IA | 208,411 | 387,971   | None | None   | 208,411 | 387,971   | 596,382   |
| Cedar Falls   | IA | 187,250 | 349,057   | None | None   | 187,250 | 349,057   | 536,307   |
| Cedar Rapids  | IA | 125,076 | 233,206   | None | None   | 125,076 | 233,206   | 358,282   |
| Cedar Rapids  | IA | 822,331 | 1,528,939 | None | None   | 822,331 | 1,528,939 | 2,351,270 |
| Clive         | IA | 840,697 | 1,563,046 | None | None   | 840,697 | 1,563,046 | 2,403,743 |
| Fort Dodge    | IA | 388,815 | 722,573   | None | None   | 388,815 | 722,573   | 1,111,388 |
| Oelwein       | IA | 84,244  | 157,375   | None | None   | 84,244  | 157,375   | 241,619   |
| Urbandale     | IA | 395,896 | 735,724   | None | None   | 395,896 | 735,724   | 1,131,620 |
| Waterloo      | IA | 263,555 | 490,374   | None | None   | 263,555 | 490,374   | 753,929   |
| Boise         | ID | 190,894 | 423,981   | None | 366    | 190,894 | 424,347   | 615,241   |
| Boise         | ID | 161,352 | 334,041   | None | 366    | 161,352 | 334,407   | 495,759   |
| Nampa         | ID | 74,156  | 343,820   | None | 259    | 74,156  | 344,079   | 418,235   |
| Rexburg       | ID | 90,760  | 420,787   | None | 11,524 | 90,760  | 432,311   | 523,071   |
| Alton         | IL | 225,785 | 419,315   | None | None   | 225,785 | 419,315   | 645,100   |
| Buffalo Grove | IL | 306,250 | 569,693   | None | None   | 306,250 | 569,693   | 875,943   |
| Centralia     | IL | 225,966 | 420,573   | None | None   | 225,966 | 420,573   | 646,539   |
| Champaign     | IL | 805,888 | 1,498,402 | None | 284    | 805,888 | 1,498,686 | 2,304,574 |
| Countryside   | IL | 301,000 | 559,824   | None | None   | 301,000 | 559,824   | 860,824   |
| Effingham     | IL | 783,528 | 1,456,874 | None | None   | 783,528 | 1,456,874 | 2,240,402 |
| Elgin         | IL | 700,000 | 1,300,943 | None | None   | 700,000 | 1,300,943 | 2,000,943 |

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| Description<br>(Note 1) |    | Initial Cost to Company |  | Cost Capitalized<br>Subsequent<br>to Acquisition |                   | Gross Amount at Which Carried<br>at Close of Period (Notes 2, 3, 5, 6 and 7) |  |           |
|-------------------------|----|-------------------------|--|--|-------------------|--|--|-----------|
|                         |    | Land                    | Buildings,<br>Improvements<br>and<br>Acquisition<br>Fees | Improvements                                     | Carrying<br>Costs | Land   | Buildings,<br>Improvements<br>and<br>Acquisition<br>Fees | Total     |
| Fairview Heights        | IL | 660,652                 | 1,227,321  | None   | None              | 660,652  | 1,227,321  | 1,887,973 |
| Gurnee                  | IL | 735,000                 | 1,365,747  | None   | None              | 735,000  | 1,365,747  | 2,100,747 |
| Joliet                  | IL | 280,903                 | 522,424  | None   | None              | 280,903  | 522,424  | 803,327   |
| Lincoln                 | IL | 206,532                 | 383,970  | None   | None              | 206,532  | 383,970  | 590,502   |
| Marion                  | IL | 831,323                 | 1,545,566  | None   | None              | 831,323  | 1,545,566  | 2,376,889 |
| Moline                  | IL | 781,044                 | 1,452,262  | None   | None              | 781,044  | 1,452,262  | 2,233,306 |
| Mt Vernon               | IL | 883,110                 | 1,641,741  | None   | None              | 883,110  | 1,641,741  | 2,524,851 |
| Oswego                  | IL | 953,394                 | 1,208,677  | 1,988  | 32,452            | 953,394  | 1,243,117  | 2,196,511 |
| Peoria                  | IL | 662,460                 | 1,060,577  | None   | 45                | 662,460  | 1,060,622  | 1,723,082 |
| Rock Island             | IL | 138,463                 | 258,066  | None   | None              | 138,463  | 258,066  | 396,529   |
| Springfield             | IL | 846,830                 | 1,574,436  | None   | None              | 846,830  | 1,574,436  | 2,421,266 |
| Swansea                 | IL | 890,625                 | 1,655,743  | 21,860   | 40,551            | 890,625  | 1,718,154  | 2,608,779 |
| Waukegan                | IL | 496,908                 | 923,576  | None   | None              | 496,908  | 923,576  | 1,420,484 |
| Waukegan                | IL | 1,330,000               | 2,470,909  | None   | None              | 1,330,000  | 2,470,909  | 3,800,909 |
| Westmont                | IL | 475,300                 | 883,468  | None   | None              | 475,300  | 883,468  | 1,358,768 |
| Anderson                | IN | 831,077                 | 1,545,131  | None   | None              | 831,077  | 1,545,131  | 2,376,208 |
| Elkhart                 | IN | 496,306                 | 922,168  | None   | None              | 496,306  | 922,168  | 1,418,474 |
| Elkhart                 | IN | 835,890                 | 1,554,487  | None   | None              | 835,890  | 1,554,487  | 2,390,377 |
| Evansville              | IN | 136,738                 | 254,864  | None   | None              | 136,738  | 254,864  | 391,602   |
| Indianapolis            | IN | 437,500                 | 813,225  | None   | None              | 437,500  | 813,225  | 1,250,725 |
| Jasper                  | IN | 129,919                 | 242,199  | None   | None              | 129,919  | 242,199  | 372,118   |
| Kokomo                  | IN | 417,330                 | 775,555  | None   | None              | 417,330  | 775,555  | 1,192,885 |
| Marion                  | IN | 426,384                 | 792,314  | None   | None              | 426,384  | 792,314  | 1,218,698 |
| Marion                  | IN | 685,194                 | 1,274,206  | None   | None              | 685,194  | 1,274,206  | 1,959,400 |
| Michigan City           | IN | 840,998                 | 1,563,545  | None   | None              | 840,998  | 1,563,545  | 2,404,543 |
| Muncie                  | IN | 136,400                 | 632,380  | 8,000  | None              | 136,400  | 640,380  | 776,780   |
| Muncie                  | IN | 67,156                  | 149,157  | 13,837   | None              | 67,156   | 162,994  | 230,150   |
| Muncie                  | IN | 644,177                 | 1,196,786  | None   | None              | 644,177  | 1,196,786  | 1,840,963 |
| Munster                 | IN | 560,000                 | 1,040,943  | None   | None              | 560,000  | 1,040,943  | 1,600,943 |
| New Castle              | IN | 246,192                 | 320,572  | 9,317  | None              | 246,192  | 329,889  | 576,081   |
| Newburgh                | IN | 161,193                 | 300,280  | None   | None              | 161,193  | 300,280  | 461,473   |
| South Bend              | IN | 133,200                 | 617,545  | None   | None              | 133,200  | 617,545  | 750,745   |
| Terre Haute             | IN | 767,189                 | 1,426,532  | None   | None              | 767,189  | 1,426,532  | 2,193,721 |
| Valparaiso              | IN | 365,612                 | 679,507  | None   | None              | 365,612  | 679,507  | 1,045,119 |
| Washington              | IN | 155,856                 | 290,368  | None   | None              | 155,856  | 290,368  | 446,224   |
| Westfield               | IN | 213,341                 | 477,300  | None   | 211               | 213,341  | 477,511  | 690,852   |
| Chanute                 | KS | 330,852                 | 615,008  | None   | None              | 330,852  | 615,008  | 945,860   |
| Derby                   | KS | 96,060                  | 445,359  | None   | None              | 96,060   | 445,359  | 541,419   |

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|               |    |         |           |       |        |         |           |           |
|---------------|----|---------|-----------|-------|--------|---------|-----------|-----------|
| El Dorado     | KS | 87,400  | 405,206   | None  | 7,558  | 87,400  | 412,764   | 500,164   |
| Fort Scott    | KS | 269,301 | 500,698   | None  | None   | 269,301 | 500,698   | 769,999   |
| Overland Park | KS | 408,578 | 759,513   | None  | None   | 408,578 | 759,513   | 1,168,091 |
| Overland Park | KS | 754,020 | 1,401,069 | None  | None   | 754,020 | 1,401,069 | 2,155,089 |
| Parsons       | KS | 318,516 | 592,099   | None  | None   | 318,516 | 592,099   | 910,615   |
| Shawnee       | KS | 953,916 | 1,773,245 | None  | None   | 953,916 | 1,773,245 | 2,727,161 |
| Topeka        | KS | 232,146 | 431,853   | None  | None   | 232,146 | 431,853   | 663,999   |
| Wichita       | KS | 98,000  | 454,350   | 6,265 | 233    | 98,000  | 460,848   | 558,848   |
| Wichita       | KS | 787,377 | 1,463,936 | None  | None   | 787,377 | 1,463,936 | 2,251,313 |
| Bowling Green | KY | 685,246 | 1,273,002 | None  | None   | 685,246 | 1,273,002 | 1,958,248 |
| Hazard        | KY | 243,836 | 453,025   | None  | None   | 243,836 | 453,025   | 696,861   |
| Hopkinsville  | KY | 801,532 | 1,490,241 | None  | None   | 801,532 | 1,490,241 | 2,291,773 |
| Lexington     | KY | 122,200 | 1,400     | None  | 31,495 | 122,200 | 32,895    | 155,095   |
| Lexington     | KY | 655,085 | 1,216,983 | None  | None   | 655,085 | 1,216,983 | 1,872,068 |
| Louisville    | KY | 821,990 | 1,528,282 | None  | None   | 821,990 | 1,528,282 | 2,350,272 |
| Madisonville  | KY | 422,501 | 784,831   | None  | None   | 422,501 | 784,831   | 1,207,332 |
| Middlesboro   | KY | 859,709 | 1,598,332 | None  | None   | 859,709 | 1,598,332 | 2,458,041 |
| Murray        | KY | 831,246 | 1,545,422 | None  | None   | 831,246 | 1,545,422 | 2,376,668 |

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| Description  |    | Initial Cost to Company |  |              | Cost Capitalized |                              | Gross Amount at Which Carried               |  |       |
|--------------|----|-------------------------|--|--------------|------------------|------------------------------|---|--|-------|
|              |    | Land                    | Buildings,<br>Improvements<br>and<br>Acquisition | Fees         | to Acquisition   | Subsequent<br>to Acquisition | at Close of Period (Notes 2, 3, 5, 6 and 7) | Buildings,<br>Improvements<br>and<br>Acquisition | Total |
| (Note 1)     |    | Land                    | Fees   | Improvements | Costs            | Land                         | Fees  | Total  |       |
| Paducah      | KY | 673,551                 | 1,251,276  | None         | None             | 673,551                      | 1,251,276                                   | 1,924,827  |       |
| Richmond     | KY | 913,770                 | 1,698,726  | None         | None             | 913,770                      | 1,698,726                                   | 2,612,496  |       |
| Alexandria   | LA | 1,270,223               | 2,361,174  | None         | None             | 1,270,223                    | 2,361,174                                   | 3,631,397  |       |
| Bossier City | LA | 172,269                 | 320,497  | None         | None             | 172,269                      | 320,497                                     | 492,766  |       |
| Deridder     | LA | 371,127                 | 690,819  | None         | None             | 371,127                      | 690,819                                     | 1,061,946  |       |
| Hammond      | LA | 1,011,084               | 1,879,972  | None         | None             | 1,011,084                    | 1,879,972                                   | 2,891,056  |       |
| Houma        | LA | 1,061,671               | 1,973,864  | None         | None             | 1,061,671                    | 1,973,864                                   | 3,035,535  |       |
| Jennings     | LA | 107,120                 | 496,636  | None         | 16               | 107,120                      | 496,652                                     | 603,772  |       |
| Jonesboro    | LA | 163,651                 | 304,492  | None         | None             | 163,651                      | 304,492                                     | 468,143  |       |
| Morgan City  | LA | 832,895                 | 1,548,993  | None         | None             | 832,895                      | 1,548,993                                   | 2,381,888  |       |
| Natchitoches | LA | 291,675                 | 541,890  | None         | None             | 291,675                      | 541,890                                     | 833,565  |       |
| New Iberia   | LA | 917,582                 | 1,706,269  | None         | None             | 917,582                      | 1,706,269                                   | 2,623,851  |       |
| Opelousas    | LA | 949,157                 | 1,764,908  | 36,600       | 20,490           | 949,157                      | 1,821,998                                   | 2,771,155  |       |
| Pineville    | LA | 1,136,612               | 2,113,040  | None         | None             | 1,136,612                    | 2,113,040                                   | 3,249,652  |       |
| Ruston       | LA | 170,274                 | 316,792  | None         | None             | 170,274                      | 316,792                                     | 487,066  |       |
| Ruston       | LA | 982,427                 | 1,826,696  | None         | None             | 982,427                      | 1,826,696                                   | 2,809,123  |       |
| Shreveport   | LA | 359,268                 | 667,417  | None         | None             | 359,268                      | 667,417                                     | 1,026,685  |       |
| Shreveport   | LA | 154,671                 | 287,815  | None         | None             | 154,671                      | 287,815                                     | 442,486  |       |
| Shreveport   | LA | 200,033                 | 372,059  | None         | None             | 200,033                      | 372,059                                     | 572,092  |       |
| Shreveport   | LA | 259,987                 | 483,401  | None         | None             | 259,987                      | 483,401                                     | 743,388  |       |
| Shreveport   | LA | 269,130                 | 500,382  | None         | None             | 269,130                      | 500,382                                     | 769,512  |       |
| Vivian       | LA | 135,568                 | 252,338  | None         | None             | 135,568                      | 252,338                                     | 387,906  |       |
| Winnfield    | LA | 145,973                 | 271,661  | None         | None             | 145,973                      | 271,661                                     | 417,634  |       |
| Zachary      | LA | 898,306                 | 1,670,527  | None         | None             | 898,306                      | 1,670,527                                   | 2,568,833  |       |
| Amesbury     | MA | -                       | 790,494  | None         | None             | -                            | 790,494                                     | 790,494  |       |
| Attleboro    | MA | 369,815                 | 693,655  | None         | None             | 369,815                      | 693,655                                     | 1,063,470  |       |
| Auburn       | MA | 418,250                 | 779,623  | 500          | None             | 418,250                      | 780,123                                     | 1,198,373  |       |
| Billerica    | MA | 398,292                 | 740,107  | None         | None             | 398,292                      | 740,107                                     | 1,138,399  |       |
| Chicopee     | MA | 761,606                 | 1,417,624  | None         | None             | 761,606                      | 1,417,624                                   | 2,179,230  |       |
| Chicopee     | MA | 302,982                 | 565,894  | None         | None             | 302,982                      | 565,894                                     | 868,876  |       |
| Falls        |    |                         |  |              |                  |                              |   |  |       |
| East         | MA | 614,319                 | 1,144,128  | None         | None             | 614,319                      | 1,144,128                                   | 1,758,447  |       |
| Longmeadow   |    |                         |  |              |                  |                              |   |  |       |
| Fall River   | MA | 962,500                 | 1,787,831  | None         | None             | 962,500                      | 1,787,831                                   | 2,750,331  |       |
| Gardner      | MA | -                       | 828,564  | None         | None             | -                            | 828,564                                     | 828,564  |       |
| Great        | MA | 422,625                 | 788,089  | None         | None             | 422,625                      | 788,089                                     | 1,210,714  |       |
| Barrington   |    |                         |  |              |                  |                              |   |  |       |
| Greenfield   | MA | 389,436                 | 726,452  | None         | None             | 389,436                      | 726,452                                     | 1,115,888  |       |
| Greenfield   | MA | 761,417                 | 1,417,273  | None         | None             | 761,417                      | 1,417,273                                   | 2,178,690  |       |

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|                    |    |         |           |      |      |         |           |           |
|--------------------|----|---------|-----------|------|------|---------|-----------|-----------|
| Hanover            | MA | 397,203 | 281,202   | None | None | 397,203 | 281,202   | 678,405   |
| Haverhill          | MA | 568,635 | 1,058,815 | None | None | 568,635 | 1,058,815 | 1,627,450 |
| Holyoke            | MA | 577,667 | 1,076,023 | None | None | 577,667 | 1,076,023 | 1,653,690 |
| Hyannis            | MA | 687,917 | 1,280,767 | None | None | 687,917 | 1,280,767 | 1,968,684 |
| Lawrence           | MA | 910,000 | 1,690,877 | None | None | 910,000 | 1,690,877 | 2,600,877 |
| Lee                | MA | 540,506 | 1,007,010 | None | None | 540,506 | 1,007,010 | 1,547,516 |
| North Adams        | MA | 377,300 | 703,914   | None | None | 377,300 | 703,914   | 1,081,214 |
| Norwood            | MA | 840,616 | 1,563,923 | None | None | 840,616 | 1,563,923 | 2,404,539 |
| Palmer             | MA | 141,524 | 598,480   | None | None | 141,524 | 598,480   | 740,004   |
| Peabody            | MA | 529,555 | 222,590   | None | None | 529,555 | 222,590   | 752,145   |
| Pittsfield         | MA | 286,241 | 950,022   | None | None | 286,241 | 950,022   | 1,236,263 |
| Quincy             | MA | 289,121 | 539,719   | None | None | 289,121 | 539,719   | 828,840   |
| Raynham            | MA | 761,417 | 1,417,287 | None | None | 761,417 | 1,417,287 | 2,178,704 |
| Sagamore<br>Beach  | MA | 620,188 | 1,155,007 | None | None | 620,188 | 1,155,007 | 1,775,195 |
| Saugus             | MA | -       | 737,971   | None | None | -       | 737,971   | 737,971   |
| Seekonk            | MA | 614,417 | 1,144,267 | None | None | 614,417 | 1,144,267 | 1,758,684 |
| South<br>Dartmouth | MA | 379,217 | 707,492   | None | None | 379,217 | 707,492   | 1,086,709 |
| Springfield        | MA | 230,030 | 865,572   | None | None | 230,030 | 865,572   | 1,095,602 |
| Springfield        | MA | 227,207 | 958,444   | None | None | 227,207 | 958,444   | 1,185,651 |
| Stoneham           | MA | 397,544 | 191,717   | None | None | 397,544 | 191,717   | 589,261   |

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| Description<br>(Note 1)   | Initial Cost to Company |  | Cost Capitalized<br>Subsequent<br>to Acquisition |                   | Gross Amount at Which Carried<br>at Close of Period (Notes 2, 3, 5, 6 and 7) |  |           |
|---------------------------|-------------------------|--|--|-------------------|--|--|-----------|
|                           | Land                    | Buildings,<br>Improvements<br>and<br>Acquisition<br>Fees | Improvements                                     | Carrying<br>Costs | Land   | Buildings,<br>Improvements<br>and<br>Acquisition<br>Fees | Total     |
| Sudbury MA                | -                       | 633,843  | None   | None              | -  | 633,843  | 633,843   |
| Swansea MA                | 173,853                 | 488,699  | None   | None              | 173,853  | 488,699  | 662,552   |
| Tewksbury MA              | 392,079                 | 730,927  | None   | None              | 392,079  | 730,927  | 1,123,006 |
| Ware MA                   | 220,457                 | 412,133  | 500  | None              | 220,457  | 412,633  | 633,090   |
| West<br>Springfield<br>MA | 243,556                 | 455,532  | None   | None              | 243,556  | 455,532  | 699,088   |
| West<br>Springfield<br>MA | 761,417                 | 1,417,273  | None   | None              | 761,417  | 1,417,273  | 2,178,690 |
| Wollaston MA              | 411,366                 | 766,745  | None   | None              | 411,366  | 766,745  | 1,178,111 |
| Worcester MA              | 578,336                 | 1,077,426  | None   | None              | 578,336  | 1,077,426  | 1,655,762 |
| Hagerstown MD             | 499,396                 | 928,250  | None   | None              | 499,396  | 928,250  | 1,427,646 |
| Waterville ME             | -                       | 717,653  | None   | None              | -  | 717,653  | 717,653   |
| Windham ME                | -                       | 831,301  | 1,000  | None              | -  | 832,301  | 832,301   |
| Canton MI                 | 279,923                 | 521,223  | None   | None              | 279,923  | 521,223  | 801,146   |
| Comstock<br>Park<br>MI    | 810,477                 | 1,506,864  | None   | None              | 810,477  | 1,506,864  | 2,317,341 |
| Flint MI                  | 827,853                 | -  | None   | None              | 827,853  | -  | 827,853   |
| Flint MI                  | 885,144                 | 1,645,531  | None   | None              | 885,144  | 1,645,531  | 2,530,675 |
| Lansing MI                | 873,536                 | 1,623,973  | None   | None              | 873,536  | 1,623,973  | 2,497,509 |
| Livonia MI                | 350,000                 | 651,446  | None   | None              | 350,000  | 651,446  | 1,001,446 |
| Saginaw MI                | 766,531                 | 1,425,263  | None   | None              | 766,531  | 1,425,263  | 2,191,794 |
| Taylor MI                 | 847,070                 | 1,574,821  | None   | 284               | 847,070  | 1,575,105  | 2,422,175 |
| Westland MI               | 869,530                 | 1,616,568  | None   | None              | 869,530  | 1,616,568  | 2,486,098 |
| Roseville MN              | 281,600                 | 1,305,560  | None   | 182               | 281,600  | 1,305,742  | 1,587,342 |
| Belton MO                 | 89,328                  | 418,187  | 22,270   | 14,516            | 89,328   | 454,973  | 544,301   |
| Bolivar MO                | 237,094                 | 440,596  | None   | None              | 237,094  | 440,596  | 677,690   |
| Bridgeton MO              | 743,559                 | 1,382,610  | 16,250   | 503               | 743,559  | 1,399,363  | 2,142,922 |
| Buffalo MO                | 159,346                 | 296,519  | None   | 24                | 159,346  | 296,543  | 455,889   |
| Cape<br>Girardeau<br>MO   | 450,078                 | 836,372  | None   | None              | 450,078  | 836,372  | 1,286,450 |
| Cape<br>Girardeau<br>MO   | 745,915                 | 1,386,950  | None   | None              | 745,915  | 1,386,950  | 2,132,865 |
| Carthage MO               | 85,020                  | 394,175  | None   | 398               | 85,020   | 394,573  | 479,593   |
| Farmington MO             | 780,812                 | 1,451,767  | None   | None              | 780,812  | 1,451,767  | 2,232,579 |
| Festus MO                 | 808,595                 | 1,503,364  | None   | None              | 808,595  | 1,503,364  | 2,311,959 |
| Fulton MO                 | 210,199                 | 466,861  | 13,395   | 493               | 210,199  | 480,749  | 690,948   |
| Hazelwood MO              | 157,117                 | 725,327  | -104,329   | 337               | 157,117  | 621,335  | 778,452   |
| Jefferson<br>City<br>MO   | 713,088                 | 1,325,993  | None   | None              | 713,088  | 1,325,993  | 2,039,081 |
| Joplin MO                 | 301,207                 | 559,953  | None   | None              | 301,207  | 559,953  | 861,160   |

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|                |    |         |           |         |        |         |           |           |
|----------------|----|---------|-----------|---------|--------|---------|-----------|-----------|
| Joplin         | MO | 281,001 | 522,428   | None    | None   | 281,001 | 522,428   | 803,429   |
| Kansas City    | MO | 315,334 | 586,423   | None    | None   | 315,334 | 586,423   | 901,757   |
| Mountain Grove | MO | 219,704 | 408,591   | None    | None   | 219,704 | 408,591   | 628,295   |
| Mt. Vernon     | MO | 160,000 | 282,586   | None    | None   | 160,000 | 282,586   | 442,586   |
| Nevada         | MO | 222,552 | 494,296   | None    | None   | 222,552 | 494,296   | 716,848   |
| Nevada         | MO | 290,795 | 540,616   | None    | None   | 290,795 | 540,616   | 831,411   |
| Nixa           | MO | 251,387 | 467,430   | None    | None   | 251,387 | 467,430   | 718,817   |
| Ozark          | MO | 140,000 | 292,482   | None    | None   | 140,000 | 292,482   | 432,482   |
| Poplar Bluff   | MO | 774,256 | 1,439,603 | None    | None   | 774,256 | 1,439,603 | 2,213,859 |
| Raymore        | MO | 726,583 | 1,351,055 | None    | None   | 726,583 | 1,351,055 | 2,077,638 |
| Sedalia        | MO | 269,798 | 599,231   | 11,556  | None   | 269,798 | 610,787   | 880,585   |
| Sedalia        | MO | 696,604 | 1,295,380 | None    | 598    | 696,604 | 1,295,978 | 1,992,582 |
| Springfield    | MO | 251,381 | 467,418   | None    | None   | 251,381 | 467,418   | 718,799   |
| Springfield    | MO | 225,939 | 420,162   | None    | None   | 225,939 | 420,162   | 646,101   |
| St. Charles    | MO | 175,413 | 809,791   | None    | 384    | 175,413 | 810,175   | 985,588   |
| St. Charles    | MO | 695,121 | 1,001,878 | None    | 1,338  | 695,121 | 1,003,216 | 1,698,337 |
| St. Joseph     | MO | 960,412 | 1,785,308 | None    | None   | 960,412 | 1,785,308 | 2,745,720 |
| St. Robert     | MO | 329,242 | 611,728   | None    | None   | 329,242 | 611,728   | 940,970   |
| St. Robert     | MO | 744,158 | 1,383,694 | None    | None   | 744,158 | 1,383,694 | 2,127,852 |
| Sullivan       | MO | 85,500  | 396,400   | -40,743 | 13,514 | 85,500  | 369,171   | 454,671   |
| Webb City      | MO | 337,647 | 627,628   | None    | None   | 337,647 | 627,628   | 965,275   |
| Biloxi         | MS | 414,902 | 770,725   | None    | None   | 414,902 | 770,725   | 1,185,627 |

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| Description<br>(Note 1) |    | Initial Cost to Company |  | Cost Capitalized<br>Subsequent<br>to Acquisition | Gross Amount at Which Carried<br>at Close of Period (Notes 2, 3, 5, 6 and 7) |  |           |
|-------------------------|----|-------------------------|--|--|--|--|-----------|
|                         |    | Land                    | Buildings,<br>Improvements<br>and<br>Acquisition<br>Fees | Carrying<br>Costs                                | Land   | Buildings,<br>Improvements<br>and<br>Acquisition<br>Fees | Total     |
| Canton                  | MS | 163,193                 | 303,268  | None   | 163,193  | 303,268  | 466,461   |
| Carthage                | MS | 157,803                 | 293,257  | None   | 157,803  | 293,257  | 451,060   |
| Columbus                | MS | 128,409                 | 238,775  | None   | 128,409  | 238,775  | 367,184   |
| Columbus                | MS | 117,411                 | 218,350  | None   | 117,411  | 218,350  | 335,761   |
| Columbus                | MS | 720,310                 | 1,339,963  | None   | 720,310  | 1,339,963  | 2,060,273 |
| Corinth                 | MS | 285,607                 | 530,598  | None   | 285,607  | 530,598  | 816,205   |
| Corinth                 | MS | 867,086                 | 1,612,029  | None   | 867,086  | 1,612,029  | 2,479,115 |
| Flowood                 | MS | 154,733                 | 287,549  | None   | 154,733  | 287,549  | 442,282   |
| Forest                  | MS | 106,457                 | 198,007  | None   | 106,457  | 198,007  | 304,464   |
| Fulton                  | MS | 239,686                 | 445,337  | None   | 239,686  | 445,337  | 685,023   |
| Gautier                 | MS | 241,995                 | 449,607  | None   | 241,995  | 449,607  | 691,602   |
| Greenville              | MS | 311,324                 | 578,378  | None   | 311,324  | 578,378  | 889,702   |
| Greenwood               | MS | 177,329                 | 329,520  | None   | 177,329  | 329,520  | 506,849   |
| Hattiesburg             | MS | 856,070                 | 1,592,088  | None   | 856,070  | 1,592,088  | 2,448,158 |
| Hernando                | MS | 137,898                 | 256,282  | None   | 137,898  | 256,282  | 394,180   |
| Houston                 | MS | 226,962                 | 421,695  | None   | 226,962  | 421,695  | 648,657   |
| Indianola               | MS | 270,639                 | 502,822  | None   | 270,639  | 502,822  | 773,461   |
| Iuka                    | MS | 139,243                 | 258,779  | None   | 139,243  | 258,779  | 398,022   |
| Jackson                 | MS | 237,982                 | 442,154  | None   | 237,982  | 442,154  | 680,136   |
| Jackson                 | MS | 352,003                 | 653,900  | None   | 352,003  | 653,900  | 1,005,903 |
| Kosciusko               | MS | 311,422                 | 578,550  | None   | 311,422  | 578,550  | 889,972   |
| Laurel                  | MS | 778,938                 | 1,448,844  | None   | 778,938  | 1,448,844  | 2,227,782 |
| Magee                   | MS | 264,395                 | 491,206  | None   | 264,395  | 491,206  | 755,601   |
| Meridian                | MS | -                       | 2,481,172  | None   | -  | 2,481,172  | 2,481,172 |
| Moss Point              | MS | 287,821                 | 534,713  | None   | 287,821  | 534,713  | 822,534   |
| Natchez                 | MS | 402,589                 | 747,934  | None   | 402,589  | 747,934  | 1,150,523 |
| Newton                  | MS | 284,350                 | 528,311  | None   | 284,350  | 528,311  | 812,661   |
| Olive Branch            | MS | 332,234                 | 617,192  | None   | 332,234  | 617,192  | 949,426   |
| Olive Branch            | MS | 362,276                 | 673,055  | None   | 362,276  | 673,055  | 1,035,331 |
| Oxford                  | MS | 164,058                 | 304,873  | None   | 164,058  | 304,873  | 468,931   |
| Oxford                  | MS | 297,182                 | 552,097  | None   | 297,182  | 552,097  | 849,279   |
| Pearl                   | MS | 334,822                 | 621,994  | None   | 334,822  | 621,994  | 956,816   |
| Philadelphia            | MS | 292,868                 | 543,912  | None   | 292,868  | 543,912  | 836,780   |
| Pontotoc                | MS | 285,006                 | 529,492  | None   | 285,006  | 529,492  | 814,498   |
| Southaven               | MS | 498,426                 | 925,905  | None   | 498,426  | 925,905  | 1,424,331 |
| Starkville              | MS | 175,436                 | 326,005  | None   | 175,436  | 326,005  | 501,441   |
| Tupelo                  | MS | 166,869                 | 310,095  | None   | 166,869  | 310,095  | 476,964   |
| Tupelo                  | MS | 225,934                 | 419,857  | None   | 225,934  | 419,857  | 645,791   |
| Vicksburg               | MS | 275,895                 | 512,632  | None   | 275,895  | 512,632  | 788,527   |

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|               |    |         |           |        |      |         |           |           |
|---------------|----|---------|-----------|--------|------|---------|-----------|-----------|
| Vicksburg     | MS | 698,189 | 1,298,881 | 68,650 | 479  | 698,189 | 1,368,010 | 2,066,199 |
| West Point    | MS | 87,859  | 163,468   | None   | None | 87,859  | 163,468   | 251,327   |
| Wiggins       | MS | 268,104 | 498,095   | None   | None | 268,104 | 498,095   | 766,199   |
| Albemarle     | NC | 721,392 | 1,341,825 | None   | 223  | 721,392 | 1,342,048 | 2,063,440 |
| Asheville     | NC | 838,421 | 1,558,792 | None   | None | 838,421 | 1,558,792 | 2,397,213 |
| Asheville     | NC | 264,226 | 491,419   | None   | None | 264,226 | 491,419   | 755,645   |
| Fayetteville  | NC | 116,240 | 590,854   | None   | 317  | 116,240 | 591,171   | 707,411   |
| Forest City   | NC | 872,424 | 1,621,940 | None   | None | 872,424 | 1,621,940 | 2,494,364 |
| Goldsboro     | NC | 811,502 | 1,509,029 | None   | 624  | 811,502 | 1,509,653 | 2,321,155 |
| Kernersville  | NC | 836,896 | 1,556,334 | None   | 223  | 836,896 | 1,556,557 | 2,393,453 |
| Roanoke       | NC | 834,223 | 1,551,226 | None   | None | 834,223 | 1,551,226 | 2,385,449 |
| Rapids        |    |         |           |        |      |         |           |           |
| Salisbury     | NC | 777,412 | 1,445,863 | None   | None | 777,412 | 1,445,863 | 2,223,275 |
| Sylva         | NC | 919,724 | 1,709,783 | None   | None | 919,724 | 1,709,783 | 2,629,507 |
| Wilkesboro    | NC | 183,050 | 406,562   | None   | 139  | 183,050 | 406,701   | 589,751   |
| Winston Salem | NC | 126,423 | 235,323   | None   | None | 126,423 | 235,323   | 361,746   |
| Winston-Salem | NC | 353,239 | 656,427   | None   | None | 353,239 | 656,427   | 1,009,666 |
| Devils Lake   | ND | 150,390 | 279,798   | None   | None | 150,390 | 279,798   | 430,188   |

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| Description<br>(Note 1) |    | Initial Cost to Company |  | Cost Capitalized<br>Subsequent<br>to Acquisition |                   | Gross Amount at Which Carried<br>at Close of Period (Notes 2, 3, 5, 6 and 7) |  |           |
|-------------------------|----|-------------------------|--|--|-------------------|--|--|-----------|
|                         |    | Land                    | Buildings,<br>Improvements<br>and<br>Acquisition<br>Fees | Improvements                                     | Carrying<br>Costs | Land   | Buildings,<br>Improvements<br>and<br>Acquisition<br>Fees | Total     |
| Fargo                   | ND | 217,057                 | 403,609  | None   | None              | 217,057  | 403,609  | 620,666   |
| Jamestown               | ND | 136,523                 | 254,045  | None   | None              | 136,523  | 254,045  | 390,568   |
| Minot                   | ND | 153,870                 | 286,260  | None   | None              | 153,870  | 286,260  | 440,130   |
| Bellevue                | NE | -                       | 1,004,384  | None   | None              | -  | 1,004,384  | 1,004,384 |
| Omaha                   | NE | 592,716                 | 1,009,253  | None   | None              | 592,716  | 1,009,253  | 1,601,969 |
| Omaha                   | NE | 444,460                 | 825,938  | None   | None              | 444,460  | 825,938  | 1,270,398 |
| Omaha                   | NE | 350,000                 | 650,877  | None   | None              | 350,000  | 650,877  | 1,000,877 |
| Papillion               | NE | 654,788                 | 908,685  | None   | None              | 654,788  | 908,685  | 1,563,473 |
| Concord                 | NH | 577,667                 | 1,075,628  | None   | None              | 577,667  | 1,075,628  | 1,653,295 |
| Concord                 | NH | 849,884                 | 1,581,175  | None   | None              | 849,884  | 1,581,175  | 2,431,059 |
| Dover                   | NH | 687,917                 | 1,280,378  | None   | None              | 687,917  | 1,280,378  | 1,968,295 |
| Keene                   | NH | 253,769                 | 310,470  | None   | None              | 253,769  | 310,470  | 564,239   |
| Laconia                 | NH | 330,520                 | 467,594  | None   | None              | 330,520  | 467,594  | 798,114   |
| Manchester              | NH | 266,337                 | 486,676  | None   | None              | 266,337  | 486,676  | 753,013   |
| North<br>Conway         | NH | 473,031                 | 607,020  | None   | None              | 473,031  | 607,020  | 1,080,051 |
| Portsmouth              | NH | 391,650                 | 730,167  | None   | None              | 391,650  | 730,167  | 1,121,817 |
| Rochester               | NH | 262,059                 | 695,771  | None   | None              | 262,059  | 695,771  | 957,830   |
| Bloomfield              | NJ | 556,520                 | 260,498  | None   | None              | 556,520  | 260,498  | 817,018   |
| Clark                   | NJ | 541,792                 | 1,009,085  | None   | None              | 541,792  | 1,009,085  | 1,550,877 |
| Hackettstown            | NJ | 307,186                 | 525,142  | None   | None              | 307,186  | 525,142  | 832,328   |
| Hazlet                  | NJ | 614,417                 | 1,143,885  | None   | None              | 614,417  | 1,143,885  | 1,758,302 |
| Hillsdale               | NJ | 398,221                 | 204,106  | None   | None              | 398,221  | 204,106  | 602,327   |
| Middletown              | NJ | -                       | 640,403  | None   | None              | -  | 640,403  | 640,403   |
| Moorestown              | NJ | 294,708                 | 550,139  | None   | None              | 294,708  | 550,139  | 844,847   |
| Morris Plains           | NJ | 366,982                 | 188,123  | None   | None              | 366,982  | 188,123  | 555,105   |
| Mt. Holly               | NJ | -                       | 1,092,178  | None   | None              | -  | 1,092,178  | 1,092,178 |
| Passaic                 | NJ | 328,284                 | 612,517  | None   | None              | 328,284  | 612,517  | 940,801   |
| Pompton<br>Plains       | NJ | 455,700                 | 849,125  | None   | None              | 455,700  | 849,125  | 1,304,825 |
| Toms River              | NJ | 826,449                 | 1,537,659  | None   | None              | 826,449  | 1,537,659  | 2,364,108 |
| Albuquerque             | NM | 732,059                 | 1,036,922  | None   | None              | 732,059  | 1,036,922  | 1,768,981 |
| Albuquerque             | NM | 471,899                 | 876,928  | None   | None              | 471,899  | 876,928  | 1,348,827 |
| Albany                  | NY | 457,538                 | 852,510  | None   | None              | 457,538  | 852,510  | 1,310,048 |
| Amherst                 | NY | 412,349                 | 767,082  | None   | None              | 412,349  | 767,082  | 1,179,431 |
| Buffalo                 | NY | 317,454                 | 591,060  | None   | None              | 317,454  | 591,060  | 908,514   |
| Carmel                  | NY | 266,619                 | 707,819  | None   | None              | 266,619  | 707,819  | 974,438   |
| Clifton Park            | NY | 1,040,997               | 1,936,100  | None   | None              | 1,040,997  | 1,936,100  | 2,977,097 |
| East<br>Greenbush       | NY | 623,313                 | 1,160,389  | None   | None              | 623,313  | 1,160,389  | 1,783,702 |

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|              |    |         |           |        |        |         |           |           |
|--------------|----|---------|-----------|--------|--------|---------|-----------|-----------|
| Elsmere      | NY | 316,382 | 590,387   | None   | None   | 316,382 | 590,387   | 906,769   |
| Fulton       | NY | 294,009 | 653,006   | 3,800  | 2,220  | 294,009 | 659,026   | 953,035   |
| Kingston     | NY | 430,667 | 802,583   | None   | None   | 430,667 | 802,583   | 1,233,250 |
| Latham       | NY | 651,167 | 1,212,133 | None   | None   | 651,167 | 1,212,133 | 1,863,300 |
| Middletown   | NY | 242,459 | 796,905   | None   | 151    | 242,459 | 797,056   | 1,039,515 |
| New Hartford | NY | 226,041 | 422,563   | None   | None   | 226,041 | 422,563   | 648,604   |
| Plattsburgh  | NY | 977,012 | 1,817,269 | None   | None   | 977,012 | 1,817,269 | 2,794,281 |
| Watertown    | NY | 139,199 | 645,355   | 4,846  | 180    | 139,199 | 650,381   | 789,580   |
| Akron        | OH | 723,347 | 17        | 10,940 | 44,667 | 723,347 | 55,624    | 778,971   |
| Akron        | OH | 318,182 | 593,654   | None   | None   | 318,182 | 593,654   | 911,836   |
| Akron        | OH | 318,182 | 593,654   | None   | None   | 318,182 | 593,654   | 911,836   |
| Beavercreek  | OH | 229,445 | 428,857   | None   | None   | 229,445 | 428,857   | 658,302   |
| Cincinnati   | OH | 299,187 | 556,978   | None   | None   | 299,187 | 556,978   | 856,165   |
| Defiance     | OH | 71,273  | 135,109   | None   | 358    | 71,273  | 135,467   | 206,740   |
| Elyria       | OH | 79,545  | 150,491   | None   | None   | 79,545  | 150,491   | 230,036   |
| Marion       | OH | 739,651 | 1,375,358 | None   | None   | 739,651 | 1,375,358 | 2,115,009 |
| Maumee       | OH | 296,970 | 555,134   | None   | None   | 296,970 | 555,134   | 852,104   |
| Mentor       | OH | 394,450 | 734,205   | None   | None   | 394,450 | 734,205   | 1,128,655 |
| Mount Vernon | OH | 147,212 | 276,407   | None   | None   | 147,212 | 276,407   | 423,619   |

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| Description<br>(Note 1) |    | Initial Cost to Company |  | Cost Capitalized<br>Subsequent<br>to Acquisition |                   | Gross Amount at Which Carried<br>at Close of Period (Notes 2, 3, 5, 6 and 7) |  |           |
|-------------------------|----|-------------------------|--|--|-------------------|--|--|-----------|
|                         |    | Land                    | Buildings,<br>Improvements<br>and<br>Acquisition<br>Fees | Improvements                                     | Carrying<br>Costs | Land   | Buildings,<br>Improvements<br>and<br>Acquisition<br>Fees | Total     |
| Mt. Vernon              | OH | 726,626                 | 1,351,151  | None   | 284               | 726,626  | 1,351,435  | 2,078,061 |
| North<br>Canton         | OH | 487,879                 | 908,806  | None   | None              | 487,879  | 908,806  | 1,396,685 |
| Parma                   | OH | 473,710                 | 881,038  | None   | None              | 473,710  | 881,038  | 1,354,748 |
| Parma<br>Heights        | OH | 275,758                 | 514,866  | None   | None              | 275,758  | 514,866  | 790,624   |
| Sandusky                | OH | 824,270                 | 1,532,494  | None   | None              | 824,270  | 1,532,494  | 2,356,764 |
| Sandusky                | OH | 128,158                 | 240,761  | None   | None              | 128,158  | 240,761  | 368,919   |
| Stow                    | OH | 317,546                 | 712,455  | None   | None              | 317,546  | 712,455  | 1,030,001 |
| Toledo                  | OH | 633,461                 | 1,177,718  | None   | None              | 633,461  | 1,177,718  | 1,811,179 |
| Troy                    | OH | 255,353                 | 476,973  | None   | None              | 255,353  | 476,973  | 732,326   |
| Vandalia                | OH | 145,833                 | 273,579  | None   | None              | 145,833  | 273,579  | 419,412   |
| Westlake                | OH | 169,697                 | 317,897  | None   | None              | 169,697  | 317,897  | 487,594   |
| Wooster                 | OH | 763,642                 | 1,419,901  | None   | 284               | 763,642  | 1,420,185  | 2,183,827 |
| Bixby                   | OK | 145,791                 | 271,272  | None   | None              | 145,791  | 271,272  | 417,063   |
| Broken<br>Arrow         | OK | 245,000                 | 369,002  | None   | None              | 245,000  | 369,002  | 614,002   |
| Checotah                | OK | 153,232                 | 285,092  | None   | None              | 153,232  | 285,092  | 438,324   |
| Idabel                  | OK | 214,244                 | 398,545  | None   | None              | 214,244  | 398,545  | 612,789   |
| Norman                  | OK | 734,335                 | 335,097  | None   | 78,328            | 734,335  | 413,425  | 1,147,760 |
| Oklahoma<br>City        | OK | 759,826                 | -  | None   | 8                 | 759,826  | 8  | 759,834   |
| Oklahoma<br>City        | OK | 1,165,405               | 2,165,989  | None   | 173               | 1,165,405  | 2,166,162  | 3,331,567 |
| Owasso                  | OK | 327,043                 | 607,645  | None   | None              | 327,043  | 607,645  | 934,688   |
| Tahlequah               | OK | 224,982                 | 418,341  | None   | None              | 224,982  | 418,341  | 643,323   |
| Tulsa                   | OK | 295,993                 | 549,981  | None   | None              | 295,993  | 549,981  | 845,974   |
| Tulsa                   | OK | 490,000                 | 910,004  | None   | 173               | 490,000  | 910,177  | 1,400,177 |
| Tulsa                   | OK | 360,500                 | 669,605  | None   | 173               | 360,500  | 669,778  | 1,030,278 |
| Tulsa                   | OK | 1,021,904               | 1,899,486  | None   | 173               | 1,021,904  | 1,899,659  | 2,921,563 |
| Hermiston               | OR | 85,560                  | 396,675  | 18,088   | 421               | 85,560   | 415,184  | 500,744   |
| Lake<br>Oswego          | OR | 175,899                 | 815,508  | None   | None              | 175,899  | 815,508  | 991,407   |
| Salem                   | OR | 198,540                 | 495,748  | None   | None              | 198,540  | 495,748  | 694,288   |
| Abington                | PA | 778,103                 | 1,445,849  | None   | None              | 778,103  | 1,445,849  | 2,223,952 |
| Feasterville            | PA | 236,303                 | 441,673  | None   | None              | 236,303  | 441,673  | 677,976   |
| Gap                     | PA | -                       | 1,012,812  | 1,000  | None              | -  | 1,013,812  | 1,013,812 |
| Gettysburg              | PA | 289,040                 | 809,676  | None   | None              | 289,040  | 809,676  | 1,098,716 |
| Greensburg              | PA | 315,000                 | 586,368  | None   | None              | 315,000  | 586,368  | 901,368   |
| Harrisburg              | PA | 577,667                 | 1,075,635  | None   | None              | 577,667  | 1,075,635  | 1,653,302 |

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|                  |    |         |           |        |        |         |           |           |
|------------------|----|---------|-----------|--------|--------|---------|-----------|-----------|
| Horsham          | PA | 554,361 | 1,032,352 | None   | None   | 554,361 | 1,032,352 | 1,586,713 |
| Indiana          | PA | 828,653 | 1,540,630 | None   | 439    | 828,653 | 1,541,069 | 2,369,722 |
| Lancaster        | PA | 170,304 | 413,960   | None   | None   | 170,304 | 413,960   | 584,264   |
| Lancaster        | PA | 276,251 | 460,784   | None   | None   | 276,251 | 460,784   | 737,035   |
| Lebanon          | PA | -       | 1,292,172 | None   | None   | -       | 1,292,172 | 1,292,172 |
| Philadelphia     | PA | 423,333 | 787,125   | None   | None   | 423,333 | 787,125   | 1,210,458 |
| Philadelphia     | PA | 503,556 | 937,999   | None   | None   | 503,556 | 937,999   | 1,441,555 |
| Cranston         | RI | -       | 790,899   | None   | None   | -       | 790,899   | 790,899   |
| North Providence | RI | -       | 790,921   | None   | None   | -       | 790,921   | 790,921   |
| Pawtucket        | RI | -       | 457,462   | None   | None   | -       | 457,462   | 457,462   |
| Aiken            | SC | 240,937 | 447,656   | None   | None   | 240,937 | 447,656   | 688,593   |
| Gaffney          | SC | 727,738 | 1,353,238 | 19,998 | 29,532 | 727,738 | 1,402,768 | 2,130,506 |
| Lancaster        | SC | 778,616 | 1,448,099 | None   | None   | 778,616 | 1,448,099 | 2,226,715 |
| Rock Hill        | SC | 826,216 | 1,536,499 | None   | 223    | 826,216 | 1,536,722 | 2,362,938 |
| Chamberlain      | SD | 139,587 | 259,627   | None   | None   | 139,587 | 259,627   | 399,214   |
| Madison          | SD | 112,143 | 208,660   | None   | None   | 112,143 | 208,660   | 320,803   |
| Rapid City       | SD | 197,967 | 368,047   | None   | None   | 197,967 | 368,047   | 566,014   |
| Sioux Falls      | SD | 340,718 | 633,332   | None   | None   | 340,718 | 633,332   | 974,050   |
| Spearfish        | SD | 142,114 | 264,320   | None   | None   | 142,114 | 264,320   | 406,434   |
| Watertown        | SD | 197,559 | 367,289   | None   | None   | 197,559 | 367,289   | 564,848   |
| Winner           | SD | 115,591 | 215,063   | None   | None   | 115,591 | 215,063   | 330,654   |
| Antioch          | TN | 244,470 | 453,991   | None   | None   | 244,470 | 453,991   | 698,461   |

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| Description<br>(Note 1) |    | Initial Cost to Company |  | Cost Capitalized<br>Subsequent<br>to Acquisition |                   | Gross Amount at Which Carried<br>at Close of Period (Notes 2, 3, 5, 6 and 7) |  |           | A<br>D |
|-------------------------|----|-------------------------|--|--|-------------------|--|--|-----------|--------|
|                         |    | Land                    | Buildings,<br>Improvements<br>and<br>Acquisition<br>Fees | Improvements                                     | Carrying<br>Costs | Land   | Buildings,<br>Improvements<br>and<br>Acquisition<br>Fees | Total     |        |
| Bartlett                | TN | 152,469                 | 283,343  | None   | None              | 152,469  | 283,343  | 435,812   |        |
| Brownsville             | TN | 289,379                 | 538,081  | None   | None              | 289,379  | 538,081  | 827,460   |        |
| Chattanooga             | TN | 827,594                 | 1,538,633  | None   | None              | 827,594  | 1,538,633  | 2,366,227 |        |
| Chattanooga             | TN | 933,003                 | 1,734,392  | None   | 538               | 933,003  | 1,734,930  | 2,667,933 |        |
| Collierville            | TN | 433,503                 | 805,339  | None   | None              | 433,503  | 805,339  | 1,238,842 |        |
| Columbia                | TN | 410,242                 | 761,854  | None   | None              | 410,242  | 761,854  | 1,172,096 |        |
| Dyersburg               | TN | 695,135                 | 1,292,644  | 7,850  | 25,735            | 695,135  | 1,326,229  | 2,021,364 |        |
| Germantown              | TN | 356,774                 | 662,837  | None   | None              | 356,774  | 662,837  | 1,019,611 |        |
| Greeneville             | TN | 936,669                 | 1,741,253  | None   | None              | 936,669  | 1,741,253  | 2,677,922 |        |
| Henderson               | TN | 155,954                 | 289,815  | None   | None              | 155,954  | 289,815  | 445,769   |        |
| Hermitage               | TN | 341,251                 | 633,742  | None   | None              | 341,251  | 633,742  | 974,993   |        |
| Jackson                 | TN | 126,158                 | 234,594  | None   | None              | 126,158  | 234,594  | 360,752   |        |
| Jackson                 | TN | 312,734                 | 581,049  | None   | None              | 312,734  | 581,049  | 893,783   |        |
| Johnson City            | TN | 881,225                 | 1,638,285  | None   | None              | 881,225  | 1,638,285  | 2,519,510 |        |
| Kingsport               | TN | 786,332                 | 1,462,055  | 29,450   | 26,441            | 786,332  | 1,517,946  | 2,304,278 |        |
| Manchester              | TN | 411,504                 | 764,208  | None   | None              | 411,504  | 764,208  | 1,175,712 |        |
| Martin                  | TN | 173,616                 | 322,616  | None   | None              | 173,616  | 322,616  | 496,232   |        |
| Mcminnville             | TN | 703,355                 | 1,307,903  | 3,300  | 576               | 703,355  | 1,311,779  | 2,015,134 |        |
| Mcminnville             | TN | 442,735                 | 635,260  | None   | None              | 442,735  | 635,260  | 1,077,995 |        |
| Memphis                 | TN | 405,274                 | 1,060,680  | None   | 5,568             | 405,274  | 1,066,248  | 1,471,522 |        |
| Memphis                 | TN | 148,386                 | 275,760  | None   | None              | 148,386  | 275,760  | 424,146   |        |
| Memphis                 | TN | 254,423                 | 472,680  | None   | None              | 254,423  | 472,680  | 727,103   |        |
| Memphis                 | TN | 871,951                 | 1,621,017  | None   | 538               | 871,951  | 1,621,555  | 2,493,506 |        |
| Memphis                 | TN | 309,358                 | 574,779  | None   | None              | 309,358  | 574,779  | 884,137   |        |
| Memphis                 | TN | 374,048                 | 694,918  | None   | None              | 374,048  | 694,918  | 1,068,966 |        |
| Milan                   | TN | 138,159                 | 256,766  | None   | None              | 138,159  | 256,766  | 394,925   |        |
| Millington              | TN | 285,613                 | 530,630  | None   | None              | 285,613  | 530,630  | 816,243   |        |
| Morristown              | TN | 182,935                 | 340,274  | None   | None              | 182,935  | 340,274  | 523,209   |        |
| Murfreesboro            | TN | 376,568                 | 699,322  | None   | None              | 376,568  | 699,322  | 1,075,890 |        |
| Murfreesboro            | TN | 383,266                 | 712,027  | None   | None              | 383,266  | 712,027  | 1,095,293 |        |
| Nashville               | TN | 147,915                 | 274,675  | None   | None              | 147,915  | 274,675  | 422,590   |        |
| Nashville               | TN | 432,494                 | 803,192  | None   | None              | 432,494  | 803,192  | 1,235,686 |        |
| Nashville               | TN | 350,983                 | 651,806  | None   | None              | 350,983  | 651,806  | 1,002,789 |        |
| Newport                 | TN | 640,841                 | 1,191,858  | None   | 538               | 640,841  | 1,192,396  | 1,833,237 |        |
| Ripley                  | TN | 231,552                 | 430,232  | None   | None              | 231,552  | 430,232  | 661,784   |        |
| Sevierville             | TN | 423,790                 | 787,301  | None   | None              | 423,790  | 787,301  | 1,211,091 |        |
| Shelbyville             | TN | 245,370                 | 455,662  | None   | None              | 245,370  | 455,662  | 701,032   |        |
| Trenton                 | TN | 174,379                 | 324,032  | None   | None              | 174,379  | 324,032  | 498,411   |        |
| Allen                   | TX | 165,000                 | 306,771  | None   | None              | 165,000  | 306,771  | 471,771   |        |
| Amarillo                | TX | 763,283                 | 1,995,460  | None   | None              | 763,283  | 1,995,460  | 2,758,743 |        |

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|            |    |           |           |        |        |           |           |           |
|------------|----|-----------|-----------|--------|--------|-----------|-----------|-----------|
| Arlington  | TX | 560,000   | 1,040,667 | None   | None   | 560,000   | 1,040,667 | 1,600,667 |
| Arlington  | TX | 536,130   | 996,532   | None   | None   | 536,130   | 996,532   | 1,532,662 |
| Arlington  | TX | 269,284   | 500,766   | None   | None   | 269,284   | 500,766   | 770,050   |
| Austin     | TX | 699,395   | 1,167,223 | None   | 33,728 | 699,395   | 1,200,951 | 1,900,346 |
| Austin     | TX | 976,803   | 1,361,281 | 36,880 | 41,456 | 976,803   | 1,439,617 | 2,416,420 |
| Austin     | TX | 1,049,946 | 1,952,028 | None   | None   | 1,049,946 | 1,952,028 | 3,001,974 |
| Bedford    | TX | 919,303   | 98,231    | None   | 95     | 919,303   | 98,326    | 1,017,629 |
| Cedar Park | TX | 634,489   | 1,472,504 | None   | 28,618 | 634,489   | 1,501,122 | 2,135,611 |
| Coppell    | TX | 212,875   | 396,007   | None   | None   | 212,875   | 396,007   | 608,882   |
| Crockett   | TX | 90,780    | 420,880   | 19,412 | 8,495  | 90,780    | 448,787   | 539,567   |
| Dallas     | TX | 242,025   | 479,170   | None   | None   | 242,025   | 479,170   | 721,195   |
| Dallas     | TX | 742,507   | -         | None   | 26,577 | 742,507   | 26,577    | 769,084   |
| Dallas     | TX | 386,451   | 718,361   | None   | None   | 386,451   | 718,361   | 1,104,812 |
| El Campo   | TX | 98,060    | 454,631   | None   | None   | 98,060    | 454,631   | 552,691   |
| Ennis      | TX | 173,250   | 384,793   | None   | 148    | 173,250   | 384,941   | 558,191   |
| Fort Worth | TX | 223,195   | 492,067   | None   | None   | 223,195   | 492,067   | 715,262   |

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Table of contents

| Description<br>(Note 1) | Initial Cost to Company |  | Cost Capitalized<br>Subsequent<br>to Acquisition |                   | Gross Amount at Which Carried<br>at Close of Period (Notes 2, 3, 5, 6 and 7) |  |           |
|-------------------------|-------------------------|--|--|-------------------|--|--|-----------|
|                         | Land                    | Buildings,<br>Improvements<br>and<br>Acquisition<br>Fees | Improvements                                     | Carrying<br>Costs | Land   | Buildings,<br>Improvements<br>and<br>Acquisition<br>Fees | Total     |
| Fort Worth TX           | 423,281                 | 382,059  | None   | None              | 423,281  | 382,059  | 805,340   |
| Georgetown TX           | 870,981                 | 1,177,824  | 12,750   | 137               | 870,981  | 1,190,711  | 2,061,692 |
| Grand Prairie TX        | 280,000                 | 520,197  | None   | None              | 280,000  | 520,197  | 800,197   |
| Greenville TX           | 909,311                 | 1,690,848  | 5,400  | 697               | 909,311  | 1,696,945  | 2,606,256 |
| Harker Heights TX       | 943,812                 | 1,897,644  | None   | None              | 943,812  | 1,897,644  | 2,841,456 |
| Hillsboro TX            | 75,992                  | 352,316  | 78,212   | 14,563            | 75,992   | 445,091  | 521,083   |
| Houston TX              | 194,994                 | 386,056  | None   | None              | 194,994  | 386,056  | 581,050   |
| Houston TX              | 184,175                 | 364,636  | None   | None              | 184,175  | 364,636  | 548,811   |
| Houston TX              | 1,096,376               | 2,300,690  | 235,500  | 102,730           | 1,096,376  | 2,638,920  | 3,735,296 |
| Houston TX              | 989,152                 | 1,838,713  | None   | 133               | 989,152  | 1,838,846  | 2,827,998 |
| Houston TX              | 962,500                 | 1,788,491  | None   | None              | 962,500  | 1,788,491  | 2,750,991 |
| Houston TX              | 441,943                 | 821,760  | None   | None              | 441,943  | 821,760  | 1,263,703 |
| Houston TX              | 335,664                 | 624,233  | None   | None              | 335,664  | 624,233  | 959,897   |
| Hurst TX                | 215,623                 | 401,245  | None   | None              | 215,623  | 401,245  | 616,868   |
| Irving TX               | 1,500,411               | 2,156  | None   | None              | 1,500,411  | 2,156  | 1,502,567 |
| Irving TX               | 291,971                 | 543,094  | None   | None              | 291,971  | 543,094  | 835,065   |
| Killeen TX              | 262,500                 | 583,014  | None   | 14,398            | 262,500  | 597,412  | 859,912   |
| Killeen TX              | 1,327,348               | 2,467,204  | None   | None              | 1,327,348  | 2,467,204  | 3,794,552 |
| Lewisville TX           | 448,000                 | 832,667  | None   | None              | 448,000  | 832,667  | 1,280,667 |
| Live Oak TX             | 727,956                 | 1,214,835  | 181,920  | 33,148            | 727,956  | 1,429,903  | 2,157,859 |
| Longview TX             | 1,231,857               | 2,289,864  | None   | None              | 1,231,857  | 2,289,864  | 3,521,721 |
| Lufkin TX               | 105,904                 | 490,998  | None   | 5                 | 105,904  | 491,003  | 596,907   |
| Lufkin TX               | 128,842                 | 239,585  | None   | None              | 128,842  | 239,585  | 368,427   |
| Lumberton TX            | 111,146                 | 206,720  | None   | None              | 111,146  | 206,720  | 317,866   |
| Mesquite TX             | 134,940                 | 625,612  | None   | 106               | 134,940  | 625,718  | 760,658   |
| Mesquite TX             | 729,596                 | 120,820  | None   | None              | 729,596  | 120,820  | 850,416   |
| Mesquite TX             | 984,909                 | 1,831,268  | None   | None              | 984,909  | 1,831,268  | 2,816,177 |
| Mexia TX                | 93,620                  | 434,046  | None   | 30                | 93,620   | 434,076  | 527,696   |
| New Braunfels TX        | 185,500                 | 411,997  | None   | 304               | 185,500  | 412,301  | 597,801   |
| New Braunfels TX        | 860,262                 | 1,169,016  | 250,000  | 56,722            | 860,262  | 1,475,738  | 2,336,000 |
| Palestine TX            | 825,066                 | 1,534,394  | None   | None              | 825,066  | 1,534,394  | 2,359,460 |
| Plano TX                | 2,420,222               | 769  | None   | None              | 2,420,222  | 769  | 2,420,991 |
| Plano TX                | 840,000                 | 1,560,819  | None   | None              | 840,000  | 1,560,819  | 2,400,819 |
| Plano TX                | 581,637                 | 1,081,045  | None   | None              | 581,637  | 1,081,045  | 1,662,682 |
| Porter TX               | 227,067                 | 333,031  | None   | None              | 227,067  | 333,031  | 560,098   |
| San Antonio TX          | 835,431                 | 1,185,257  | None   | 49,931            | 835,431  | 1,235,188  | 2,070,619 |

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|              |    |           |           |      |        |           |           |           |
|--------------|----|-----------|-----------|------|--------|-----------|-----------|-----------|
| San Antonio  | TX | 690,443   | 1,109,136 | None | 40,933 | 690,443   | 1,150,069 | 1,840,512 |
| San Antonio  | TX | 835,586   | 1,227,220 | None | 45,378 | 835,586   | 1,272,598 | 2,108,184 |
| Santa Fe     | TX | 304,414   | 623,331   | None | None   | 304,414   | 623,331   | 927,745   |
| Sealy        | TX | 197,871   | 391,753   | None | None   | 197,871   | 391,753   | 589,624   |
| Spring       | TX | 378,654   | 704,206   | None | None   | 378,654   | 704,206   | 1,082,860 |
| Stafford     | TX | 214,024   | 423,733   | None | None   | 214,024   | 423,733   | 637,757   |
| Temple       | TX | 302,505   | 291,414   | None | None   | 302,505   | 291,414   | 593,919   |
| Temple       | TX | 797,574   | 1,193,813 | None | 385    | 797,574   | 1,194,198 | 1,991,772 |
| Texarkana    | TX | 311,263   | 578,266   | None | None   | 311,263   | 578,266   | 889,529   |
| Vidor        | TX | 146,291   | 271,990   | None | None   | 146,291   | 271,990   | 418,281   |
| Waxahachie   | TX | 326,935   | 726,137   | None | 16,869 | 326,935   | 743,006   | 1,069,941 |
| Waxahachie   | TX | 1,035,794 | 1,925,746 | None | None   | 1,035,794 | 1,925,746 | 2,961,540 |
| Sandy        | UT | 635,945   | 884,792   | None | 220    | 635,945   | 885,012   | 1,520,957 |
| Bluefield    | VA | 845,277   | 1,571,754 | None | None   | 845,277   | 1,571,754 | 2,417,031 |
| Chester      | VA | 541,628   | 1,008,771 | None | None   | 541,628   | 1,008,771 | 1,550,399 |
| Colonial     | VA | 350,000   | 425,146   | None | 21     | 350,000   | 425,167   | 775,167   |
| Heights      |    |           |           |      |        |           |           |           |
| Danville     | VA | 751,055   | 1,396,772 | None | 585    | 751,055   | 1,397,357 | 2,148,412 |
| Hampton      | VA | 805,000   | 1,495,800 | None | None   | 805,000   | 1,495,800 | 2,300,800 |
| Martinsville | VA | 833,114   | 1,549,167 | None | None   | 833,114   | 1,549,167 | 2,382,281 |
| Midlothian   | VA | 421,479   | 785,639   | None | None   | 421,479   | 785,639   | 1,207,118 |

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Table of contents

| Description<br>(Note 1) |    | Initial Cost to Company |  | Cost Capitalized<br>Subsequent<br>to Acquisition |                   | Gross Amount at Which Carried<br>at Close of Period (Notes 2, 3, 5, 6 and 7) |  |           |
|-------------------------|----|-------------------------|--|--|-------------------|--|--|-----------|
|                         |    | Land                    | Buildings,<br>Improvements<br>and<br>Acquisition<br>Fees | Improvements                                     | Carrying<br>Costs | Land   | Buildings,<br>Improvements<br>and<br>Acquisition<br>Fees | Total     |
| Richmond                | VA | 326,265                 | 608,812  | None   | None              | 326,265  | 608,812  | 935,07    |
| Richmond                | VA | 385,000                 | 717,891  | None   | None              | 385,000  | 717,891  | 1,102,89  |
| Staunton                | VA | 867,684                 | 1,613,368  | 17,107   | 39,799            | 867,684  | 1,670,274  | 2,537,95  |
| Suffolk                 | VA | 816,986                 | 1,519,214  | None   | None              | 816,986  | 1,519,214  | 2,336,20  |
| Williamsburg            | VA | 651,167                 | 1,212,201  | None   | None              | 651,167  | 1,212,201  | 1,863,36  |
| Woodbridge              | VA | 962,500                 | 1,788,300  | None   | None              | 962,500  | 1,788,300  | 2,750,80  |
| Bennington              | VT | 118,823                 | 673,551  | None   | None              | 118,823  | 673,551  | 792,37    |
| Brattleboro             | VT | -                       | 738,115  | None   | None              | -  | 738,115  | 738,11    |
| Rutland                 | VT | 812,197                 | 1,511,184  | None   | None              | 812,197  | 1,511,184  | 2,323,38  |
| Williston               | VT | -                       | 1,197,659  | None   | None              | -  | 1,197,659  | 1,197,65  |
| Spokane                 | WA | 479,531                 | 646,719  | None   | None              | 479,531  | 646,719  | 1,126,25  |
| Tacoma                  | WA | 198,857                 | 921,947  | 51,224   | 653               | 198,857  | 973,824  | 1,172,68  |
| Grafton                 | WI | 149,778                 | 332,664  | None   | 172               | 149,778  | 332,836  | 482,61    |
| Green Bay               | WI | 308,131                 | 572,756  | None   | None              | 308,131  | 572,756  | 880,88    |
| Sturgeon Bay            | WI | 214,865                 | 477,221  | 34,385   | None              | 214,865  | 511,606  | 726,47    |
| Parkersburg             | WV | 722,732                 | 1,343,920  | None   | 284               | 722,732  | 1,344,204  | 2,066,93  |
| Laramie                 | WY | 210,000                 | 466,417  | None   | None              | 210,000  | 466,417  | 676,41    |
| Sporting Goods          |    |                         |  |  |                   |  |  |           |
| Anchorage               | AK | 1,486,000               | 5,045,244  | None   | None              | 1,486,000  | 5,045,244  | 6,531,24  |
| Mesa                    | AZ | 984,890                 | 1,536,269  | None   | None              | 984,890  | 1,536,269  | 2,521,15  |
| Fresno                  | CA | 1,650,000               | 3,321,244  | None   | None              | 1,650,000  | 3,321,244  | 4,971,24  |
| Daytona Beach           | FL | 608,790                 | 2,557,564  | None   | None              | 608,790  | 2,557,564  | 3,166,35  |
| Fort Meyers             | FL | 1,695,000               | 2,025,554  | None   | None              | 1,695,000  | 2,025,554  | 3,720,55  |
| Gainesville             | FL | 1,296,000               | 2,234,554  | None   | None              | 1,296,000  | 2,234,554  | 3,530,55  |
| Melbourne               | FL | 994,000                 | 4,076,554  | None   | None              | 994,000  | 4,076,554  | 5,070,55  |
| Orlando                 | FL | 1,197,000               | 2,573,554  | None   | None              | 1,197,000  | 2,573,554  | 3,770,55  |
| Pooler                  | GA | 1,339,957               | 1,831,350  | None   | None              | 1,339,957  | 1,831,350  | 3,171,30  |
| Geneva                  | IL | 2,082,000               | 1,838,888  | None   | None              | 2,082,000  | 1,838,888  | 3,920,88  |
| Bowie                   | MD | 2,084,000               | 3,046,888  | None   | None              | 2,084,000  | 3,046,888  | 5,130,88  |
| Glendale                | NY | 5,559,686               | 4,447,566  | None   | None              | 5,559,686  | 4,447,566  | 10,007,25 |
| Mechanicsburg           | PA | 2,101,415               | 3,902,912  | None   | None              | 2,101,415  | 3,902,912  | 6,004,32  |
| Columbia                | SC | 1,145,120               | 2,770,957  | None   | 432               | 1,145,120  | 2,771,389  | 3,916,50  |
| Spartanburg             | SC | 1,234,815               | 3,111,921  | -428,405   | None              | 806,410  | 3,111,921  | 3,918,33  |
| El Paso                 | TX | 700,000                 | 2,501,244  | None   | None              | 700,000  | 2,501,244  | 3,201,24  |
| Fredericksburg          | VA | 1,941,000               | 2,979,888  | None   | None              | 1,941,000  | 2,979,888  | 4,920,88  |
| Theaters                |    |                         |  |  |                   |  |  |           |
| Fairbanks               | AK | 2,586,879               | 9,575  | None   | None              | 2,586,879  | 9,575  | 2,596,45  |

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|                   |    |           |            |        |      |           |            |           |
|-------------------|----|-----------|------------|--------|------|-----------|------------|-----------|
| Huntsville        | AL | 2,810,868 | 14,308     | None   | None | 2,810,868 | 14,308     | 2,825,17  |
| Naples            | FL | 2,618,441 | 8,979,199  | None   | None | 2,618,441 | 8,979,199  | 11,597,64 |
| Chamblee          | GA | 4,329,404 | 14,942     | None   | None | 4,329,404 | 14,942     | 4,344,34  |
| Council Bluffs    | IA | 4,924,553 | 11,652,293 | None   | None | 4,924,553 | 11,652,293 | 16,576,84 |
| Dubuque           | IA | 3,185,053 | 5,915,983  | None   | None | 3,185,053 | 5,915,983  | 9,101,03  |
| Edwardsville      | IL | 4,270,500 | 9,070,885  | None   | None | 4,270,500 | 9,070,885  | 13,341,38 |
| Lake in the Hills | IL | 3,297,566 | 9,364,286  | None   | None | 3,297,566 | 9,364,286  | 12,661,85 |
| Marion            | IL | 832,500   | 3,499,885  | None   | None | 832,500   | 3,499,885  | 4,332,38  |
| Mattoon           | IL | 543,183   | 5,110,193  | None   | None | 543,183   | 5,110,193  | 5,653,37  |
| Pekin             | IL | 1,575,231 | 9,183,100  | None   | None | 1,575,231 | 9,183,100  | 10,758,33 |
| Rockford          | IL | 4,270,500 | 16,675,954 | -1,779 | None | 4,268,721 | 16,675,954 | 20,944,67 |
| Springfield       | IL | 3,151,838 | 10,404,452 | None   | None | 3,151,838 | 10,404,452 | 13,556,29 |
| Bloomington       | IN | 2,498,642 | 7,934,745  | None   | None | 2,498,642 | 7,934,745  | 10,433,38 |
| Columbus          | IN | 1,999,812 | 7,234,361  | None   | None | 1,999,812 | 7,234,361  | 9,234,17  |
| Indianapolis      | IN | 2,700,395 | 17,672,980 | None   | None | 2,700,395 | 17,672,980 | 20,373,37 |
| Terre Haute       | IN | 1,249,321 | 9,835,885  | None   | None | 1,249,321 | 9,835,885  | 11,085,20 |

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Table of contents

| Description<br>(Note 1) |    | Initial Cost to Company |  | Cost Capitalized<br>Subsequent<br>to Acquisition |                   | Gross Amount at Which Carried<br>at Close of Period (Notes 2, 3, 5, 6 and 7) |  |            |
|-------------------------|----|-------------------------|--|--|-------------------|--|--|------------|
|                         |    | Land                    | Buildings,<br>Improvements<br>and<br>Acquisition<br>Fees | Improvements                                     | Carrying<br>Costs | Land   | Buildings,<br>Improvements<br>and<br>Acquisition<br>Fees | Total      |
| Coon Rapids             | MN | 2,460,040               | 14,964,514   | None   | None              | 2,460,040  | 14,964,514   | 17,424,554 |
| Inver Grove             | MN | 2,863,272               | 15,274,237   | None   | None              | 2,863,272  | 15,274,237   | 18,137,509 |
| Poplar Bluff            | MO | 1,106,618               | 4,872,502  | None   | None              | 1,106,618  | 4,872,502  | 5,979,120  |
| Rockaway                | NJ | 8,634,576               | 14,679,823   | None   | None              | 8,634,576  | 14,679,823   | 23,314,399 |
| Binghamton              | NY | 2,700,000               | 5,570,505  | 9,196  | None              | 2,700,000  | 5,579,701  | 8,279,701  |
| Akron                   | OH | 1,511,018               | 1,386  | None   | None              | 1,511,018  | 1,386  | 1,512,404  |
| Columbus                | OH | 2,103,351               | 5,161,550  | None   | None              | 2,103,351  | 5,161,550  | 7,264,901  |
| Hillsboro               | OR | 4,915,032               | 16,377   | None   | None              | 4,915,032  | 16,377   | 4,931,409  |
| Portland                | OR | 2,793,001               | 9,942  | None   | None              | 2,793,001  | 9,942  | 2,802,943  |
| Fort Worth              | TX | 2,280,000               | 2,802,189  | None   | None              | 2,280,000  | 2,802,189  | 5,082,189  |
| Laredo                  | TX | 2,161,477               | 5,561,558  | None   | None              | 2,161,477  | 5,561,558  | 7,723,035  |
| Longview                | TX | 2,887,500               | 5,363,826  | None   | None              | 2,887,500  | 5,363,826  | 8,251,326  |
| Waco                    | TX | 1,013,706               | 5,880,539  | None   | None              | 1,013,706  | 5,880,539  | 6,894,245  |
| Glen Allen              | VA | 1,314,065               | 9,748,457  | None   | None              | 1,314,065  | 9,748,457  | 11,062,522 |
| Sterling                | VA | 4,546,305               | 33,325   | None   | None              | 4,546,305  | 33,325   | 4,579,630  |
| Marysville              | WA | 1,988,142               | -  | None   | None              | 1,988,142  | -  | 1,988,142  |
| Fitchburg               | WI | 5,540,553               | 10,290,483   | None   | None              | 5,540,553  | 10,290,483   | 15,831,036 |
| <b>Travel Plazas</b>    |    |                         |  |  |                   |  |  |            |
| Baltimore               | MD | 1,740,080               | 4,580,068  | None   | None              | 1,740,080  | 4,580,068  | 6,320,148  |
| <b>Video Rental</b>     |    |                         |  |  |                   |  |  |            |
| Birmingham              | AL | 392,795                 | 865,115  | None   | 357               | 392,795  | 865,472  | 1,258,267  |
| Southington             | CT | 399,562                 | 1,009,125  | None   | None              | 399,562  | 1,009,125  | 1,408,687  |
| Port St. Lucie          | FL | 612,695                 | 702,209  | 4,825  | 345               | 612,695  | 707,379  | 1,320,074  |
| Brunswick               | GA | 290,369                 | 788,880  | None   | 345               | 290,369  | 789,225  | 1,079,594  |
| Plainfield              | IN | 453,645                 | 908,485  | None   | 173               | 453,645  | 908,658  | 1,362,303  |
| Topeka                  | KS | 285,802                 | 966,286  | None   | 146               | 285,802  | 966,432  | 1,252,234  |
| Wichita                 | KS | 289,714                 | 797,856  | None   | 146               | 289,714  | 798,002  | 1,087,716  |
| Winchester              | KY | 355,474                 | 929,177  | None   | 173               | 355,474  | 929,350  | 1,284,824  |
| Centerville             | OH | 601,408                 | 758,192  | None   | 173               | 601,408  | 758,365  | 1,359,773  |
| Dayton                  | OH | 401,723                 | 698,872  | None   | 173               | 401,723  | 699,045  | 1,100,768  |
| Forest Park             | OH | 328,187                 | 921,232  | None   | 173               | 328,187  | 921,405  | 1,249,592  |
| Franklin                | OH | 337,572                 | 777,943  | None   | 173               | 337,572  | 778,116  | 1,115,688  |
| Springboro              | OH | 261,916                 | 897,489  | None   | 173               | 261,916  | 897,662  | 1,159,578  |
| Bartlett                | TN | 420,000                 | 674,437  | None   | 345               | 420,000  | 674,782  | 1,094,782  |
| Clarksville             | TN | 499,885                 | 840,869  | None   | 201               | 499,885  | 841,070  | 1,340,955  |
| Hendersonville          | TN | 333,677                 | 938,592  | None   | 201               | 333,677  | 938,793  | 1,272,470  |
| Jackson                 | TN | 381,076                 | 857,261  | 27,890   | 201               | 381,076  | 885,352  | 1,266,428  |
| Memphis                 | TN | 381,265                 | 900,580  | 7,860  | 518               | 381,265  | 908,958  | 1,290,223  |

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|                |    |         |         |        |      |         |         |           |
|----------------|----|---------|---------|--------|------|---------|---------|-----------|
| Murfreesboro   | TN | 406,056 | 886,293 | None   | 201  | 406,056 | 886,494 | 1,292,550 |
| Murfreesboro   | TN | 385,437 | 782,396 | None   | 201  | 385,437 | 782,597 | 1,168,034 |
| Smyrna         | TN | 302,372 | 836,214 | None   | 201  | 302,372 | 836,415 | 1,138,787 |
| Beaumont       | TX | 326,041 | 834,895 | None   | 57   | 326,041 | 834,952 | 1,160,993 |
| Hurst          | TX | 373,084 | 871,163 | 16,135 | 333  | 373,084 | 887,631 | 1,260,715 |
| Lubbock        | TX | 266,805 | 857,492 | None   | None | 266,805 | 857,492 | 1,124,297 |
| Woodway        | TX | 372,487 | 835,198 | None   | None | 372,487 | 835,198 | 1,207,685 |
| Hampton        | VA | 373,499 | 836,071 | None   | None | 373,499 | 836,071 | 1,209,570 |
| Virginia Beach | VA | 551,588 | 797,260 | None   | None | 551,588 | 797,260 | 1,348,848 |

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| Description<br>(Note 1) | Initial Cost to Company |  | Cost Capitalized<br>Subsequent<br>to Acquisition |                   | Gross Amount at Which Carried<br>at Close of Period (Notes 2, 3, 5, 6 and |  |
|-------------------------|-------------------------|--|--|-------------------|---|--|
|                         | Land                    | Buildings,<br>Improvements<br>and<br>Acquisition<br>Fees | Improvements                                     | Carrying<br>Costs | Land  | Buildings,<br>Improvements<br>and<br>Acquisition<br>Fees |
| Other                   |                         |  |  |                   |   |  |
| El Centro CA            | 520,000                 | 2,185,899  | None   | None              | 520,000   | 2,185,899  |
| Lakewood NY             | 144,859                 | 526,301  | None   | 171               | 144,859   | 526,472  |
| Lubbock TX              | 49,000                  | 108,831  | 10,282   | 2,181             | 49,000  | 121,294  |
| San Diego CA            | 3,745,000               | 8,885,351  | 113,731  | 35,308            | 3,745,000   | 9,034,390  |
| San Diego CA            | 2,485,160               | 8,697,822  | 854,875  | 109,794           | 2,485,160   | 9,662,491  |
| San Diego CA            | 5,797,411               | 15,473,497   | 208,470  | 75,947            | 5,797,411   | 15,757,914   |
| Humble TX               | 106,000                 | 545,518  | 43,180   | 2,201             | 106,000   | 590,899  |
| Venice FL               | 259,686                 | 362,562  | 4,535  | None              | 259,686   | 367,097  |
| Jackson MS              | 405,360                 | 656,296  | -124,313   | 21,768            | 405,360   | 553,751  |
| Meridian MS             | 181,156                 | 515,598  | 75,460   | None              | 181,156   | 591,058  |
| N. Richland TX          | 238,000                 | 528,608  | 4,810  | 6,933             | 238,000   | 540,351  |
| Hills                   |                         |  |  |                   |   |  |
| Crest Net Lease         | 2,556,276               | 1,186,974  | 15,350   | None              | 2,556,276   | 1,202,324  |
| Misc Investments        | -                       | 398,245  | None   | 28,079            | -   | 426,324  |
|                         | 1,177,324,627           | 2,263,983,137  | 4,972,842  | 3,496,212         | 1,174,323,681   | 2,275,453,137  |

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Note 1. Two thousand three hundred twenty-eight of the properties are single-tenant retail outlets.

One property in Sheboygan, WI, one property in Lenexa, KS, one property in Humble, TX, one property in Escondido, CA, one property in Houston, TX, one property in Cedar Park, TX, one property in Cutler Ridge, FL, one property in Wilbraham, MA and three other properties in San Diego, CA are multi-tenant, distribution and office properties.

All properties were acquired on an all cash basis except one; no encumbrances were outstanding for the periods presented.

Note 2. The aggregate cost for federal income tax purposes is \$3,297,276,963.

Note 3. The following is a reconciliation of total real estate carrying value for the years ended December 31:

|  | 2009          | 2008          | 2007          |
|--|---------------|---------------|---------------|
| Balance at Beginning of Period   | 3,416,323,971 | 3,294,949,787 | 2,882,410,454 |
| Additions During Period:   |               |               |               |
| Acquisitions   | 57,937,191    | 189,627,022   | 533,726,159   |
| Less amounts allocated to intangible assets that are included in Other Assets on our Consolidated Balance Sheets | (860,287)     | (397,402)     | (996,575)     |
| Equipment  | 25,500        | 89,250        | 100,500       |
| Improvements, Etc.   | 1,853,609     | 1,408,690     | 1,157,862     |
| Other (Leasing Costs)  | 1,185,163     | 1,290,807     | 613,593       |
| Total Additions  | 60,141,176    | 192,018,367   | 534,601,539   |
| Deductions During Period:  |               |               |               |
| Cost of Real Estate Sold   | 25,420,455    | 67,079,032    | 121,734,428   |
| Less amounts allocated to intangible assets that are included in Other Assets on our Consolidated Balance Sheets | 0             | 0             | 0             |
| Cost of Equipment Sold   | 2,750         | 0             | 0             |
| Releasing costs  | 801,363       | 191,151       | 55,856        |
| Other (including Provisions for Impairment)  | 463,761       | 3,374,000     | 271,922       |

|                            |               |               |               |
|----------------------------|---------------|---------------|---------------|
| Total Deductions           | 26,688,329    | 70,644,183    | 122,062,206   |
| Balance at Close of Period | 3,449,776,818 | 3,416,323,971 | 3,294,949,787 |

Note 4. The following is a reconciliation of accumulated depreciation for the years ended:

|  |             |             |             |
|--|-------------|-------------|-------------|
| Balance at Beginning of Period                             | 554,171,306 | 470,695,343 | 397,329,170 |
| Additions During Period - Provision for Depreciation       | 90,524,336  | 90,424,612  | 76,089,713  |
| Deductions During Period:                                  |             |             |             |
| Accumulated depreciation of real estate and equipment sold | 11,800,883  | 6,948,649   | 2,723,540   |
| Balance at Close of Period                                 | 632,894,759 | 554,171,306 | 470,695,343 |

Note 5. In 2009, provisions for impairment were recorded on one Realty Income property and five Crest properties.  
In 2008, no provisions for impairment were recorded on Realty Income properties. Provisions for impairment were recorded on three Crest properties.  
In 2007, provisions for impairment were recorded on two Realty Income properties and one Crest property.

Note 6. In accordance with FASB 143 and FASB interpretation No. 47, we recorded in aggregate negative \$62,571 in 2009, \$335,283 in 2008 and \$238,680 in 2007 to two buildings for the fair value of legal obligations to perform asset-retirement activities that are conditional on future events. These two properties are reported in the drug store industry and are located in Girard, PA and Slippery Rock, PA.

See report of independent registered public accounting firm.