UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934** **For the fiscal year ended December 31, 2019**

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934** **For the transition period from to**

Commission File Number: 1-37538

FOUR CORNERS PROPERTY TRUST, INC.

(Exact name of Registrant as specified in its charter)

Maryland	**47-4456296**
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)

591 Redwood Highway, Suite 1150, **Mill Valley,** **CA** **94941**
(Address of principal executive offices)

Registrant's telephone number, including area code: (415) 965-8030

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

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, $0.0001 par value per share	**FCPT**	**New York Stock Exchange**

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

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

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

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

Indicate by check mark whether the Registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the Registrant was required to submit such files). Yes ☒ No ☐

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

Large accelerated filer ☒ Non-accelerated filer ☐ Emerging growth company ☐

Accelerated filer ☐ Smaller reporting company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.☐

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

The aggregate market value of Common Stock held by non-affiliates of the Registrant, computed by reference to the closing sales price of such shares on the New York Stock Exchange as of the last business day of the Registrant's most recently completed second fiscal quarter was approximately: $1,857,193,397.

Number of shares of Common Stock, par value $0.0001, outstanding as of February 25, 2020: 70,184,797

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Registrant's Definitive Proxy Statement for its Annual Meeting of Stockholders to be filed with the Securities and Exchange Commission no later than April 30, 2020 are incorporated by reference into Part III of this Report.

FOUR CORNERS PROPERTY TRUST, INC.

FORM 10 - K

YEAR ENDED DECEMBER 31, 2019

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PART I

Forward-Looking Statements

Statements contained in this Annual Report on Form 10-K, including the documents that are incorporated by reference, that are not historical facts are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Also, when Four Corners Property Trust, Inc. uses any of the words “anticipate,” “assume,” “believe,” “estimate,” “expect,” “intend,” or similar expressions, Four Corners Property Trust, Inc. is making forward-looking statements. Although management believes that the expectations reflected in such forward-looking statements are based upon present expectations and reasonable assumptions, actual results could differ materially from those set forth in the forward-looking statements. Certain factors that could cause actual results or events to differ materially from those anticipated or projected are described in “Item 1A. Risk Factors.” of this Annual Report on Form 10-K.

Given these uncertainties, readers are cautioned not to place undue reliance on such statements, which speak only as of the date of this Annual Report on Form 10-K or any document incorporated herein by reference. Four Corners Property Trust, Inc. undertakes no obligation to publicly release any revisions to these forward-looking statements that may be made to reflect events or circumstances after the date of this Annual Report on Form 10-K.

Item 1. Business.

Unless the context indicates otherwise, all references to “FCPT,” the “Company,” “we,” “our” or “us” include Four Corners Property Trust, Inc. and all of its consolidated subsidiaries.

History

We were incorporated as a Maryland corporation on July 2, 2015 as a wholly owned indirect subsidiary of Darden Restaurants, Inc. (together with its consolidated subsidiaries “Darden”), for the purpose of owning, acquiring and leasing properties on a net basis, for use in the restaurant and related food service industries. On November 9, 2015, Darden completed a spin-off of FCPT pursuant to which Darden contributed to us (i) 100% of the equity interest in entities that owned 418 properties in which Darden operates Olive Garden, LongHorn Steakhouse and other branded restaurants (the “Properties” or “Property”) and (ii) six LongHorn Steakhouse restaurants, including the properties or interests associated with such restaurants, located in the San Antonio, Texas area (the “Kerrow Restaurant Operating Business”). In exchange, we issued to Darden all of our common stock and paid to Darden $315.0 million in cash. Subsequently, Darden distributed all of our outstanding shares of common stock pro rata to holders of Darden common stock whereby each Darden shareholder received one share of our common stock for every three shares of Darden common stock held at the close of business on the record date as well as cash in lieu of any fractional shares of our common stock which they would have otherwise received (the “Spin-Off”).

Business Overview

We are a Maryland corporation and a real estate investment trust (“REIT”) which owns, acquires and leases properties for use in the restaurant and retail industries. Substantially all of our business is conducted through Four Corners Operating Partnership, LP (“FCPT OP”), a Delaware limited partnership of which we are a majority limited partner and our wholly owned subsidiary, Four Corners GP, LLC (“FCPT GP”), is its sole general partner. We believe that we have operated in conformity with the requirements for qualification and taxation as a REIT for the taxable year ended December 31, 2019, and we intend to continue to operate in a manner that will enable us to maintain our qualification as a REIT.

Our revenues are primarily generated by leasing properties to tenants through net lease arrangements under which the tenants are primarily responsible for ongoing costs relating to the properties, including utilities, property taxes, insurance, common area maintenance charges, and maintenance and repair costs. We focus on income producing properties leased to high quality tenants in major markets across the United States. We also generate revenues by operating the Kerrow Restaurant Operating Business pursuant to franchise agreements with Darden.

In addition to managing our existing properties, our strategy includes investing in additional restaurant and retail properties to grow and diversify our existing portfolio. We expect this acquisition strategy will decrease our reliance on Darden over time.

We intend to purchase properties that are well located, occupied by durable concepts, with creditworthy tenants whose operating cash flows are expected to meaningfully exceed their lease payments to us. We seek to improve the probability of successful tenant renewal at the end of initial lease terms by acquiring properties that have high levels of operator profitability compared to rent payments and have absolute rent levels that generally reflect market rates.

In 2019, FCPT engaged in various real estate transactions for a total investment of $205.2 million, including capitalized transaction costs. Pursuant to these transactions, we acquired an additional 90 properties and ground leasehold interests, aggregating 494 thousand square feet, and representing 41 unique brands.

As of December 31, 2019, our lease portfolio had the following characteristics:

- 699 free-standing properties located in 46 states and representing an aggregate leasable area of 4.6 million square feet;
- 99.7% occupancy (based on leasable square footage);
- An average remaining lease term of 11.1 years (weighted by annualized base rent);
- An average annual rent escalation of 1.5% through December 31, 2029 (weighted by annualized base rent); and
- 72% investment-grade tenancy (weighted by annualized base rent).

Segments

We operate in two segments, real estate operations and restaurant operations. Our segments are based on our organizational and management structure, which aligns with how our results are monitored and performance is assessed.

Our real estate operations segment consists of rental revenues primarily generated by leasing restaurant and retail properties to tenants through net lease arrangements under which the tenant is primarily responsible for ongoing costs relating to the properties. Our real estate operations segment also includes expenses associated with continuing efforts to invest in additional restaurant and retail properties and our corporate operating expenses.

Our restaurant operations segment is conducted through a taxable REIT subsidiary ("TRS") and consists of our Kerrow Restaurant Operating Business. The associated sales revenues, restaurant expenses and overhead on Kerrow Restaurant Operating Business's six buildings and equipment comprise our restaurant operations.

Our shares of common stock are listed on the New York Stock Exchange under the ticker symbol "FCPT".

Our executive offices are located at 591 Redwood Highway, Suite 1150, Mill Valley, California 94941, and our telephone number is (415) 965-8030.

Our Business Objectives and Strategy

Our primary goal is to create long-term stockholder value by executing our investment objectives to maximize the value of our assets, to acquire assets with growth and diversification opportunities due to favorable lease structures and attractive submarket demographics, to actively manage our existing portfolio, and to provide attractive and growing quarterly cash dividends. We do not currently have a fixed schedule of the number of acquisitions we intend to make over a particular time period, but rather, we intend to pursue those acquisitions that meet our investing and financing objectives where we can earn a return above our weighted-average cost of capital adjusted to reflect counterparty risk.

The key components of our business strategy, beyond managing our properties in accordance with our leases, include:

Investment Strategy

Acquire Additional Restaurant and Retail Properties: Our investment strategy is primarily to acquire restaurant and retail properties that are occupied at well-located sites by nationally recognized brands with quality operators subject to long-term net leases. These acquisitions may take many forms including, sale-leaseback transactions, one-off acquisitions or acquisitions of portfolios of properties from other REITs, and other public and private real estate owners. We will employ a disciplined, opportunistic acquisition strategy and price transactions appropriately based on, among other things, the mix of assets acquired, length and terms of the lease, location and submarket attractiveness, and the credit worthiness of the existing tenant.

Acquire Additional Outparcel Properties: We plan to continue to seek out opportunities to leverage our experience in past transactions and acquire additional outparcel properties from mall and shopping center companies, providing the mall and shopping center companies with capital to expand or reinvest into their existing operations.

Increase Diversity of Portfolio: We seek to develop a diverse asset portfolio as we continue to expand. As of December 31, 2019, properties in our leasing portfolio were located in 46 different states across the continental United States, comprised of 58 unique tenant brands, and our properties in only two states, Texas and Florida, individually accounted for more than 10% of our total revenue with 12.5% and 10.8% of our total revenue, respectively. Additionally, by virtue of its large scale, we believe that the U.S. restaurant industry offers a sizable pool of attractive property acquisition targets across different types of restaurant properties, including quick service, take-out, casual dining, fast casual, and fine dining, to enable diversified growth for us and, in doing so, reduce our concentration with Darden.

Operating Strategy

Long-Term, Net Lease Structure: We intend to hold our properties for long-term investment. Our properties are leased to our tenants on a net lease basis with a weighted average remaining lease term of approximately 11.1 years before any renewals and an average annual rent escalation of 1.5% through December 31, 2029 (weighted by annualized base rent), thereby providing a long-term, stable income stream. Under the leases, the tenant is responsible for maintaining the properties in accordance with prudent industry practice and in compliance with all federal and state standards. The maintenance responsibilities include, among others, maintaining the building, building systems including roofing systems and other improvements. In addition to maintenance requirements, the tenant is also generally responsible for insurance required to be carried under the leases, taxes levied on or with respect to the properties, payment of common area maintenance charges and all utilities and other services necessary or appropriate for the properties and the business conducted on the properties. At the option of the tenant, the leases will generally allow extensions for a certain number of multi-year renewal terms beyond the initial term and the tenant can elect which of the properties then subject to the leases to renew. The number and duration of the renewal terms for any given property may vary, however, based on the initial term of the relevant lease and other factors.

Re-lease Properties: Over time we will face re-tenanting risk and opportunity. If our tenants elect to cease operations at any of our properties, we will need to find a replacement tenant at the end of the lease term or earlier if a tenant abandons one of our properties prior to the end of the lease term. We plan to use leasing expertise and relationships developed through our national operations to replace tenants under any expiring or abandoned leases.

Operate the Kerrow Restaurant Operating Business: We operate the Kerrow Restaurant Operating Business through Kerrow Holdings, LLC (“Kerrow”). Although we intend to derive the majority of our revenue from leasing properties on a net basis to restaurant and retail operators, the Kerrow Restaurant Operating Business will provide us with a diversified revenue stream and equip us with the expertise to better analyze other restaurant properties that could serve as expansion opportunities.

Financing Strategy

Maintain Balance Sheet Strength and Liquidity: We intend to maintain a capital structure that provides the resources and financial flexibility to support the growth of our business. Our principal sources of liquidity will be our cash generated through operations, our revolving credit facility which has an undrawn capacity as of December 31, 2019 of $198 million, our ability to access the public equity markets, and our ability to access bank and private placement debt markets. Through disciplined capital spending and working capital management, we intend to maximize our cash flows and maintain our targeted balance sheet and leverage ratios.

Investment and Financing Policies

Our investment objectives are to increase cash flow, provide quarterly cash dividends, maximize the value of our assets and acquire assets with cash flow growth potential. We intend to continue to invest primarily in restaurant properties. However, over time, we believe we have the potential to diversify into other retail property types beyond the restaurant industry.

We expect that future investments in properties, including any improvements or renovations of currently owned or newly-acquired restaurant properties, will be financed, in whole or in part, with cash flow from our operations, borrowings under our $250 million revolving credit facility, or the proceeds from issuances of common stock, preferred stock, debt or other securities.

Our investment and financing policies and objectives are subject to change periodically at the discretion of our Board of Directors without a vote of stockholders. We also have an effective shelf registration statement on file with the SEC under which we may issue equity financing through the instruments and on the terms most attractive to us at such time. In November 2019, the Company renewed its “At-the-Market” (“ATM”) program under which it can sell common stock with an aggregate value of up to $210 million through broker-dealers. In January 2017, we achieved an investment grade rating of BBB- from Fitch Ratings.

Flexible UPREIT Structure

We operate in what is commonly referred to as an UPREIT structure, in which substantially all of our properties and assets are held through FCPT OP. It is managed by FCPT GP, which accordingly controls the management and decisions of FCPT OP. Conducting business through FCPT OP allows us flexibility in the manner in which we structure and acquire properties. In particular, an UPREIT structure enables us to acquire additional properties from sellers in exchange for limited partnership units in FCPT OP. As a result, this structure potentially may facilitate our acquisition of assets in a more efficient manner and may allow us to acquire assets that the owner would otherwise be unwilling to sell to us.

Our Portfolio

At December 31, 2019, our investment portfolio included 705 properties, all within the continental United States. Of these properties, 699 were held for investment, with an aggregate leasable area of approximately 4.6 million square feet, were located in 46 states, and had a weighted average remaining lease term of 11.1 years before any lease renewals. The remaining six properties, representing the Kerrow Restaurant Operating Business, are operated by Kerrow subject to franchise agreements with Darden (“Franchise Agreements”). Two of these restaurants are subject to ground leases to third parties.

The following table summarizes the rental properties by brand as of December 31, 2019:

Brand	Number of FCPT Properties and Leasehold Interests	Total Square Feet (000s)	Annual Cash Base Rent $(000s)	% Total Cash Base Rent [(1)]	Avg. Rent Per Square Foot ($)	Tenant EBITDAR Coverage [(2)]	Lease Term Remaining (Yrs) [(3)]
Olive Garden	304	2,593	$ 74,171	53.2%	$ 29	5.4x	10.7
Longhorn Steakhouse	109	608	20,471	14.7%	34	4.6x	9.6
Other Brands - non-Darden	273	1,313	40,606	29.1%	31	3.1x	12.9
Other Brands - Darden	13	120	4,167	3.0%	35	3.9x	8.9
Total	699	4,634	$ 139,415	100.0%	$ 30	4.7x	11.1

(1) Current scheduled minimum contractual rent as of December 31, 2019.

(2) EBITDAR Coverage is calculated by dividing our tenants estimated trailing 12-month EBITDAR by annual contractual cash rent paid to FCPT. EBITDAR is defined as earnings before interest, income taxes, depreciation, amortization, and rent. EBITDAR is derived from the most recent data from tenants who disclose this information, representing approximately 90% of our run-rate rental income. FCPT does not independently verify financial information provided by its tenants.

(3) Lease term remaining is defined as the lease term weighted by the annual cash base rent.

The following table summarizes the diversification of FCPT's lease portfolio by state as of December 31, 2019:

State	# of Leases	% of Annual Base Rent
Texas	72	12.5%
Florida	63	10.8%
Ohio	50	6.9%
Georgia	43	6.3%
Michigan	38	4.3%
Tennessee	28	3.6%
Indiana	42	4.0%
Illinois	32	3.4%
Pennsylvania	19	3.0%
California	14	2.8%
North Carolina	18	2.6%
Virginia	19	2.4%
Mississippi	18	2.4%
Maryland	16	2.2%
South Carolina	14	2.1%
Colorado	20	2.2%
New York	13	2.0%
Iowa	22	2.3%
Wisconsin	18	2.0%
Alabama	15	1.7%
Kentucky	11	1.7%
Arizona	11	1.7%
Minnesota	9	1.6%
Nevada	8	1.6%
Oklahoma	10	1.7%
Louisiana	9	1.5%
West Virginia	6	1.1%
Missouri	8	1.2%
Kansas	5	1.0%
17 other states (none greater than 1%)	51	7.7%
Total	702	100.0%

Leases with Darden

The estimated annual cash rent based on current rates for the leases in place with Darden is approximately $98.8 million, with average annual rent escalations of 1.5% through December 31, 2029. Darden also entered into guaranties, pursuant to which it guarantied the obligations of the tenants under substantially all of the leases entered into in respect of the Properties. The Properties are leased to one or more of Darden's operating subsidiaries pursuant to the leases, which are net leases. The leases in place with Darden provide for a weighted average remaining initial term of approximately 10.4 years as of December 31, 2019, with no purchase options provided that Darden will have a right of first offer with respect to our sale of any property, if there is no default under the lease, and we will be prohibited from selling any Properties to (i) any nationally recognized casual or fine dining brand restaurant or entity operating the same or (ii) any other regionally recognized casual or fine dining brand restaurant or entity operating the same, with 25 or more units. At the option of Darden, the leases will generally allow extensions for a certain number of renewal terms of five years each beyond the initial term and Darden can elect which of our properties then subject to the leases to renew. The number and duration of the renewal terms for any given Property may vary, however, based on the initial term of the relevant lease and other factors.

Darden is currently the source of a majority of our revenues, and its financial condition and ability and willingness to satisfy its obligations under the leases and its willingness to renew the leases upon expiration of the initial base term thereof significantly

impacts our revenues and our ability to service our indebtedness and make distributions to our stockholders. There can be no assurance that Darden will have sufficient assets, income and access to financing to enable it to satisfy its obligations under its leases with us, and any inability or unwillingness on its part to do so would have a material adverse effect on our business, financial condition, results of operations and liquidity, on our ability to service our indebtedness and other obligations and on our ability to pay dividends to our shareholders. We also cannot assure you that Darden will elect to renew the lease arrangements with us upon expiration of the initial base terms or any renewal terms thereof or, if such leases are not renewed, that we can re-market the affected properties on the same or better terms. See “Risk Factors - Risks Related to Our Business - We are dependent on our major tenants successfully operating their businesses, and a failure to do so could have a material adverse effect on our business, financial position or results of operations.”

Franchise Agreements

Pursuant to the Franchise Agreements, Darden grants the right and license to our subsidiary, Kerrow, to operate the Kerrow Restaurant Operating Business. The Franchise Agreements include, among other things, a license to display trademarks, utilize trade secrets and purchase proprietary products from Darden. Other services to be included pursuant to the Franchise Agreements are marketing services, training and access to certain LongHorn® operating procedures. The Franchise Agreements also contain provisions under which Darden may provide certain technical support for the Kerrow Restaurant Operating Business. The fees and conditions of these franchising services are on terms comparable to similar franchising services negotiated on an arm’s length basis and consistent with industry standard provisions.

Competition

We operate in a highly competitive market and face competition from other REITs, investment companies, private equity and hedge fund investors, sovereign funds, restaurant and retail operators, lenders and other investors, some of whom are significantly larger and have greater resources and lower costs of capital. These institutions may accept greater risk or lower returns, allowing them to offer more attractive terms to prospective tenants or for the acquisition of restaurant and other retail properties. The Kerrow Restaurant Operating Business also faces active competition with national and regional chains and locally-owned restaurants for guests, management and hourly personnel.

Governmental Regulations Affecting Properties

Property Environmental Considerations

As an owner and operator of real property, we are subject to various federal, state and local environmental, health and safety laws and regulations. Although we do not operate or manage most of our properties, we may be held primarily or jointly and severally liable for costs relating to the investigation and clean-up of any of our current or former properties at or from which there has been a release or threatened release of hazardous material, as well as other affected properties, regardless of whether we knew of or caused the contamination.

In addition to these costs, which are typically not limited by law or regulation and could exceed the property’s value, we or our tenants could be subject to other liabilities, including governmental penalties for violation of environmental, health and safety laws, liabilities for injuries to persons for exposure to hazardous materials, and damages to property or natural resources. Furthermore, some environmental laws can create a lien on the contaminated site in favor of the government for damages and the costs the government incurs in connection with such contamination or can restrict the manner in which a property may be used because of contamination. We also could be liable for the costs of remediating contamination at third party sites, e.g., landfills, where we send waste for disposal without regard to whether we comply with environmental laws in doing so.

Although the leases require our tenants to indemnify us for environmental liabilities, and although we intend to require our operators and tenants to undertake to indemnify us for certain environmental liabilities, including environmental liabilities they cause, the amount of such liabilities could exceed the financial ability of our operators and tenants to indemnify us. The presence of contamination or the failure to remediate contamination may adversely affect our ability to sell, develop or lease the real estate or to borrow using the real estate as collateral.

As of February 26, 2020, we have not been notified by any governmental authority of, nor is management aware of, any non-compliance or liability with respect to environmental laws that management believes would have a material adverse effect on our business, financial position or results of operations.

Americans with Disabilities Act of 1990

The properties, as commercial facilities, are required to comply with Title III of the Americans with Disabilities Act of 1990 and similar state and local laws and regulations (collectively the "ADA"). Investigation of a property may reveal non-compliance with the ADA. The tenant has the primary responsibility for complying with the ADA, but we may incur costs if the tenant does not comply. As of February 26, 2020, we have not been notified by any governmental authority of, nor is management aware of, any non-compliance with the ADA that management believes would have a material adverse effect on our business, financial position or results of operations.

Other Regulations

State and local fire, life-safety and similar entities regulate the use of the properties. The tenant has the primary responsibility for complying with regulations but failure to comply could result in fines by governmental authorities, awards of damages to private litigants, or restrictions to conduct business on such properties.

Insurance

Our current lease agreements generally require, and new lease agreements that we enter are expected to require, that our tenants maintain all customary lines of insurance on our properties and their operations, including comprehensive insurance and hazard insurance. The tenants under our leases may have the ability to self-insure or use a captive provider with respect to its insurance obligations. We believe that the amount and scope of insurance coverage provided by our policies and the policies maintained by our tenants are customary for similarly situated companies in our industry. However, we cannot make any assurances that Darden or any other tenants in the future will maintain the required insurance coverages, and the failure by any of them to do so could have a material adverse effect on us.

Employees

As of February 14, 2020, we had 361 employees, of which 343 were employed at our Kerrow Restaurant Operating Business. None of these employees are represented by a labor union.

Available Information

All filings we make with the Securities and Exchange Commission (the "SEC"), including this Annual Report on Form 10-K, our quarterly reports on Form 10-Q, and our current reports on Form 8-K, and any amendments to those reports are available for free on our website, *www.fcpt.com,* as soon as reasonably practicable after they are filed with, or furnished to, the SEC. We do not intend our website to be an active link or to otherwise incorporate the information contained on our website into this report or other filings with the SEC. Our filings can also be obtained for free on the SEC's Internet website at *www.sec.gov.* We are providing our website address solely for the information of investors.

Item 1A. Risk Factors.

Various risks and uncertainties could affect our business. Any of the risks described below or elsewhere in this report or our other filings with the SEC could have a material impact on our business, financial condition or results of operations. It is not possible to predict or identify all risk factors. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also impair our business operations.

Risks Related to Our Business

Risks related to real estate ownership could reduce the value of our properties, which could materially and adversely affect us.

Our core business is the ownership of real estate that is leased to tenants on a net basis. Accordingly, our performance is subject to risks inherent to the ownership of real estate, including:

- inability to collect rent from tenants due to financial hardship, including bankruptcy;
- changes in consumer trends and preferences that reduce demand for the products or services of our tenants;
- inability to lease at or above the current rental rates, or at all, or sell properties upon expiration or termination of existing leases;
- needing to make capital expenditures to renovate vacant properties;
- environmental risks related to the presence of hazardous or toxic substances or materials on our properties;
- subjectivity of real estate valuations and changes in such valuations over time;
- illiquid nature of real estate compared to most other financial assets;
- changes in laws and regulations, including those governing real estate usage and zoning;
- changes in interest rates and the availability of financing; and
- changes in the general economic and business climate.

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

We are dependent on Darden to make payments to us and fulfill its obligations under its leases, as well as to provide services to us under the Franchise Agreements, and an event that materially and adversely affects Darden's business, financial position or results of operations could materially and adversely affect our business, financial position or results of operations.

Currently, Darden is our primary lessee in our lease portfolio and, therefore, is the source of a majority of our revenues. Additionally, because Darden's leases with us are net leases, we depend on Darden to pay all insurance, taxes, utilities, common area maintenance charges, maintenance and repair expenses and to indemnify, defend and hold us harmless from and against various claims, litigation and liabilities arising in connection with its business, including any environmental liabilities. There can be no assurance that Darden will have sufficient assets, income and access to financing to enable it to satisfy its payment obligations to us under its leases. The inability or unwillingness of Darden to meet its rent obligations to us under any of its leases could materially adversely affect our business, financial position or results of operations, including our ability to pay dividends to our stockholders as required to maintain our status as a REIT. The inability of Darden to satisfy its other obligations under its leases with us, such as the payment of insurance, taxes and utilities could materially and adversely affect the condition of our properties.

Since Darden Restaurants, Inc. is a holding company, it is dependent to an extent on distributions from its direct and indirect subsidiaries in order to satisfy the payment obligations under its leases with us, and the ability of Darden to make such distributions may be adversely impacted in the event of the insolvency or bankruptcy of such entities or by covenants in its debt agreements or otherwise that restrict the amount of the distributions that may be made by such entities. For these reasons, if Darden were to experience a material and adverse effect on its business, financial position or results of operations, our business, financial position or results of operations could also be materially and adversely affected.

Due to our dependence on rental payments from Darden, we may be limited in our ability to enforce our rights under, or to terminate, our leases with Darden. Failure by Darden to comply with the terms of its leases with us could require us to find other lessees for some or all of the properties and there could be a decrease or cessation of rental payments by Darden.

There is no assurance that we would be able to lease any of our properties to other lessees on substantially equivalent or better terms than any of our leases with Darden, or at all, successfully reposition our properties for other uses or sell our properties on terms that are favorable to us. It may be more difficult to find a replacement tenant for a restaurant or retail property than it would be to find a replacement tenant for a general commercial property due to the specialized nature of the business.

In addition, our operation of the Kerrow Restaurant Operating Business depends on the provision of services to us by Darden pursuant to the Franchise Agreements. The Franchise Agreements provide that Darden agrees to provide certain franchising services to our subsidiary, Kerrow. The franchising services include licensing the right to use and display certain trademarks, utilize trade secrets and purchase proprietary products from Darden in connection with the operation of the Kerrow Restaurant Operating Business. Other services provided pursuant to the Franchise Agreements are marketing services, training and access to certain LongHorn operating procedures. The Franchise Agreements also contain provisions under which Darden may provide certain technical support for the Kerrow Restaurant Operating Business.

Additional information about Darden can be found in Darden's public filings with the SEC. Darden's filings with the SEC can be found on the SEC's Internet website at *www.sec.gov*. Reference to Darden's filings with the SEC is solely for the information of investors. We do not intend the SEC's website to be an active link or to otherwise incorporate the information contained on its website (including Darden's filings with the SEC) into this report or other filings with the SEC.

We are dependent on our major tenants successfully operating their businesses, and a failure to do so could have a material adverse effect on our business, financial position or results of operations.

For the year ended December 31, 2019, Darden and Brinker International, Inc. ("Brinker") constituted approximately 71% and 9%, respectively, of our annual cash base rent. As a result, we are dependent on Darden and Brinker successfully operating their businesses and fulfilling their obligations to us that depend, in part, on the overall performance and profitability of Darden and Brinker. Factors which may impact the business, financial position or results of operations of Darden and Brinker include the following:

- food safety and food-borne illness concerns throughout the supply chain; health concerns arising from food-related pandemics, outbreaks of flu viruses or other diseases;
- litigation, including allegations of illegal, unfair or inconsistent employment practices;
- unfavorable publicity, or a failure to respond effectively to adverse publicity;
- labor and insurance costs;
- insufficient guest or employee facing technology, or a failure to maintain a continuous and secure cyber network, free from material failure, interruption or security breach;
- inability or failure to execute a comprehensive business continuity plan following a major natural disaster such as a hurricane or man-made disaster, including terrorism;
- failure to drive both short-term and long-term profitable sales growth through brand relevance, operating excellence, opening new restaurants of existing brands and developing or acquiring new dining brands;
- a lack of suitable new restaurant locations or a decline in the quality of the locations of Darden's or Brinker's current restaurants;
- a failure to identify and execute innovative marketing and guest relationship tactics and ineffective or improper use of social media or other marketing initiatives; an inability or failure to recognize, respond to and effectively manage the accelerated impact of social media;
- a failure to address cost pressures, including rising costs for commodities, health care and utilities used by Darden's and Brinker's restaurants, and a failure to effectively deliver cost management activities and achieve economies of scale in purchasing;
- the impact of shortages or interruptions in the delivery of food and other products from third-party vendors and suppliers;

- disruptions in the financial markets that may impact consumer spending patterns, affect the availability and cost of credit and increase pension plan expenses;
- economic and business factors specific to the restaurant industry and other general macroeconomic factors including energy prices and interest rates that are largely out of Darden's or Brinker's control; and
- a failure of Darden's or Brinker's internal controls over financial reporting and future changes in accounting standards.

We intend to continue to pursue acquisitions of additional properties and seek other strategic opportunities, which may result in the use of a significant amount of management resources or significant costs, including the cost of accessing debt or equity markets, and we may not fully realize the potential benefits of such transactions.

In 2019, we acquired 90 properties and ground leasehold interests for a total investment of $205.2 million, including capitalized transaction costs, which were added to our leasing portfolio. We intend to continue to pursue acquisitions of additional properties and seek acquisitions and other strategic opportunities, including, but not limited to, continuing to expand our tenant base to third parties other than Darden and acquiring non-restaurant properties. Accordingly, we may often be engaged in evaluating potential transactions, potential new tenants and other strategic alternatives. In addition, from time to time, we may engage in discussions that may result in one or more transactions. Although there is uncertainty that any of these discussions will result in definitive agreements or the completion of any transaction, we may devote a significant amount of our management resources to such a transaction, which could negatively impact our operations. We may incur significant costs in connection with seeking acquisitions or other strategic opportunities regardless of whether the transaction is completed and in combining our operations if such a transaction is completed. In addition, properties we acquire may be leased to unrated tenants, and the tools we use to measure credit quality may not be accurate. In the event that we consummate an acquisition or strategic alternative in the future, there is no assurance that we would fully realize the potential benefits of such a transaction.

We operate in a highly competitive market and face competition from other REITs, investment companies, private equity and hedge fund investors, sovereign funds, restaurant and retail operators, lenders and other investors, some of whom are significantly larger and have greater resources and lower costs of capital. Increased competition will make it more challenging to identify and successfully capitalize on acquisition opportunities that meet our investment objectives. Our Board of Directors may change our investment objectives at any time without stockholder approval. If we cannot identify and purchase a sufficient quantity of suitable properties at favorable prices or if we are unable to finance acquisitions on commercially favorable terms, our business, financial position or results of operations could be materially and adversely affected. Additionally, the fact that we must distribute 90% of our net taxable income in order to maintain our qualification as a REIT may limit our ability to rely upon rental payments from our leased properties or subsequently acquired properties in order to finance acquisitions and other strategic opportunities. In addition, to pursue acquisitions we may have to access debt or equity markets and if financing is not available on acceptable terms, our ability to pursue further acquisitions might be limited or curtailed.

Acquisitions of properties we might seek to acquire entail risks associated with real estate investments generally, including that the investment's performance will fail to meet expectations or that the tenant, operator or manager will underperform.

A significant portion of our restaurant properties are Olive Garden properties. Therefore, we are subject to risks associated with having a highly concentrated property brand base.

As of December 31, 2019, our restaurant properties include 304 Olive Garden restaurants. As a result, our success, at least in the short-term, is dependent on the continued success of the Olive Garden brand and, to a lesser extent, Darden's other restaurant brands. We believe that building brand value is critical to increasing demand and building customer loyalty. Consequently, if market recognition or the positive perception of the Olive Garden or other Darden brands is reduced or compromised, the value associated with Olive Garden or other Darden-branded properties in our portfolio may be adversely affected.

Our level of indebtedness could materially and adversely affect our financial position, including reducing funds available for other business purposes and reducing our operational flexibility, and we may have future capital needs and may not be able to obtain additional financing on acceptable terms.

We have entered into a $650 million term loan and revolving credit facility providing for a $400 million term loan, $150 million of which matures on November 9, 2022, $150 million of which matures on November 9, 2023, and $100 million of which

matures on March 9, 2024 and providing for a $250 million revolving credit facility with an available facility amount through November 2021, each of which are provided by a syndicate of banks and other financial institutions. As of December 31, 2019, the term loan facility is fully drawn and the undrawn revolving credit facility had $198 million remaining capacity. In addition, we have issued $225.0 million of senior unsecured fixed rate notes (the "Notes"). The Notes consist of $50.0 million of notes due in June 2024 priced at a fixed interest rate of 4.68%, $75.0 million of notes due in June 2027 priced at a fixed interest rate of 4.93%, $50 million of notes due in December 2026 priced at a fixed interest rate of 4.63%, and $50 million of notes due in December 2028 priced at a fixed interest rate of 4.76%. We may incur additional indebtedness in the future to refinance our existing indebtedness, to finance newly-acquired assets or for other purposes. Our governing documents do not contain any limitations on the amount of debt we may incur and we do not have a formal policy limiting the amount of debt we may incur in the future. Subject to the restrictions, if any, set forth in our debt agreements, our Board of Directors may establish and change our leverage policy at any time without stockholder approval. Any significant additional indebtedness could require a substantial portion of our cash flow to make interest and principal payments due on our indebtedness. Greater demands on our cash resources may reduce funds available to us to pay dividends, make capital expenditures and acquisitions, or carry out other aspects of our business strategy. Increased indebtedness can also limit our ability to adjust rapidly to changing market conditions, make us more vulnerable to general adverse economic and industry conditions and create competitive disadvantages for us compared to other companies with relatively lower debt levels. Increased future debt service obligations may limit our operational flexibility, including our ability to acquire assets, finance or refinance our assets, contribute assets to joint ventures or sell assets as needed.

Moreover, our ability to obtain additional financing and satisfy our financial obligations under our indebtedness outstanding from time to time will depend upon our future operating performance, which is subject to then prevailing general economic and credit market conditions, including interest rate levels and the availability of credit generally, and financial, business and other factors, many of which are beyond our control. A worsening of credit market conditions could materially and adversely affect our ability to obtain financing on favorable terms, if at all.

We also may be unable to obtain additional financing or financing on favorable terms or our operating cash flow may be insufficient to satisfy our financial obligations under our indebtedness outstanding from time to time. Among other things, although we received an investment grade credit rating of BBB- from Fitch Ratings in January 2017, any credit rating downgrade could increase our financing costs and could limit our access to financing sources. If financing is not available when needed, or is available on unfavorable terms, we may be unable to complete acquisitions or otherwise take advantage of business opportunities or respond to competitive pressures, any of which could materially and adversely affect our business, financial condition and results of operations.

Covenants in our debt agreements may limit our operational flexibility, and a covenant breach or default could materially and adversely affect our business, financial position or results of operations.

The agreements governing our indebtedness contain customary covenants that may limit our operational flexibility. The Credit Agreement (defined below) and the terms of the Notes contain customary affirmative and negative covenants that, among other things, restrict, subject to certain exceptions, the incurrence of debt, the incurrence of secured debt, the ability of FCPT OP and the guarantors to enter into mergers, consolidations, sales of assets and similar transactions, limitations on distributions and other restricted payments, and limitations on transactions with affiliates and customary reporting obligations.

In addition, we are required to comply with the following financial covenants: (1) total indebtedness to consolidated capitalization value not to exceed 60%; (2) mortgage-secured leverage ratio not to exceed 40%; (3) total secured recourse indebtedness not to exceed 5% of consolidated capitalization value; (4) minimum fixed charge coverage ratio of 1.50 to 1.00; (5) minimum consolidated tangible net worth; (6) maximum unencumbered leverage ratio not to exceed 60%; and (7) minimum unencumbered interest coverage ratio of 1.75 to 1.00. As of December 31, 2019, we are in compliance with our existing financial covenants.

The Credit Agreement and the terms of the Notes contain customary events of default including, without limitation, payment defaults, violation of covenants and other performance defaults, defaults on payment of indebtedness and monetary obligations, bankruptcy-related defaults, judgment defaults, REIT status default and the occurrence of certain change of control events. Breaches of certain covenants may result in defaults and cross-defaults under certain of our other indebtedness, even if we satisfy our payment obligations to the respective obligee.

Covenants that limit our operational flexibility, as well as covenant breaches or defaults under our debt instruments, could materially and adversely affect our business, financial position or results of operations, or our ability to incur additional indebtedness or refinance existing indebtedness.

An increase in market interest rates could increase our interest costs on existing and future debt and could adversely affect our stock price, and a decrease in market interest rates could lead to additional competition for the acquisition of real estate, which could adversely affect our results of operations.

If interest rates increase, so could our interest costs for any new debt and our variable rate debt obligations pursuant to the Credit Agreement. This increased cost could make the financing of any acquisition more expensive as well as lower our current period earnings. Rising interest rates could limit our ability to refinance existing debt when it matures or cause us to pay higher interest rates upon refinancing. In addition, an increase in interest rates could decrease the access third parties have to credit, thereby decreasing the amount they are willing to pay to lease our assets and consequently limiting our ability to reposition our portfolio promptly in response to changes in economic or other conditions. Furthermore, the dividend yield on our common stock, as a percentage of the price of such common stock, will influence the price of such common stock. Thus, an increase in market interest rates may lead prospective purchasers of our common stock to expect a higher dividend yield, which could adversely affect the market price of our common stock. In addition, decreases in interest rates may lead to additional competition for the acquisition of real estate due to a reduction in desirable alternative income-producing investments. Increased competition for the acquisition of real estate may lead to a decrease in the yields on real estate we have targeted for acquisition. In such circumstances, if we are not able to offset the decrease in yields by obtaining lower interest costs on our borrowings, our results of operations will be adversely affected.

Hedging transactions could have a negative effect on our results of operations.

We have entered into hedging transactions with respect to interest rate exposure on our term loan and we may enter into other hedging transactions, with respect to one or more of our assets or other liabilities. The use of hedging transactions involves certain risks, including: (1) the possibility that the market will move in a manner or direction that would have resulted in a gain for us had a hedging transaction not been used, in which case our performance would have been better had we not engaged in the hedging transaction; (2) the risk of an imperfect correlation between the risk sought to be hedged and the hedging transaction used; (3) the potential illiquidity for the hedging instrument used, which may make it difficult for us to close out or unwind a hedging transaction; (4) the possibility that our counterparty fails to honor its obligations; and (5) the possibility that we may have to post collateral to enter into hedging transactions, which we may lose if we are unable to honor our obligations. Our election to be subject to tax as a REIT will also result in limitations on our income sources, and the hedging strategies available to us will be more limited than those available to companies that are not REITs.

Uncertainty relating to the LIBOR calculation process may adversely impact us.

Certain of our existing debt instruments and other financial arrangements (including our revolving credit facility and term loan facility) provide for borrowings to be made at variable interest rates that use the London Interbank Offered Rate, or LIBOR (or metrics derived from or related to LIBOR), as a benchmark for establishing the interest rate applicable to outstanding borrowings thereunder, and we may incur additional indebtedness or enter into new financial arrangements that use LIBOR as a benchmark for establishing the interest rate for borrowing thereunder. LIBOR is the subject of recent proposals for reform. In 2017, the United Kingdom’s Financial Conduct Authority, which regulates LIBOR, announced that it intends to stop persuading or compelling banks to submit LIBOR rates after 2021. These reforms may cause LIBOR to cease to exist, new methods of calculating LIBOR to be established or the establishment of alternative reference rates. These consequences cannot be entirely predicted and could have an adverse impact on the market value for or value of LIBOR-linked securities, loans, and other financial obligations or extensions of credit held by or due to us and could also affect interest rates and other financing costs under our debt instruments and other financial arrangements, any of which could adversely affect our results of operations and financial condition.

Our pursuit of investments in, and acquisitions or development of, additional properties may be unsuccessful or fail to meet our expectations.

Investments in and acquisitions of restaurant, retail and other properties we might seek to acquire entail risks associated with real estate investments generally, including that the investment’s performance will fail to meet expectations, that the cost estimates

for necessary property improvements will prove inaccurate or that the tenant, operator or manager will underperform or become insolvent. Real estate development projects present other risks, including construction delays or cost overruns that increase expenses, the inability to obtain required zoning, occupancy and other governmental approvals and permits on a timely basis, the incurrence of significant development costs prior to completion of the project, abandonment of development activities after expending significant resources, and exposure to fluctuations in the general economy due to the significant time lag between commencement and completion of redevelopment projects.

Inflation may materially and adversely affect us and our tenants.

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

Our charter restricts the ownership and transfer of our outstanding stock, which may have the effect of delaying, deferring or preventing a transaction or change of control of our company.

In order for us to qualify as a REIT, not more than 50% in value of our outstanding shares of stock may be owned, beneficially or constructively, by five or fewer individuals at any time during the last half of each taxable year after the first year for which we elect to be subject to tax and qualify as a REIT. Additionally, at least 100 persons must beneficially own our stock during at least 335 days of a taxable year (other than the first taxable year for which we elect to be subject to tax and qualify as a REIT). Our charter, with certain exceptions, authorizes our Board of Directors to take such actions as are necessary or advisable to preserve our qualification as a REIT. Our charter also provides that, unless exempted by the Board of Directors, no person may own more than 9.8% in value or in number, whichever is more restrictive, of the outstanding shares of our common stock or more than 9.8% in value of the aggregate of the outstanding shares of all classes and series of our stock. The constructive ownership rules are complex and may cause shares of stock owned directly or constructively by a group of related individuals or entities to be constructively owned by one individual or entity. These ownership limits could delay or prevent a transaction or a change in control of us that might involve a premium price for shares of our stock or otherwise be in the best interests of our stockholders. The acquisition of less than 9.8% of our outstanding stock by an individual or entity could cause that individual or entity to own constructively in excess of 9.8% in value of our outstanding stock, and thus violate our charter's ownership limit. Our charter also prohibits any person from owning shares of our stock that would result in our being "closely held" under Section 856(h) of the Internal Revenue Code of 1986, as amended (the "Code") or otherwise cause us to fail to qualify as a REIT. In addition, our charter provides that (i) no person shall beneficially own shares of stock to the extent such beneficial ownership of stock would result in us failing to qualify as a "domestically controlled qualified investment entity" within the meaning of Section 897(h) of the Code, and (ii) no person shall beneficially or constructively own shares of stock to the extent such beneficial or constructive ownership would cause us to own, beneficially or constructively, more than a 9.9% interest (as set forth in Section 856(d)(2)(B) of the Code) in a tenant of our real property. Subject to certain exceptions, rents received or accrued by us from a tenant will not be treated as qualifying rent for purposes of the REIT gross income requirements if we or a beneficial or constructive owner of 10% or more of our stock beneficially or constructively owns 10% or more of the total combined voting power of all classes of the tenant's stock entitled to vote or 10% or more of the total value of all classes of the tenant's stock. Any attempt to own or transfer shares of our stock in violation of these restrictions may result in the transfer being automatically void. Our charter also provides that shares of our capital stock acquired or held in excess of the ownership limit will be transferred to a trust for the benefit of a charitable beneficiary that we designate, and that any person who acquires shares of our capital stock in violation of the ownership limit will not be entitled to any dividends on the shares or be entitled to vote the shares or receive any proceeds from the subsequent sale of the shares in excess of the lesser of the market price on the day the shares were transferred to the trust or the amount realized from the sale. We or our designee will have the right to purchase the shares from the trustee at this calculated price as well. A transfer of shares of our capital stock in violation of the limit may be void under certain circumstances. Our 9.8% ownership limitation may have the effect of delaying, deferring or preventing a change in control, including an extraordinary transaction (such as a merger, tender offer or sale of all or substantially all of our assets) that might provide a premium price for our stockholders.

Maryland law and provisions in our charter and bylaws may delay or prevent takeover attempts by third parties and therefore inhibit our stockholders from realizing a premium on their stock.

Our charter and bylaws contain, and Maryland law contains, provisions that may deter coercive takeover practices and inadequate takeover bids and encourage prospective acquirors to negotiate with our Board of Directors, rather than to attempt a hostile takeover. Our charter and bylaws, among other things, (1) contain transfer and ownership restrictions on the percentage by number and value of outstanding shares of our stock that may be owned or acquired by any stockholders; (2) permit the Board of Directors, without further action of the stockholders, to increase or decrease the authorized number of shares, issue additional shares, classify or reclassify unissued shares, and issue and fix the terms of one or more classes or series of preferred stock, which may have rights senior to those of the common stock; (3) establish certain advance notice procedures for stockholder proposals and director nominations; and (4) provide that special meetings of stockholders may only be called by the company or upon written request of ten percent in voting power of our outstanding common stock.

Under Maryland law, any written consent of our stockholders must be unanimous. In addition, Maryland law allows a Maryland corporation with a class of equity securities registered under the Exchange Act to amend its charter without stockholder approval to effect a reverse stock split at a ratio of not more than ten shares of stock into one share of stock in any twelve-month period.

If we are not able to hire, or if we lose, key management personnel, we may not be able to successfully manage our business and achieve our objectives.

Our success depends in large part upon the leadership and performance of our executive management team and other key employees and our ability to attract other key personnel to our business. If we are unable to hire, or if we lose the services of, our executive management team or we are not able to hire or we lose other key employees, we may not be able to successfully manage our business or achieve our business objectives.

Failure by our tenants to make rental payments to us, because of a deterioration of their financial condition or otherwise, would have a material adverse effect on us.

We derive substantially all of our revenue from tenants who lease space from us at our properties. Therefore, our ability to generate cash from operations is dependent on the rents that we are able to charge and collect from our tenants. At any time, our tenants may experience a downturn in their respective businesses that may significantly weaken their financial condition, particularly during periods of economic uncertainty. As a result, our tenants may delay lease commencements, decline to extend or renew leases upon expiration, fail to make rental payments when due, close a number of restaurants or declare bankruptcy. Any of these actions could result in the loss of rental income attributable to the terminated leases and write-downs of certain of our assets. In that event, we may be unable to re-lease the vacated space at attractive rents or at all. The occurrence of any of the situations described above would have a material adverse effect on our results of operations and our financial condition.

Bankruptcy laws will limit our remedies if a tenant becomes bankrupt and rejects its leases.

If a tenant becomes bankrupt or insolvent, that could diminish the income we receive from that tenant's leases. We may not be able to evict a tenant solely because of its bankruptcy. On the other hand, a bankruptcy court might authorize the tenant to terminate its leasehold with us. If that happens, our claim against the bankrupt tenant for unpaid future rent would be an unsecured pre-petition claim subject to statutory limitations, and therefore any amounts received in bankruptcy are likely to be substantially less valuable than the remaining rent we otherwise were owed under the leases. In addition, any claim we have for unpaid past rent could be substantially less than the amount owed.

The failure of any of our tenants to fulfill its maintenance obligations may have a materially adverse effect on our ability to operate and grow our business.

The failure of any of our tenants to fulfill its maintenance obligations may cause us to incur significant and unexpected expenses to remediate any resulting damage to the property. Furthermore, the failure by Darden, any other tenant or any future tenant to adequately maintain a leased property could adversely affect our ability to timely re-lease the property to a new tenant or otherwise monetize our investment in the property if we are forced to make significant repairs or changes to the property as a result of the tenant's neglect. If we incur significant additional expenses or are delayed in being able to pursue returns on our real

estate investments, it may have a materially adverse effect on our ability to operate and grow our business and our ability to achieve our strategic objectives.

We or our tenants may experience uninsured or underinsured losses, which could result in a significant loss of the capital we have invested in a property, decrease anticipated future revenues or cause us to incur unanticipated expense.

Our current lease agreements generally require, and new lease agreements that we enter into are expected to require, that the tenant maintain comprehensive insurance and hazard insurance or self-insure its obligations. However, we cannot assure you that we will continue to require the same levels of insurance coverage under our lease agreements, that such insurance will be available at a reasonable cost in the future or that the insurance coverage provided will fully cover all losses on our properties upon the occurrence of a catastrophic event, nor can we assure you of the future financial viability of the insurers. Certain types of losses, generally of a catastrophic nature, such as earthquakes, hurricanes and floods, may be uninsurable or not economically insurable by us or by our tenants. Insurance coverage may not be sufficient to pay the full current market value or current replacement cost of a loss. Inflation, changes in building codes and ordinances, environmental considerations and other factors might also make it unfeasible to use insurance proceeds to replace the property after such property has been damaged or destroyed. Under such circumstances, the insurance proceeds received might not be adequate to restore the economic position with respect to such property. While the tenants under our leases generally indemnify, defend and hold us harmless for the foregoing liabilities, there can be no assurance that the respective tenant will have sufficient assets, income or access to financing to enable it to satisfy its payment obligations to us under its lease.

Properties in our leasing portfolio and the Kerrow Restaurant Operating Business are located in 46 states, and if one of our properties experiences a loss that is uninsured or that exceeds policy coverage limits, we could lose the capital invested in the damaged property as well as the anticipated future cash flows from the property. If the damaged property is subject to recourse indebtedness, we could continue to be liable for the indebtedness even if the property is irreparably damaged.

In addition, even if damage to our properties is covered by insurance, a disruption of business caused by a casualty event may result in loss of revenue for our tenants or us. Any business interruption insurance may not fully compensate them or us for such loss of revenue. If one of our tenants experiences such a loss, it may be unable to satisfy its payment obligations to us under its lease with us.

We are dependent on the restaurant industry and may be susceptible to the risks associated with it, which could materially adversely affect our business, financial position or results of operations.

As the owner of properties serving the restaurant industry, we are impacted by the risks associated with the restaurant industry. Therefore, our success is to some degree dependent on the restaurant industry, which could be adversely affected by economic conditions in general, changes in consumer trends and preferences and other factors over which we and any of our tenants in the restaurant industry have no control. As we are subject to risks inherent in substantial investments in a single industry, a decrease in the restaurant business would likely have a greater adverse effect on our revenues than if we owned a more diversified real estate portfolio.

The restaurant industry is characterized by a high degree of competition among a large number of participants. Competition is intense between national and regional restaurant chains and locally-owned restaurants in most of the markets where our properties are located. As competing properties are constructed, the lease rates we assess for our properties may be negatively impacted upon renewal or new tenant pricing events.

Our portfolio has some geographic concentration, which makes us more susceptible to adverse events in these areas.

Our properties are located throughout the United States with the highest concentrations located in the states of Texas and Florida, where 12.5% and 10.8% of our annualized base rent was derived as of December 31, 2019, respectively. An economic downturn or other adverse events or conditions such as natural disasters in these areas, or any other area where we may have significant concentration in the future, could result in a material reduction of our cash flows or material losses to our company.

Our tenants' businesses and our business through the operation of Kerrow are subject to government regulations and changes in current or future laws or regulations could restrict their ability to operate both their and our business in the manner currently contemplated.

The restaurant industry is subject to extensive federal, state and local and international laws and regulations. The development and operation of restaurants depend to a significant extent on the selection and acquisition of suitable sites, which are subject to building, zoning, land use, environmental, traffic and other regulations and requirements. Our tenants and Kerrow are subject to licensing and regulation by state and local authorities relating to wages and hours, health care, health, sanitation, safety and fire standards, the sale of alcoholic beverages, and information security. Our tenants and Kerrow are also subject to, among other laws and regulations, laws and regulations relating to the preparation and sale of food, including regulations regarding product safety, nutritional content and menu labeling. The impact of current laws and regulations, the effect of future changes in laws or regulations that impose additional requirements and the consequences of litigation relating to current or future laws and regulations, or an insufficient or ineffective response to significant regulatory or public policy issues, could have an adverse effect on our tenants' results of operations, which could also adversely affect our business, results of operations or financial condition as we depend on our tenants for almost the entirety of our revenue.

Environmental compliance costs and liabilities associated with real estate properties owned by us may materially impair the value of those investments.

As an owner and operator of real property, we are subject to various federal, state and local environmental, health and safety laws and regulations. We may be held primarily or jointly and severally liable for costs relating to the investigation and clean-up of any of our current or former properties at or from which there has been a release or threatened release of hazardous materials as well as other affected properties, regardless of whether we knew of or caused the contamination.

In addition to these costs, which are typically not limited by law or regulation and could exceed the property's value, we or our tenants could be subject to other liabilities, including governmental penalties for violation of environmental, health and safety laws, liabilities for injuries to persons for exposure to hazardous materials, and damages to property or natural resources. Furthermore, some environmental laws can create a lien on the contaminated site in favor of the government for damages and the costs the government incurs in connection with such contamination or can restrict the manner in which a property may be used because of contamination. We also could be liable for the costs of remediating contamination at third party sites, e.g., landfills, where we send waste for disposal without regard to whether we comply with environmental laws in doing so.

The presence of contamination or the failure to remediate contamination may adversely affect our ability to sell, develop or lease the real estate or to borrow using the real estate as collateral.

In addition, regulations in response to climate change could result in increased compliance and energy costs.

While the tenants under our leases generally indemnify, defend and hold us harmless for the foregoing liabilities, there can be no assurance that the respective tenant will have sufficient assets, income or access to financing to enable it to satisfy its payment obligations to us under its lease.

Our relationship with Darden may adversely affect our ability to do business with third-party restaurant operators and other tenants.

Darden is our primary tenant in our lease portfolio, and a majority of our revenues consist of rental payments from Darden. We may be viewed by third-party restaurant operators and other potential tenants or parties to sale-leaseback transactions as being closely affiliated with Darden. As these third-party restaurant operators and other potential transaction parties may compete with Darden within the restaurant industry, our perceived affiliation with Darden could make it difficult for us to attract tenants and other transaction partners beyond Darden, particularly in the restaurant industry. If we are unable to diversify our tenant and transaction partner base further beyond Darden, it may have a materially adverse effect on our ability to operate and grow our business and our ability to achieve our strategic objectives.

The ownership by our executive officers and directors of common stock, options or other equity awards of Darden may create, or may create the appearance of, conflicts of interest.

As a result of his former positions with Darden, Mr. Lenehan owns common stock, including restricted stock, in both Darden and FCPT. In addition, there is no restriction on our executive officers and directors acquiring Darden common stock in the future, and, therefore, this ownership of common stock of both Darden and FCPT may be significant. Equity interests in Darden may create, or appear to create, conflicts of interest when any such director or executive officer is faced with decisions that could benefit or affect the equity holders of Darden in ways that do not benefit or affect us in the same manner. As of December 31, 2019, no other executive officer or director of FCPT owns common stock of Darden.

Real estate investments are relatively illiquid and provisions in our lease agreements may adversely impact our ability to sell properties and could adversely impact the price at which we can sell the properties.

Properties in our leasing portfolio and the properties leased to Kerrow represent a substantial portion of our total consolidated assets, and these investments are relatively illiquid. As a result, our ability to sell one or more of our properties or other investments in real estate we may make in response to any changes in economic or other conditions may be limited. If we want to sell a property, we cannot assure you that we will be able to dispose of it in the desired time period, or at all, or that the sale price of a property will exceed the cost of our investment in that property.

In addition, the properties subject to leases with Darden provide them a right of first offer with respect to our sale of any such Property, provided there is no default under the lease, and we are prohibited from selling any of our properties to (i) any nationally recognized casual or fine dining brand restaurant or entity operating the same or (ii) any other regionally recognized casual or fine dining brand restaurant or entity operating the same, with 25 or more units. The existence of these provisions in our leases with Darden, which survive for the full term of the relevant lease, could adversely impact our ability to sell any of the Properties and could adversely impact our ability to obtain the highest possible price for any of the Properties. If we seek to sell any of our properties, we would not be able to offer the properties to potential purchasers through a competitive bid process or in a similar manner designed to maximize the value obtained without first offering to sell to Darden and we would be restricted in the potential purchasers who could buy the properties, which may adversely impact our ability to sell any of the properties in a timely manner, or at all, or adversely impact the price we can obtain from such sale.

We may be subject to liabilities and costs associated with the impacts of climate change.

The potential physical impacts of climate change on our properties or operations are highly uncertain and would be particular to the geographic circumstances in areas in which we operate, including Florida, Georgia and Texas. Such impacts may result from increased frequency of natural disasters, changes in rainfall and storm patterns and intensities, water shortages, changing sea levels, rising energy and environmental costs, and changing temperatures. These impacts may adversely impact our business, results of operations and financial condition, including our or our tenants' ability to obtain property insurance on acceptable terms. While the tenants under our leases generally indemnify, defend and hold us harmless for the foregoing liabilities, there can be no assurance that the respective tenant will have sufficient assets, income or access to financing to enable it to satisfy its payment obligations to us under its lease.

Compliance with the Americans with Disabilities Act and fire, safety and other regulations may require us to make unanticipated expenditures that materially adversely impact our cash flow.

All of our properties are required to comply with Title III of the Americans with Disabilities Act, or the ADA. The ADA generally requires that buildings be made accessible to people with disabilities. Compliance with the ADA requirements could require, for example, removal of access barriers and non-compliance could result in the imposition of fines by the U.S. Government or an award of damages to private litigants, or both. While the tenants to whom we lease properties are obligated by law to comply with the ADA provisions, under the law we are also legally responsible for our properties' ADA compliance. If required changes involve greater expenditures than anticipated, or if the changes must be made on a more accelerated basis than anticipated, the ability of our tenants to cover costs could be adversely affected and we could be required to expend our own funds to comply with the provisions of the ADA, which could have an adverse effect on our financial condition and our ability to make distributions. State and local laws may also require modifications to our properties related to access by disabled persons. 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 cash flow and ability to make distributions to our security holders.

While the tenants under our leases generally indemnify, defend and hold us harmless for the foregoing liabilities, there can be no assurance that the respective tenant will have sufficient assets, income or access to financing to enable it to satisfy its payment obligations to us under its lease.

Our active management and operation of a restaurant business may expose us to potential liabilities beyond those traditionally associated with REITs.

In addition to our real estate investment activities, we also manage and operate the Kerrow Restaurant Operating Business, which consists of six LongHorn Steakhouse restaurants located in the San Antonio, Texas area. Managing and operating the Kerrow Restaurant Operating Business requires us to employ significantly more people than a REIT that does not operate a business of such type and scale. In addition, managing and operating an active restaurant business exposes us to potential liabilities associated with the operation of restaurants. Such potential liabilities are not typically associated with REITs and include potential liabilities for wage and hour violations, guest discrimination, food safety issues including poor food quality, food-borne illness, food tampering, food contamination, workplace injury, cyber-attacks, and violation of "dram shop" laws (providing an injured party with recourse against an establishment that serves alcoholic beverages to an intoxicated party who then causes injury to himself or a third party). In the event that one or more of the potential liabilities associated with managing and operating an active restaurant business materializes, such liabilities could damage the reputation of the Kerrow Restaurant Operating Business as well as the reputation of FCPT, and could adversely affect our financial position and results of operations, possibly to a material degree.

We may be vulnerable to security breaches or cyber-attacks which could disrupt our operations and have a material adverse effect on our financial performance and operating results.

Security breaches, cyber-attacks, or disruption, of our physical or information technology infrastructure, networks and related management systems could result in, among other things, a breach of our networks and information technology infrastructure, the misappropriation of our or our tenants' proprietary or confidential information, interruptions or malfunctions in our or our tenants' operations, delays or interruptions to our ability to meet tenant needs, breach of our legal, regulatory or contractual obligations, inability to access or rely upon critical business records, unauthorized access to our facilities or other disruptions in our operations. Numerous sources can cause these types of incidents, including: physical or electronic security breaches; viruses, ransomware or other malware; hardware vulnerabilities such as Meltdown and Spectre; accident or human error by our own personnel or third parties; criminal activity or malfeasance (including by our own personnel); fraud or impersonation scams perpetrated against us or our partners or tenants; or security events impacting our third-party service providers or our partners or tenants. Our exposure to cybersecurity threats and negative consequences of cybersecurity breaches will likely increase as we store increasing amounts of tenant data.

We recognize the increasing volume of cyber-attacks and employ commercially practical efforts to provide reasonable assurance such attacks are appropriately mitigated. We may be required to expend significant financial resources to protect against or respond to such breaches. Cyber criminals are increasingly using powerful new tactics including evasive applications, proxies, tunneling, encryption techniques, vulnerability exploits, buffer overflows, distributed denial of service attacks, or distributed denial-of-service or DDoS attacks, botnets and port scans. Techniques used to breach security change frequently, and are generally not recognized until launched against a target, so we may not be able to promptly detect that a security breach or unauthorized access has occurred. We also may not be able to implement security measures in a timely manner or, if and when implemented, we may not be able to determine the extent to which these measures could be circumvented. As we provide assurances to our tenants that we provide a high level of security, if an actual or perceived security breach occurs, the market's perception of our security measures could be harmed and we could lose current and potential tenants, and such a breach could be harmful to our brand and reputation. Any breaches that may occur could expose us to increased risk of lawsuits, material monetary damages, potential violations of applicable privacy and other laws, penalties and fines, harm to our reputation and increases in our security and insurance costs, which could have a material adverse effect on our business, financial condition and results of operations. In the event of a breach resulting in loss of data, such as personally identifiable information or other such data protected by data privacy or other laws, we may be liable for damages, fines and penalties for such losses under applicable regulatory frameworks

despite not handling the data. We cannot guarantee that any backup systems, regular data backups, security protocols, network protection mechanisms and other procedures currently in place, or that may be in place in the future, will be adequate to prevent network and service interruption, system failure, damage to one or more of our systems or data loss in the event of a security breach or attack.

In addition, the regulatory framework around data custody, data privacy and breaches varies by jurisdiction and is an evolving area of law with increasingly complex and rigorous regulatory standards enacted to protect business and personal data in the United States. We may not be able to limit our liability or damages in the event of such a loss. Data protection legislation is becoming increasingly common in the United States at both the federal and state level and may require us to further modify our data processing practices and policies. For example, the state of California recently adopted the California Consumer Privacy Act of 2018, which is currently set to take effect on January 1, 2020 and expected to provide California residents with increased privacy rights and protections with respect to their personal information. Compliance with existing, proposed and recently enacted laws and regulations can be costly; any failure to comply with these regulatory standards could subject us to legal and reputational risks. Misuse of or failure to secure personal information could also result in violation of data privacy laws and regulations, proceedings against the Company by governmental entities or others, fines and penalties, damage to our reputation and credibility and could have a negative impact on our business and results of operations.

Failure to maintain effective internal control over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act could materially and adversely affect our business and the market price of our common stock.

Under the Sarbanes-Oxley Act, we must maintain effective disclosure controls and procedures and internal control over financial reporting, which requires significant resources and management oversight. Internal control over financial reporting is complex and may be revised over time to adapt to changes in our business, or changes in applicable accounting rules. We cannot assure you that our internal control over financial reporting will be effective in the future or that a material weakness will not be discovered with respect to a prior period for which we had previously believed that internal controls were effective. Matters impacting our internal controls may cause us to be unable to report our financial data on a timely basis, or may cause us to restate previously issued financial data, and thereby subject us to adverse regulatory consequences, including sanctions or investigations by the SEC, or violations of applicable stock exchange listing rules. There could also be a negative reaction in the financial markets due to a loss of investor confidence in us and the reliability of our financial statements. Confidence in the reliability of our financial statements is also likely to suffer if we or our independent registered public accounting firm reports a material weakness in our internal control over financial reporting. This could materially adversely affect us by, for example, leading to a decline in the market price for our common stock and impairing our ability to raise capital.

If our reputation or our tenants' reputation are damaged, our business and operating results may be harmed.

Our reputation and our tenants' reputations are important to our business. Our reputation affects our ability to access capital, acquire additional properties and recruit and retain talented employees. Our tenants' reputations affect their ability to continue to operate profitably and make payments under their lease agreements with us on time. There are numerous ways our reputation or our tenants' reputation could be damaged. These include unethical behavior or misconduct, workplace safety incidents, environmental impact, corporate governance issues, data breaches or human rights records. We or our tenants may experience backlash from customers, government entities, advocacy groups, employees, and other stakeholders that disagree with our operating decisions or public policy positions. The proliferation of social media may increase the likelihood, speed, and magnitude of negative events. If our or our tenants' reputation is damaged, it could adversely affect our business, results of operations, financial condition or ability to attract the most highly qualified employees.

Risks Related to Our Common Stock

The market price and trading volume of our common stock may be volatile and may face negative pressure including as a result of future sales or distributions of our common stock.

The market price of our common stock may be volatile in the future. In addition, the trading volume in our common shares may fluctuate and cause significant price variations to occur. It is not possible to accurately predict how investors in our common stock will behave.

Any disposition by a significant stockholder of our common stock, or the perception in the market that such dispositions could occur, may cause the price of our common stock to fall. Any such decline could impair our ability to raise capital through future sales of our common stock. Furthermore, our common stock may not qualify for investment indices, including indices specific to REITs, and any such failure may discourage new investors from investing in our common stock.

If and when additional funds are raised through the issuance of equity securities, including our common stock, our stockholders may experience significant dilution.

We cannot assure shareholders of our ability to pay dividends in the future.

Our current dividend rate is $1.22 per share per annum. We may pay a portion of our dividends in common stock. In no event will the annual dividend be less than 90% of our REIT taxable income on an annual basis, determined without regard to the dividends paid deduction and excluding any net capital gains. Our ability to pay dividends may be adversely affected by a number of factors, including the risk factors described in this Annual Report on Form 10-K. Dividends will be authorized by our Board of Directors and declared by us based upon a number of factors, including actual results of operations, restrictions under Maryland law or applicable debt covenants, our financial condition, our taxable income, the annual distribution requirements under the REIT provisions of the Code, our operating expenses and other factors our directors deem relevant. We cannot assure shareholders that we will achieve investment results that will allow us to make a specified level of cash dividends or year-to-year increases in cash dividends in the future.

Furthermore, while we are required to pay dividends in order to maintain our REIT status (as described below in the risk factor "--*REIT distribution requirements could adversely affect our ability to execute our business plan*"), we may elect not to maintain our REIT status, in which case we would no longer be required to pay such dividends. Moreover, even if we do elect to maintain our REIT status, after completing various procedural steps, we may elect to comply with the applicable distribution requirements by distributing, under certain circumstances, a portion of the required amount in the form of shares of our common stock in lieu of cash. If we elect not to maintain our REIT status or to satisfy any required distributions in shares of common stock in lieu of cash, such action could negatively affect our business and financial condition as well as the market price of our common stock. No assurance can be given that we will pay any dividends on shares of our common stock in the future.

Risks Related to Our Taxation as a REIT

If we do not qualify as a REIT, or fail to remain qualified as a REIT, we will be subject to U.S. federal income tax as a regular corporation and could face a substantial tax liability, which would reduce the amount of cash available for distribution to our stockholders.

We believe that we were organized and have operated and we intend to continue to operate in a manner that will enable us to qualify as a REIT for U.S. federal income tax purposes commencing with our taxable year ended December 31, 2016. Qualification as a REIT involves the application of highly technical and complex provisions of the Internal Revenue Code of 1986, as amended (the "Code"), for which only limited judicial and administrative authorities exist. Even a technical or inadvertent violation could jeopardize our REIT qualification. The determination of various factual matters and circumstances not entirely within our control may affect our ability to qualify as a REIT. Our qualification as a REIT depends on our satisfaction of certain asset, income, organizational, distribution, stockholder ownership and other requirements on a continuing basis. Our ability to satisfy the asset requirements depends upon our analysis of the fair market values of our assets, some of which are not susceptible to a precise determination, and for which we do not obtain independent appraisals. Our compliance with the REIT income and asset requirements also depends upon our ability to successfully manage the composition of our income and assets on an ongoing basis. Moreover, the proper classification of one or more of our investments may be uncertain in some circumstances, which could affect the application of the REIT qualification requirements. In addition, our ability to satisfy the requirements to qualify as a REIT may depend in part on the actions of third parties over which we have no control or only limited influence. Accordingly, there can be no assurance that the Internal Revenue Service (the "IRS") will not contend that our investments violate the REIT requirements.

If we were to fail to qualify as a REIT in any taxable year, we would be subject to U.S. federal income tax, including (for taxable years beginning before December 31, 2017) any applicable alternative minimum tax, on our taxable income at the regular corporate rate, and distributions to stockholders would not be deductible by us in computing our taxable income. Any such corporate

tax liability could be substantial and would reduce the amount of cash available for distribution to our stockholders, which in turn could have an adverse impact on the value of, and trading prices for, our common stock. Unless entitled to relief under certain provisions of the Code, we also would be disqualified from taxation as a REIT for the four taxable years following the year during which we initially ceased to qualify as a REIT.

The rule against re-electing REIT status following a loss of such status could also apply to us if it were determined that a former subsidiary of Darden failed to qualify as a REIT for certain taxable years and we were treated as a successor to such entity for U.S. federal income tax purposes. Although Darden has represented to us that it has no knowledge of any fact or circumstance that would cause us to fail to qualify as a REIT and covenanted to use its reasonable best efforts to cure any issue with respect to the REIT status of any such predecessor entity, no assurance can be given that such representation and covenant would prevent us from failing to qualify as a REIT. If we fail to qualify as a REIT due to the REIT status of a predecessor, we would be subject to corporate income tax as described in the preceding paragraph.

We could fail to qualify as a REIT if income we receive from Darden and other tenants is not treated as qualifying income.

Under applicable provisions of the Code, we will not be treated as a REIT unless we satisfy various requirements, including requirements relating to the sources of our gross income. Rents received or accrued by us from Darden and other tenants will not be treated as qualifying rent for purposes of these requirements if our leases are not respected as true leases for U.S. federal income tax purposes and are instead treated as service contracts, joint ventures or other types of arrangements. If our leases are not respected as true leases for U.S. federal income tax purposes, we may fail to qualify as a REIT.

In addition, subject to certain exceptions, rents received or accrued by us from Darden will not be treated as qualifying rent for purposes of the REIT gross income requirements if we or a beneficial or constructive owner of 10% or more of our stock beneficially or constructively owns 10% or more of the total combined voting power of all classes of Darden stock entitled to vote or 10% or more of the total value of all classes of Darden stock. Our charter provides for restrictions on ownership and transfer of our shares of stock, including restrictions on such ownership or transfer that would cause the rents received or accrued by us from Darden to be treated as non-qualifying rent for purposes of the REIT gross income requirements. Nevertheless, there can be no assurance that such restrictions will be effective in ensuring that rents received or accrued by us from Darden will not be treated as qualifying rent for purposes of REIT qualification requirements.

Dividends payable by REITs do not qualify for the reduced tax rates available for some dividends.

The maximum U.S. federal income tax rate applicable to income from “qualified dividends” payable by non-REIT “C” corporations to certain non-corporate U.S. stockholders is currently 23.8% (taking into account the 3.8% Medicare tax applicable to net investment income). Dividends payable by REITs, however, generally are not qualified dividends. Effective for taxable years beginning after December 31, 2017 and before January 1, 2026, non-corporate U.S. stockholders may deduct 20% of their dividends from REITs (excluding qualified dividend income and capital gains dividends). For non-corporate U.S. stockholders in the top marginal tax bracket of 37%, the deduction for REIT dividends yields an effective income tax rate of 29.6% on REIT dividends, which is higher than the 20% tax rate on qualified dividend income paid by “C” corporations. This does not adversely affect the taxation of REITs; however, the more favorable rates applicable to regular corporate qualified dividends could cause certain non-corporate investors to perceive investments in REITs to be relatively less attractive than investments in the stocks of non-REIT “C” corporations that pay dividends, which could adversely affect the value of the shares of REITs, including our common stock.

REIT distribution requirements could adversely affect our ability to execute our business plan.

We generally must distribute annually at least 90% of our REIT taxable income, determined without regard to the dividends paid deduction and excluding any net capital gains, in order for us to qualify as a REIT (assuming that certain other requirements are also satisfied). To the extent that we satisfy this distribution requirement and qualify for taxation as a REIT but distribute less than 100% of our REIT taxable income, determined without regard to the dividends paid deduction and including any net capital gains, we will be subject to U.S. federal corporate income tax on our undistributed net taxable income. In addition, we will be subject to a 4% nondeductible excise tax if the actual amount that we distribute to our stockholders in a calendar year is less than

a minimum amount specified under U.S. federal tax laws. We intend to continue to make distributions to our stockholders to comply with the REIT requirements of the Code.

Currently our funds from operations are generated primarily by rents paid under our lease agreements. From time to time, we may generate taxable income greater than our cash flow as a result of differences in timing between the recognition of taxable income and the actual receipt of cash or the effect of nondeductible capital expenditures, the creation of reserves or required debt or amortization payments. Further, income must be accrued for U.S. federal income tax purposes no later than when such income is taken into account as revenue in our financial statements, subject to certain exceptions, which could also create mismatches between REIT taxable income and the receipt of cash attributable to such income. If we do not have other funds available in these situations, we could be required to borrow funds on unfavorable terms, sell assets at disadvantageous prices or distribute amounts that would otherwise be invested in future acquisitions to make distributions sufficient to enable us to pay out enough of our taxable income to satisfy the REIT distributions requirement and to avoid corporate income tax and the 4% excise tax in a particular year. These alternatives could increase our costs or reduce our equity or adversely impact our ability to raise short and long-term debt. Furthermore, the REIT distribution requirements may increase the financing needed to fund capital expenditures, further growth and expansion initiatives. Thus, compliance with the REIT requirements may hinder our ability to grow, which could adversely affect the value of our common stock.

Even if we qualify as a REIT, we may face other tax liabilities that reduce our cash flow.

Even if we qualify for taxation as a REIT, we may be subject to certain U.S. federal, state, and local taxes on our income and assets, including taxes on any undistributed income and state or local income, property and transfer taxes. Moreover, if we have net income from “prohibited transactions,” that income will be subject to a 100% tax. In general, prohibited transactions are sales or other dispositions of property held primarily for sale to customers in the ordinary course of business. The determination as to whether a particular sale is a prohibited transaction depends on the facts and circumstances related to that sale. While we will undertake sales of assets if those assets become inconsistent with our long-term strategic or return objectives, we do not believe that those sales should be considered prohibited transactions, but there can be no assurance that the IRS would not contend otherwise. The need to avoid prohibited transactions could cause us to forego or defer sales of properties that might otherwise be in our best interest to sell. In addition, any net taxable income earned directly by our TRSs will be subject to U.S. federal, state, and local corporate-level income taxes and we may incur a 100% excise tax on transactions with a TRS if they are not conducted on an arm’s-length basis. Any of these taxes would decrease cash available for distribution to our stockholders.

Complying with the REIT requirements may cause us to forego otherwise attractive acquisition and business opportunities or liquidate otherwise attractive investments.

To qualify as a REIT for U.S. federal income tax purposes, we must ensure that, at the end of each calendar quarter, at least 75% of the value of our assets consists of cash, cash items, government securities and “real estate assets” (as defined in the Code). The remainder of our investments (other than government securities, qualified real estate assets and securities issued by a TRS) generally cannot include more than 10% of the outstanding voting securities of any one issuer or more than 10% of the total value of the outstanding securities of any one issuer. In addition, in general, no more than 5% of the value of our total assets (other than government securities, qualified real estate assets and securities issued by a TRS) can consist of the securities of any one issuer, and no more than 20% (25% effective for taxable years beginning before January 1, 2018) of the value of our total assets can be represented by securities of one or more TRSs and no more than 25% of the value of our assets can be represented by certain debt instruments issued by “publicly offered REITs.” If we fail to comply with these requirements at the end of any calendar quarter, we must correct the failure within thirty days after the end of the calendar quarter or qualify for certain statutory relief provisions to avoid losing our REIT qualification and suffering adverse tax consequences. As a result, we may be required to liquidate or forego otherwise attractive investments. These actions could have the effect of reducing our income and amounts available for distribution to our stockholders.

In addition to the asset tests set forth above, to qualify as a REIT we must continually satisfy tests concerning, among other things, the sources of our income, the amounts we distribute to our stockholders and the ownership of our stock. We may be unable to pursue investments that would be otherwise advantageous to us in order to satisfy the source-of-income or asset-diversification requirements for qualifying as a REIT. Thus, compliance with the REIT requirements may hinder our ability to make certain attractive investments.

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

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

There are uncertainties relating to the Purging Distribution.

Darden has allocated its accumulated earnings and profits (as determined for U.S. federal income tax purposes) for periods prior to the Spin-Off between Darden and FCPT in a manner that, in its best judgment, is in accordance with the provisions of the Code. The amount of earnings and profits to be distributed is a complex factual and legal determination. We believe that our Purging Distribution (defined below) made on March 2, 2016 has satisfied the requirements relating to the distribution of our pre-REIT accumulated earnings and profits. No assurance can be given, however, that the IRS will agree with our calculation or Darden's allocation of earnings and profits to FCPT. If the IRS finds additional amounts of pre-REIT earnings and profits, there are procedures generally available to cure any failure to distribute all of our pre-REIT earnings and profits, but there can be no assurance that we will be able to successfully implement such procedures.

We may pay dividends on our common stock in common stock and/or cash. Our stockholders may sell shares of our common stock to pay tax on such dividends, placing downward pressure on the market price of our common stock.

In connection with our qualification as a REIT, we are required to annually distribute to its stockholders at least 90% of our REIT taxable income, determined without regard to the deduction for dividends paid and excluding net capital gain. Although we do not currently intend to do so, in order to satisfy this requirement, we are permitted, subject to certain conditions and limitations, to make distributions that are in part payable in shares of our common stock. Taxable stockholders receiving such distributions will be required to report dividend income as a result of such distribution for both the cash and stock components of the distribution and even though we distributed no cash or only nominal amounts of cash to such shareholder.

If we make any taxable dividend payable in cash and common stock, taxable stockholders receiving such dividends will be required to include the full amount of the dividend as ordinary income to the extent of our current and accumulated earnings and profits, as determined for U.S. federal income tax purposes. As a result, stockholders may be required to pay income tax with respect to such dividends in excess of the cash dividends received. If a U.S. stockholder sells shares of our stock that it receives as a dividend in order to pay this tax, the sales proceeds may be less than the amount included in income with respect to the dividend, depending on the market price of the stock at the time of the sale. Furthermore, with respect to certain non-U.S. stockholders, we may be required to withhold federal income tax with respect to such dividends, including in respect of all or a portion of such dividend that is payable in our stock. If, in any taxable dividend payable in cash and stock, a significant number of our stockholders determine to sell shares of our stock in order to pay taxes owed on dividends, it may be viewed as economically equivalent to a dividend reduction and put downward pressure on the market price of our stock.

If the Spin-Off were to fail to qualify as a tax-free transaction for U.S. federal income tax purposes, Darden and Darden's shareholders could be subject to significant tax liabilities and, pursuant to indemnification obligations under the Tax Matters Agreement that we entered into with Darden, we could be required to indemnify Darden for material taxes.

Darden has received a private letter ruling (the "IRS Ruling") from the IRS on certain specific issues relevant to the qualification of the Spin-Off as tax-free under Sections 368(a)(1)(D) and 355 of the Code, based on certain facts and representations set forth in such request. Although a private letter ruling from the IRS generally is binding on the IRS, if the factual representations made in the ruling request are untrue or incomplete in any material respect, then Darden will not be able to rely on the IRS Ruling. The IRS Ruling does not address all of the requirements for tax-free treatment of the Spin-Off under Sections 355 and 368(a)(1)(D)

of the Code; however, Darden has received an opinion from Skadden, Arps, Slate, Meagher & Flom LLP (the "Spin-Off Tax Opinion") to the effect that the Spin-Off qualifies as tax-free under Sections 368(a)(1)(D) and 355 of the Code. The Spin-Off Tax Opinion relies on the IRS Ruling as to matters covered by such ruling and is based on, among other things, current law and certain assumptions and representations as to factual matters made by Darden and us. Any change in currently applicable law, which may or may not be retroactive, or the failure of any factual representation or assumption to be true, correct and complete in all material respects, could adversely affect the conclusions reached by counsel in the Spin-Off Tax Opinion. The Spin-Off Tax Opinion is not binding on the IRS or the courts, and the IRS or the courts may not agree with the opinion. The Spin-Off Tax Opinion is expressed as of the date issued and does not cover subsequent periods. An opinion of counsel represents counsel's best legal judgment based on current law and is not binding on the IRS or any court. We cannot assure you that the IRS will agree with the conclusions set forth in the Spin-Off Tax Opinion, and it is possible that the IRS or another tax authority could adopt a position contrary to one or all of those conclusions and that a court could sustain that contrary position. If any of the facts, representations, assumptions, or undertakings described or made in connection with the IRS Ruling or the Spin-Off Tax Opinion are not correct, are incomplete or have been violated, the IRS Ruling could be revoked retroactively or modified by the IRS, and our ability to rely on the Spin-Off Tax Opinion could be jeopardized. We are not aware of any facts or circumstances, however, that would cause these facts, representations, or assumptions to be untrue or incomplete, or that would cause any of these undertakings to fail to be complied with, in any material respect.

If the Spin-Off ultimately were determined to be taxable, then a shareholder of Darden that received shares of our common stock in the Spin-Off would be treated as having received a distribution of property in an amount equal to the fair market value of such shares on the distribution date and could incur significant income tax liabilities. Such distribution would be taxable to such shareholder as a dividend to the extent of Darden's current and accumulated earnings and profits (including earnings and profits resulting from the recognition of gain by Darden in the Spin-Off). Any amount that exceeded Darden's earnings and profits would be treated first as a non-taxable return of capital to the extent of such shareholder's tax basis in its shares of Darden stock with any remaining amount being taxed as a capital gain. In addition, if the Spin-Off were determined to be taxable, in general, Darden would be required to recognize a taxable gain as if it had sold our common stock in a taxable sale for its fair market value.

Under the terms of the tax matters agreement that we entered into with Darden (the "Tax Matters Agreement"), we generally will be responsible for any taxes imposed on Darden that arise from the failure of the Spin-Off to qualify as tax-free for U.S. federal income tax purposes to the extent such failure to qualify is attributable to certain actions, events or transactions relating to our stock, assets or business, or a breach of the relevant representations or any covenants made by us in the Tax Matters Agreement, the materials submitted to the IRS in connection with the request for the IRS Ruling or the representations provided in connection with the Spin-Off Tax Opinion. Our indemnification obligations to Darden will not be limited by any maximum amount. If we are required to indemnify Darden under the circumstances set forth in the Tax Matters Agreement, we may also be subject to substantial tax liabilities.

Complying with the REIT requirements may limit our ability to hedge effectively and may cause us to incur tax liabilities.

The REIT provisions of the Code substantially limit our ability to hedge our assets and liabilities. Income from certain hedging transactions that we may enter into to manage risk of interest rate changes with respect to borrowings made or to be made to acquire or carry real estate assets or manages the risk of certain currency fluctuations does not constitute "gross income" for purposes of the 75% or 95% gross income tests that apply to REITs, provided that certain identification requirements are met. To the extent that we enter into other types of hedging transactions or fail to properly identify such transaction as a hedge, the income is likely to be treated as non-qualifying income for purposes of both of the gross income tests. As a result of these rules, we may be required to limit our use of advantageous hedging techniques or implement those hedges through a TRS. This could increase the cost of our hedging activities because the TRS may be subject to tax on gains or expose us to greater risks associated with changes in interest rates that we would otherwise want to bear. In addition, losses in the TRS will generally not provide any tax benefit, except that such losses could theoretically be carried forward against future taxable income in the TRS.

The ability of our Board of Directors to revoke our REIT election without stockholder approval may cause adverse consequences to our stockholders.

Our charter provides our Board of Directors with the power, under certain circumstances, to revoke or otherwise terminate our REIT election and cause us to be taxed as a regular corporation, without the approval of our stockholders. If we cease to qualify

as a REIT, we would become subject to U.S. federal income tax on our net taxable income and we generally would no longer be required to distribute any of our net taxable income to our stockholders, which may have adverse consequences on our total return to our stockholders.

Even if we qualify to be subject to tax as a REIT, we could be subject to tax on any unrealized net built-in gains in our assets held before electing to be treated as a REIT.

Following our REIT election, we owned appreciated assets that were previously held by Darden, a C corporation, and were acquired by us in the Spin-Off in a transaction in which the adjusted tax basis of the assets in our hands was determined by reference to the adjusted basis of the assets in the hands of the C corporation. If we dispose of any such appreciated assets during the five-year period following the effective date of our REIT election, we will be subject to tax at the highest corporate tax rates on the lesser of (i) the amount of gain that we recognize at the time of the sale or disposition; and (ii) the amount of gain that we would have recognized if we had sold the assets at the time we acquired them (i.e., the effective date of our REIT election) (such gain referred to as "built-in gains"). We would be subject to this tax liability even if we qualify and maintain our status as a REIT. Any recognized built-in gain will retain its character as ordinary income or capital gain and will be taken into account in determining REIT taxable income and our distribution requirement. Any tax on the recognized built-in gain will reduce REIT taxable income. We may choose not to sell in a taxable transaction appreciated assets we might otherwise sell during the five-year period in which the built-in gain tax applies in order to avoid the built-in gain tax. However, there can be no assurances that such a taxable transaction will not occur. If we sell such assets in a taxable transaction, the amount of corporate tax that we will pay will vary depending on the actual amount of net built-in gain or loss present in those assets as of the time we became a REIT. The amount of tax could be significant. The same rules would apply to any assets we acquire in the future from a C corporation in a carryover basis transaction with built-in gain at the time of the acquisition by us. If we choose to dispose of any assets within the specified period, we will attempt to utilize various tax planning strategies, including Section 1031 of the Code like-kind exchanges, to mitigate the exposure to the built-in-gains tax. Gain from a sale of an asset occurring after the specified period ends will not be subject to this corporate level tax.

Our tax protection agreement could limit our ability to sell or otherwise dispose of certain properties.

In connection with the acquisition of ten properties from U.S. Restaurant Properties, Inc. ("USRP") in November 2016 and four additional properties from USRP in January 2017, in exchange for FCPT OP units, we entered into a tax protection agreement with affiliates of USRP. The tax protection agreement provides that, if we dispose of any of those 14 properties in a taxable transaction through November 2023 for the initial ten properties or January 2024 for the additional four properties, we will indemnify the USRP partners for their tax liabilities attributable to the built-in gain that existed with respect to those properties as of the time of the acquisition of those properties in November 2016 or January 2017, respectively (and tax liabilities incurred as a result of the reimbursement payment). Consequently, although it otherwise may be in our best interest to sell one of those properties, these obligations may make it prohibitive for us to do so.

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

The rules dealing with federal income taxation are constantly under review by persons involved in the legislative process and by the IRS and the Treasury Department. Changes to the tax laws, with or without retroactive application, could adversely affect our investors or us. We cannot predict how changes in the tax laws might affect our investors or us. New legislation, Treasury Regulations, administrative interpretations or court decisions could significantly and negatively affect our ability to qualify as a REIT or the federal income tax consequences of such qualification, or the federal income tax consequences of an investment in us. Also, the law relating to the tax treatment of other entities, or an investment in other entities, could change, making an investment in such other entities more attractive relative to an investment in a REIT.

The Tax Cuts and Jobs Act of 2017 ("TCJA") significantly changed the U.S. federal income taxation of U.S. businesses and their owners, including REITs and their stockholders.

The TCJA is unclear in many respects and could be subject to potential amendments and technical corrections, as well as interpretations and implementing regulations by the Treasury Department and IRS, any of which could lessen or increase the impact of the legislation. In addition, it is unclear how these U.S. federal income tax changes will affect state and local taxation, which often uses federal taxable income as a starting point for computing state and local tax liabilities.

While some of the changes made by the TCJA may adversely affect the Company in one or more reporting periods and prospectively, other changes may be beneficial on a going forward basis.

Item 1B. Unresolved Staff Comments.

Not applicable.

Item 2. Properties.

Please refer to "Item1. Business."

Item 3. Legal Proceedings.

In the ordinary course of our business, we are party to various claims and legal proceedings that management believes are routine in nature and incidental to the operation of our business. Management believes that the outcome of these proceedings will not have a material adverse effect upon our operations, financial condition or liquidity.

Item 4. Mine Safety Disclosures.

Not applicable.

PART II

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

Market Information for Common Stock

Our common stock has been listed on the New York Stock Exchange under the ticker symbol "FCPT" since November 10, 2015.

Dividends

The following table presents the characterizations for tax purposes of such common stock dividends for the year ended December 31, 2019.

Record Date	Payment Date	Total Distribution ($ per share)	Form 1099 Box 1a Ordinary Taxable Dividend ($ per share)	Form 1099 Box 1b Qualified Taxable Dividend ($ per share)	Form 1099 Box 3 Return of Capital ($ per share)	Form 1099 Box 5 Section 199A Dividends ($ per share)
1/4/2019	1/14/2019	$ 0.2875	$ 0.2226	$ —	$ 0.0649	$ 0.2226
3/29/2019	4/15/2019	0.2875	0.2226	—	0.0649	0.2226
6/28/2019	7/15/2019	0.2875	0.2226	—	0.0649	0.2226
9/27/2019	10/15/2019	0.2875	0.2226	—	0.0649	0.2226
Totals		$ 1.1500	$ 0.8904	$ —	$ 0.2596	$ 0.8904

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

Holders

As of February 24, 2020, there were approximately 6,833 registered holders of record of our common stock.

Sales of Unregistered Securities

None.

Purchases of Equity Securities by the Company and Affiliated Purchasers

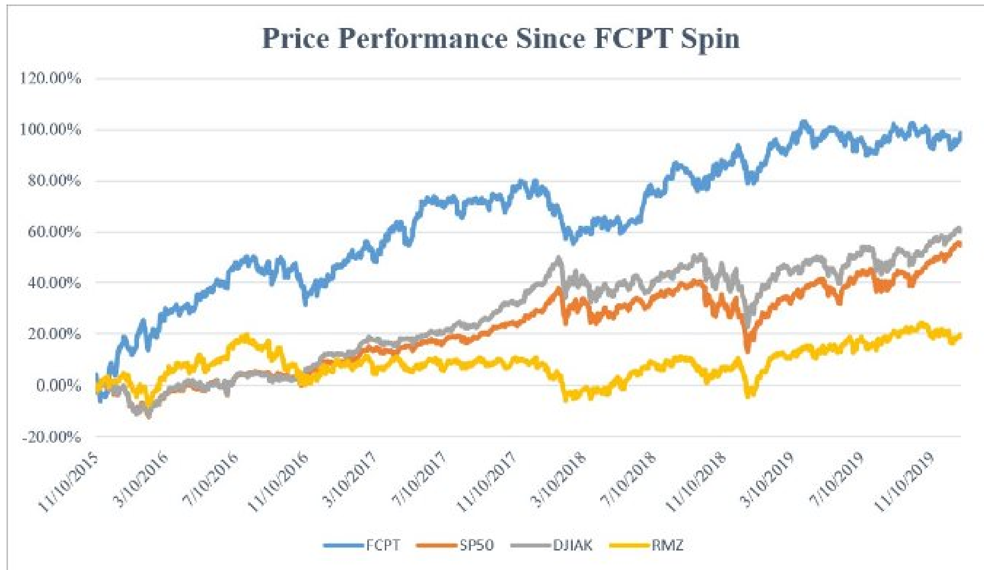
None.

Equity Compensation Plan

For information about our equity compensation plan, please see Note 11 of our consolidated financial statements, included in Part II, Item 8 of this Annual Report on Form 10-K.

Performance Graph

The following performance graph compares, for the period from November 10, 2015, the date the Company's shares of common stock began trading on the New York Stock Exchange, through December 31, 2019, the cumulative total stockholder return on the Company's common stock, based on the market price of the common stock and assuming reinvestments of dividends, with (i) the cumulative total return of the S&P 500 Index, (ii) the cumulative total return of the MSCI US REIT Index ("RMZ") and (iii) the cumulative total return of Dow Jones Industrial Average.



Item 6. Selected Financial Data.

The following selected historical financial information should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the historical consolidated financial statements as of December 31, 2019 and 2018 and for the years ended December 31, 2019, 2018, and 2017, and the related notes included elsewhere in this Annual Report on Form 10-K.

The Company completed the Spin-Off on November 9, 2015. Due to the timing of the Spin-off, the Company presents herein consolidated financial data for the Company from the date of consummation of the Spin-off through December 31, 2015 and for the Kerrow Restaurant Operating Business for all periods. Our real estate operations business was not operated by Darden as a stand-alone business and, accordingly, there are no historical results of operations related to that business. The Kerrow Restaurant Operating Business and our real estate operations business were not legal entities, but rather a portion of the real estate assets, liabilities and operations of Darden. The historical financial data for Kerrow Restaurant Operating Business is not necessarily indicative of the Company' results of operations, cash flows or financial position following the completion of the Spin-Off.

The selected historical financial information as of and for the years ended December 31, 2019, 2018, 2017, 2016, and 2015 has been derived from our audited historical financial statements. The Comprehensive Income Statement for the years ended December 31, 2016 and 2015 include allocations of certain costs from Darden incurred on the Kerrow Restaurants Operating Business' behalf. Management considers the allocation methodologies used to be reasonable and appropriate reflections of the historical Darden expenses allocable to the Kerrow Restaurants Operating Business for purposes of the combined financial statements. However, the expenses reflected in the combined financial statements may not be indicative of the actual expenses that would have been incurred during the periods presented if the Kerrow Restaurants Operating Business had operated as a separate, stand-alone entity. The results of operations for the years ended December 31, 2019, 2018, 2017, 2016, and 2015 reflect the financial condition and results of operations of the Company.

Operating Data

	Year Ended December 31,				
(In thousands, except per share data)	2019	2018	2017	2016	2015
Revenues	$ 160,233	$ 143,635	$ 133,209	$ 124,018	$ 33,456
Net income available to common shareholders [1]	$ 72,616	$ 82,398	$ 71,394	$ 156,809	$ 5,699
Earnings per share:					
Basic	$ 1.06	$ 1.29	$ 1.18	$ 2.75	—
Diluted	$ 1.06	$ 1.28	$ 1.18	$ 2.63	—
Cash dividends declared per share of common stock	$ 1.1675	$ 1.1125	$ 1.0025	NA	NA

(1) For the year ended December 31, 2016, net income available to common shareholders includes a deferred tax benefit of $80.4 million resulting from our REIT election.

Balance Sheet Data

	At December 31,				
(In thousands)	2019	2018	2017	2016	2015
Real estate investments:					
Land	$ 690,575	$ 569,057	$ 449,331	$ 421,941	$ 404,812
Buildings, equipment and improvements	1,277,159	1,236,224	1,115,624	1,055,624	992,418
Total real estate investments	1,967,734	1,805,281	1,564,955	1,477,565	1,397,230
Less: accumulated depreciation	(635,630)	(614,584)	(598,846)	(583,307)	(568,539)
Total real estate investments, net	$ 1,332,104	$ 1,190,697	$ 966,109	$ 894,258	$ 828,691
Total assets	$ 1,446,070	$ 1,343,098	$ 1,068,659	$ 937,151	$ 929,437
Total liabilities	719,329	644,134	546,391	467,034	487,795
Total equity	726,741	698,964	522,268	470,117	441,642

Other Statistics

	Year Ended December 31,				
(In thousands)	2019	2018	2017	2016	2015
Cash flows provided by operating activities	$ 104,673	$ 80,883	$ 78,945	$ 70,939	$ 21,693
Cash flows used in investing activities	(207,353)	(247,046)	(80,414)	(59,322)	(556)
Cash flows provided by (used in) financing activities	14,521	190,034	44,197	(83,047)	76,929

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

Statements contained in this Annual Report on Form 10-K, including the documents that are incorporated by reference, that are not historical facts are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act") and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Also, when Four Corners Property Trust, Inc. uses any of the words "anticipate," "assume," "believe," "estimate," "expect," "intend," or similar expressions, Four Corners Property Trust, Inc. is making forward-looking statements. Although management believes that the expectations reflected in such forward-looking statements are based upon present expectations and reasonable assumptions, actual results could differ materially from those set forth in the forward-looking statements. Certain factors that could cause actual results or events to differ materially from those anticipated or projected are described in the section entitled "Risk Factors". These factors may be updated from time to time in our periodic filings with the Securities and Exchange Commission. Given these uncertainties, readers are cautioned not to place undue reliance on such statements, which speak only as of the date of this Annual Report on Form 10-K or any document incorporated herein by reference. Four Corners Property Trust, Inc. undertakes no obligation to publicly release any revisions to these forward-looking statements that may be made to reflect events or circumstances after the date of this Annual Report on Form 10-K. Any references to "FCPT," "the Company," "we," "us," or "our" refer to Four Corners Property Trust, Inc. as an independent, publicly traded, self-administered company.

Overview

We are a Maryland corporation and a real estate investment trust ("REIT") which owns, acquires and leases properties for use in the restaurant and food-service related industries. Substantially all of our business is conducted through Four Corners Operating Partnership, LP ("FCPT OP"), a Delaware limited partnership of which we are a majority limited partner and our wholly owned subsidiary, Four Corners GP, LLC ("FCPT GP"), is its sole general partner. We believe that we have operated in conformity with the requirements for qualification and taxation as a REIT for the taxable year ended December 31, 2019, and we intend to continue to operate in a manner that will enable us to maintain our qualification as a REIT.

Our revenues are primarily generated by leasing properties to tenants through net lease arrangements under which the tenants are primarily responsible for ongoing costs relating to the properties, including utilities, property taxes, insurance, common area maintenance charges, and maintenance and repair costs. We focus on income producing properties leased to high quality tenants in major markets across the United States. We also generate revenues by operating six LongHorn Steakhouse restaurants located in the San Antonio, Texas area (the "Kerrow Restaurant Operating Business") pursuant to franchise agreements with Darden.

In addition to managing our existing properties, our strategy includes investing in additional restaurant and retail properties to grow and diversify our existing restaurant portfolio. We expect this acquisition strategy will decrease our reliance on Darden over time. We intend to purchase properties that are well located, occupied by durable concepts, with creditworthy tenants whose operating cash flows are expected to meaningfully exceed their lease payments to us. We seek to improve the probability of successful tenant renewal at the end of initial lease terms by acquiring properties that have high levels of operator profitability compared to rent payments and have absolute rent levels that generally reflect market rates.

In 2019, FCPT engaged in various real estate transactions for a total investment of $205.2 million, including capitalized transaction costs. Pursuant to these transactions, we acquired an additional 90 properties and ground leaseholds, aggregating 494 thousand square feet, and representing forty-one brands, including Chili's Grill & Bar, Red Lobster, Buffalo Wild Wings, Starbucks, Chick-Fil-A, McDonald's, Taco Bell, Texas Roadhouse, and BJ's Restaurants.

As of December 31, 2019, our lease portfolio had the following characteristics:

- 699 free-standing properties located in 46 states and representing an aggregate leasable area of 4.6 million square feet;
- 99.7% occupancy (based on leasable square footage);
- An average remaining lease term of 11.1 years (weighted by annualized base rent);
- An average annual rent escalation of 1.5% through December 31, 2029 (weighted by annualized base rent); and
- 72% investment-grade tenancy (weighted by annualized base rent).

Results of Operations

The results of operations for the accompanying consolidated financial statements discussed below are derived from our consolidated statements of comprehensive income ("Comprehensive Income Statement") found elsewhere in this Annual Report on Form 10-K. The following discussion includes the results of our continuing operations as summarized in the table below.

	Year Ended December 31,		
(In thousands)	2019	2018	2017
Revenues:			
Rental	$ 139,682	$ 123,665	$ 113,937
Restaurant	20,551	19,970	19,272
Total revenues	160,233	143,635	133,209
Operating expenses:			
General and administrative	13,934	13,206	11,976
Depreciation and amortization	26,312	23,884	21,811
Property	1,579	433	283
Restaurant	19,632	19,014	18,652
Total operating expenses	61,457	56,537	52,722
Interest expense	(26,516)	(19,959)	(19,469)
Other income, net	944	781	324
Realized gain on sale, net	—	15,271	10,532
Income tax (expense) benefit	(265)	(262)	18
Net income	72,939	82,929	71,892
Net income attributable to noncontrolling interest	(323)	(531)	(498)
Net Income Available to Common Shareholders	$ 72,616	$ 82,398	$ 71,394

Analysis of Results of Operations

We operate in two segments, real estate operations and restaurant operations. Our real estate operations generate rental income from leases primarily with restaurant brands, which we recognize on a straight-line basis to include the effect of base rent escalators. Our restaurant operations generate restaurant revenue from operating six Longhorn Steakhouse restaurants.

In this section, we discuss the results of our operations for the year ended December 31, 2019 compared to the year ended December 31, 2018. For a discussion of the year ended December 31, 2018 compared to the year ended December 31, 2017, please refer to Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K for the year ended December 31, 2018.

Real Estate Operations

Rental Revenue

Rental revenue increased $16.0 million during the year ended December 31, 2019 compared to the year ended December 31, 2018. This increase is due to recognizing a full year of revenue from the 97 properties acquired in 2018 during 2019, and the acquisition of 90 restaurant properties and ground leaseholds in 2019. During the year ended December 31, 2019, we recognized costs paid by the lessor and reimbursed by the lessees within rental revenue of $0.9 million. These amounts are also recognized in property expenses.

We recognize rental income on a straight-line basis to include the effect of base rent escalators, and free rent periods, if any.

General and Administrative Expense

General and administrative expense is comprised of costs associated with personnel, office rent, legal, accounting, information technology and other professional and administrative services in association with our real estate operations, our REIT structure and public company reporting requirements. General and administrative expense increased $0.7 million in the year ended December

31, 2019 compared to the year ended December 31, 2018, primarily as a result of a $1.1 million increase in compensation and employee benefits due to increased headcount, offset by a $0.4 million decrease in non-cash stock compensation expense.

Depreciation and Amortization Expense

Depreciation and amortization expense represents the depreciation on real estate investments and equipment that have estimated lives ranging from 2 to 55 years. Depreciation and amortization expense increased by approximately $2.4 million for the year ended December 31, 2019 compared to the year ended December 31, 2018, primarily due to impairment expense of $1.5 million recorded in the year ended December 31, 2018 as well as the acquisition of 97 properties acquired in 2018 that incurred a full year of depreciation and the depreciation on 90 properties acquired in 2019.

Property Expense

Upon adoption of ASC 842, we record all tenant expenses, both reimbursed and non-reimbursed, to property expense. We also record initial direct costs (lease negotiation and other previously capitalizable transaction expenses) as property expenses. Other property expenses consist of expenses incurred on vacant properties, abandoned deal costs, and franchise taxes. Franchise tax and other non-reimbursable property and transaction costs were previously recognized in general and administrative. During the year ended December 31, 2019, we recorded property expenses of $1.6 million, of which $0.9 million was reimbursed by tenants. During the year ended December 31, 2018, we recorded property expenses of $433 thousand, none of which was reimbursed by tenants. The increase in non-reimbursed property expenses relates to an increase in franchise taxes and the recognition of previously capitalizable lease expenses.

Interest Expense

We incur interest expense on our $400 million of term loans, any outstanding borrowings on our revolving credit facility, interest rate swaps, and our $225 million of senior unsecured fixed rate notes.

Interest expense increased by approximately $6.5 million for the year ended December 31, 2019 compared to the year ended December 31, 2018. This was primarily due to an increase of $4.6 million in interest expense for the full year on the $100 million of 4.63% senior unsecured fixed rate notes due 2026 and 4.76% senior unsecured fixed rate notes due 2028 issued in December 2018 and an increase of $1.7 million of term loan interest expense.

Interest expense, excluding deferred financing costs, on the $400 million of term loans and the interest rate swaps we entered into to hedge the variability associated with the term loans was $12.9 million and $11.2 million for the years ended December 31, 2019 and 2018, respectively. This interest expense includes hedge ineffectiveness incurred during the periods and the reclassification of other comprehensive income into interest expense. Interest expense from term loans increased from 2018 to 2019 as a result of the Credit Agreement (defined below). Interest expense and fees on our revolving credit facility was $0.8 million, for both the years ended December 31, 2019 and 2018. Amortization of deferred financing costs was $2.1 million and $1.8 million, respectively, for the years ended December 31, 2019 and 2018.

For additional information on the Company's debt instruments, see "Liquidity and Financial Condition" below.

Realized Gain on Sale, Net

Realized gain on sale, net decreased by approximately $15.3 million for the year ended December 31, 2019 compared to the year ended December 31, 2018. The Company did not sell any assets during the year ended December 31, 2019. During the year ended December 31, 2018, the Company sold two properties leased to Darden for total consideration of $21.7 million exclusive of $0.6 million costs to sell. The sales were the result of unsolicited offers and resulted in net gains of $15.3 million after costs to sell. These sales qualified as 1031 exchanges, and the consideration received was used to purchase other properties during 2018.

Income Taxes

During the years ended December 31, 2019 and 2018, our income tax expense on Real Estate Operations was $152 thousand and a benefit of $156 thousand, respectively. Income tax expense on Real Estate Operations consists of state and local income taxes incurred by FCPT on its lease portfolio. As FCPT acquires additional properties in states subject to state income taxes, income tax expense will continue to increase.

Restaurant Operations

The following table sets forth our restaurant operating segment revenues and expenses data for the periods indicated.

	Year Ended December 31,			
	2019		2018	
(Dollars in thousands)	**$**	**% of Segment Revenues**	**$**	**% of Segment Revenues**
Restaurant revenues	$ 20,551	100.0%	$ 19,970	100.0%
Restaurant expenses:				
Food and beverage	7,837	38.1%	7,594	38.0%
Restaurant labor	6,570	32.0%	6,180	30.9%
Other restaurant expenses (1)	5,635	27.4%	5,641	28.2%
Total restaurant expenses	20,042	97.5%	19,415	97.2%
Restaurant Operations, Net	$ 509		$ 555	

(1) Other restaurant expenses include $410 thousand and $401 thousand, respectively, of intercompany rent paid to FCPT for the years ended December 31, 2019 and 2018, which is eliminated for financial reporting purposes.

Restaurant revenues increased approximately $0.6 million in the year ended December 31, 2019 compared to the year ended December 31, 2018, driven primarily by an increase in the average meal check and an increase in average guest counts.

Total restaurant expenses increased approximately $0.6 million in the year ended December 31, 2019 compared to the year ended December 31, 2018, primarily due to increased administrative overhead. Food and beverage costs increased approximately $0.2 million in the year ended December 31, 2019 compared to the year ended December 31, 2018, primarily due to increased sales year over year.

Critical Accounting Policies and Estimates

The preparation of FCPT's consolidated financial statements in conformance with accounting principles generally accepted in the United States of America requires management to make estimates on assumptions that affect the reported amounts of assets, liabilities, revenues and expenses as well as other disclosures in the financial statements. On an ongoing basis, management evaluates its estimates and assumptions; however, actual results may differ from these estimates and assumptions, which in turn could have a material impact on our financial statements. Estimates and assumptions include, among other things, subjective judgments regarding the fair values and useful lives of our properties for depreciation and lease classification purposes, and asset impairment analysis.

A summary of FCPT's accounting policies and procedures are included in Note 2 of our consolidated financial statements, included in Part II, Item 8 of this Annual Report on Form 10-K. Management believes the following critical accounting policies, among others, affect its more significant estimates and assumptions used in the preparation of our consolidated financial statements.

Real Estate Investments, Net

Real estate investments, net are recorded at cost less accumulated depreciation. Building components are depreciated over estimated useful lives using the straight-line method. Leasehold improvements, which are reflected on our Consolidated Balance Sheets as a component of buildings, within land, buildings and equipment, net, are amortized over the lesser of the non-cancelable lease term or the estimated useful lives of the related assets using the straight-line method. Equipment is depreciated over estimated useful lives also using the straight-line method. Real estate development and construction costs for newly constructed restaurants are capitalized in the period in which they are incurred. Gains and losses on the disposal of land, buildings and equipment are included in our accompanying consolidated statements of income ("Income Statement").

Our accounting policies regarding land, buildings and equipment, including leasehold improvements, include our judgments regarding the estimated useful lives of these assets, the residual values to which the assets are depreciated or amortized, the determination of what constitutes a reasonably assured lease term, and the determination as to what constitutes enhancing the

value of or increasing the life of existing assets. These judgments and estimates may produce materially different amounts of reported depreciation and amortization expense if different assumptions were used. As discussed further below, these judgments may also impact our need to recognize an impairment charge on the carrying amount of these assets as the cash flows associated with the assets are realized, or as our expectations of estimated future cash flows change.

Acquisition of Real Estate

The Company evaluates acquisitions to determine whether transactions should be accounted for as asset acquisitions or business combinations in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") 2017-01. The Company has determined the land, building, site improvements, and in-places leases (if any) of assets acquired were each single assets as the building and property improvements are attached to the land and cannot be physically removed and used separately from the land without incurring significant costs or reducing their fair value. Additionally, the Company has not acquired a substantive process used to generate outputs. As substantially all of the fair value of the gross assets acquired are concentrated in a single identifiable asset and there were no processes acquired, the acquisitions do not qualify as businesses and are accounted for as asset acquisitions. Related transaction costs are generally capitalized and amortized over the useful lives of the acquired assets.

The Company allocates the purchase price (including acquisition and closing costs) of real estate acquisitions to land, building, and improvements based on their relative fair values, as-if-vacant, and lease intangibles (if any). In making estimates of fair values for this purpose, the Company uses a third-party specialist that obtains various information about each property, as well as the pre-acquisition due diligence of the Company and prior leasing activities at the site.

Lease Intangibles

Lease intangibles, if any, acquired in conjunction with the purchase of real estate represent the value of in-place leases and above- or below-market leases. For real estate acquired subject to existing lease agreements, acquired lease intangibles are valued based on the Company's estimates of costs related to tenant acquisition and the asset carrying costs, including lost revenue, that would be incurred during the time it would take to locate a tenant if the property were vacant, considering current market conditions and costs to execute similar leases at the time of the acquisition. Above-market and below-market lease intangibles are recorded based on the present value of the difference between the contractual amounts to be paid pursuant to the leases at the time of acquisition of the real estate and the Company's estimate of current market lease rates for the property, measured over a period equal to the remaining initial term of the lease.

In-place lease intangibles are amortized on a straight-line basis over the remaining initial term of the related lease and included in depreciation and amortization expense. Above-market lease intangibles are amortized over the remaining initial terms of the respective leases as a decrease in rental revenue. Below-market lease intangibles are generally amortized as an increase to rental revenue over the remaining initial term of the respective leases, but may be amortized over the renewal periods if the Company believes it is likely the tenant will exercise the renewal option. Should a lease terminate early, the unamortized portion of any related lease intangible is immediately recognized as an impairment loss included in depreciation and amortization expense. To date, the Company has not had significant early terminations.

Impairment of Long-Lived Assets

Land, buildings and equipment and certain other assets, including definite-lived intangible assets, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of a long-lived asset may not be recoverable. Events or changes in circumstances may include, but are not limited to, changes in market conditions including factors impacting tenant credit quality and changes in estimated time we expect to own the long-lived asset. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of the assets to the future undiscounted net cash flows expected to be generated by the assets. Identifiable cash flows are measured at the lowest level for which they are largely independent of the cash flows of other groups of assets and liabilities, generally at the restaurant level. If these assets are determined to be impaired, the amount of impairment recognized is measured by the amount by which the carrying amount of the assets exceeds their fair value. Fair value is generally determined by appraisals or sales prices of comparable assets.

The judgments we make related to the estimated period of time we expect to own the long-lived assets and our ability to realize undiscounted cash flows in excess of the carrying amounts of these assets identified as potentially not recoverable are

affected by factors such as the ongoing maintenance and improvements of the assets, changes in economic conditions, changes in usage or operating performance, desirability of the restaurant sites and other factors, such as our ability or intent to sell our assets. As we assess the ongoing expected cash flows and carrying amounts of our long-lived assets, significant adverse changes in these factors could cause us to realize a material impairment loss.

Exit or disposal activities include the cost of disposing of the assets and are generally expensed as incurred. Upon disposal of the assets, any gain or loss is recorded in the same caption within our Income Statements as the original impairment. Provisions for impairment are included in depreciation and amortization expense in the accompanying Income Statements.

Revenue Recognition

Effective January 1, 2018, the Company adopted FASB ASU No. 2014-09, "Revenue from Contracts with Customers" using the modified retrospective method. The standard outlines a single comprehensive revenue recognition model for entities to follow in accounting for revenue from contracts with customers and supersedes most current revenue recognition guidance, including industry-specific guidance. The core principle of the revenue model is that an entity should recognize revenue for the transfer of promised goods or services to customers in an amount that reflects the consideration the entity expects to receive for those goods or services. Effective January 1, 2018, the Company also adopted FASB ASU No. 2017-05, "Clarifying the Scope of Asset Derecognition Guidance and Accounting for Partial Sales of Nonfinancial Assets." Through the evaluation and implementation process, we have determined FCPT's key revenue stream that could be impacted by FASB ASU No. 2014-09, as amended by FASB ASU No. 2017-05, is the gain on disposition of real estate reported on the Income Statements and Comprehensive Income Statement. We previously recognized revenue from asset sales, upon satisfaction of the criteria set forth in ASC 360, usually at the time of closing (i.e., transfer of asset). After adoption of FASB No. ASU 2014-09, as amended by FASB ASU No. 2017-05, we will evaluate the transaction to determine if control of the asset, as well as other specified criteria, has been transferred to the buyer to determine proper timing of revenue recognition, as well as transaction price allocation. Adoption of this guidance did not have a material impact on our Consolidated Financial Statements or related disclosures.

Rental Revenue

For those net leases that provide for periodic and determinable increases in base rent, base rental revenue is recognized on a straight-line basis over the applicable lease term when collectability is reasonably assured. Recognizing rental income on a straight-line basis generally results in recognized revenues during the first half of a lease term exceeding the cash amounts contractually due from our tenants, creating a deferred rent receivable. Lease origination fees are deferred and amortized over the related lease term as an adjustment to depreciation expense. Taxes collected from lessees and remitted to governmental authorities are presented on a net basis within rental revenue in our Income Statements.

For those leases that provide for periodic increases in base rent only if certain revenue parameters or other substantive contingencies are met, the increased rental revenue is recognized as the related parameters or contingencies are met, rather than on a straight-line basis over the applicable lease term.

We assess the collectability of our lease receivables, including deferred rent receivables. We base our assessment of the collectability of rent receivables on several factors including payment history, the financial strength of the tenant and any guarantors, historical operations and operating trends of the property, the historical payment pattern of the tenant and the type of property, the value of the underlying collateral, if any, and current economic conditions. If our evaluation of these factors indicates it is probable that we will be unable to receive the rent payments due in the future, we derecognize the deferred rent receivable asset and any outstanding accounts receivable as a reduction to rental revenue and record future rental revenue on a cash basis. If our evaluation of these factors indicates it is probable that we will be unable to recover the full value of the cash lease receivable, we provide a reserve against the portion of the receivable that we estimate may not be recovered.

New Accounting Standards

A discussion of new accounting standards and the possible effects of these standards on our Consolidated Financial Statements is included in Note 2 of our consolidated financial statements, included in Part II, Item 8 of this Annual Report on Form 10-K.

Liquidity and Financial Condition

At December 31, 2019, we had $5.1 million of cash and cash equivalents and $198 million of borrowing capacity under our revolving credit facility. The revolving credit facility provides for a letter of credit sub-limit of $25 million. As of February 13, 2020, we had $169 million of borrowing capacity under the revolving credit facility.

Debt Instruments

At December 31, 2019 and 2018, our long-term debt consisted of $400 million of non-amortizing term loans, $52 million in outstanding borrowings under the revolving credit facility, and $225 million aggregate principal amount of senior unsecured fixed rate notes issued by FCPT OP.

The Amended and Restated Revolving Credit and Term Loan Agreement, dated as of October 2, 2017, as amended (the "Credit Agreement"), by and among the Company, FCPT OP, the Agent, the Lenders and the other agents party thereto, provides for a revolving credit facility in an aggregate principal amount of $250.0 million and a term loan facility in an aggregate principal amount of $400.0 million. The Credit Agreement has an accordion feature allowing the facility to be increased by an additional aggregate amount not to exceed $250.0 million subject to obtaining lender commitments and other customary conditions.

The Credit Agreement provides that $150 million will mature on November 9, 2022, $150 million will mature on November 9, 2023, and $100 million will mature on March 9, 2024. The revolving credit facility portion will mature on November 9, 2021 with a one year extension option.

At December 31, 2019 and 2018, the weighted average interest rate on the term loans, after consideration of the interest rate hedges, was 2.99% and 3.14%, respectively. At December 31, 2019 there were outstanding borrowings of $52 million and no outstanding letters of credit. At December 31, 2018, there were no outstanding borrowings under the revolving credit facility and no outstanding letters of credit.

We have entered into interest rate swaps to hedge the interest rate variability associated with the Credit Agreement. On November 9, 2015, we entered into a interest rate swap with a fixed notional value of $200 million that matures on November 9, 2020, where the fixed rate paid by FCPT OP is 1.56% and the variable rate received resets monthly to the one month LIBOR rate. On July 12, 2017, we entered into a swap with a fixed notional value of $100 million, an effective date of November 9, 2018, and a maturity date of November 9, 2021, where the fixed rate paid by FCPT OP is 1.960% and the variable rate received resets monthly to the one month LIBOR rate. On July 12, 2017, we entered into a swap with a fixed notional value of $100 million, an effective date of November 9, 2020, a maturity date of November 9, 2023, where the fixed rate paid by FCPT OP is 2.302% and the variable rate received resets monthly to the one-month LIBOR rate. A fourth swap, which was entered into on August 29, 2017, is a 10-year swap with a fixed notional value of $100 million for its first twelve months and $200 million for its second twelve months with an effective date of November 9, 2020, a maturity date of November 9, 2022 and where the fixed rate paid by FCPT is 2.002% and the variable rate received resets monthly to the one month LIBOR rate. On June 11, 2019, we entered into a a swap with a fixed notional value of $150 million, an effective date of November 9, 2022 and a maturity of November 9, 2024 and where the fixed rate paid by FCPT is 1.913% and the variable rate received resets monthly to the one-month LIBOR rate. On August 9, 2019, we entered into a a swap with a fixed notional value of $50 million, an effective date of July 31, 2020 and a maturity of July 31, 2030 and where the fixed rate paid by FCPT is 1.625% and the variable rate received resets ever 3 months to the three-month LIBOR rate.

These six hedging agreements were entered into to mitigate the interest rate risk inherent in FCPT OP's variable rate debt and not for trading purposes. These swaps are accounted for as cash flow hedges with all interest income and expense recorded as a component of net income and other valuation changes recorded as a component of other comprehensive income.

On June 7, 2017 and December 20, 2018, FCPT OP issued $125 million and $100 million, respectively, of senior unsecured fixed rate notes (together, the "Notes") in private placements pursuant to note purchase agreements with the various purchasers. The Notes issued on June 7, 2017 consist of $50 million of notes with a term ending in June 2024 and priced at a fixed interest rate of 4.68%, $75 million of notes with a term ending in June 2027 and priced at a fixed interest rate of 4.93%. The Notes issued on December 20, 2018 consist of $50 million of notes with a term ending in December 2026 and priced at a fixed interest rate of 4.63% and $50 million of notes with a term ending in December 2028 and priced at a fixed interest rate of 4.76%.

Financing Strategy

On a short-term basis, our principal demands for funds will be for operating expenses, distributions to stockholders and interest and principal on current and any future debt financings. We expect to fund our operating expenses and other short-term liquidity requirements, capital expenditures, payment of principal and interest on our outstanding indebtedness, property improvements, re-leasing costs and cash distributions to common stockholders, primarily through cash provided by operating activities, and, for acquisitions, investments, and other capital expenditures, from borrowings under our $250 million revolving credit facility.

In August 2018, the Company completed a stock offering pursuant to which we sold 4,025,000 shares of our common stock, par value $0.01 per share, at a price of $25.00 per share. We raised $100.6 million in aggregate gross proceeds.

We have an effective shelf registration statement on file with the SEC under which we may issue equity financing through the instruments and on the terms most attractive to us at such time. On March 22, 2019, the Company amended its existing at-the-market equity program (as amended, the "ATM program") and increased the maximum sales under ATM offerings to $210.0 million, thus adding an additional $160.0 million to the maximum sales under ATM program. The ATM program contemplates that, in addition to the issuance and sale by the Company of shares of common stock to or through the agents, the Company may enter into separate forward sale agreements with one of the agents or one of their respective affiliates (in such capacity, each, a "forward purchaser" and, collectively, the "forward purchasers"). When the Company enters into a forward sale agreement with any forward purchaser, we expect that such forward purchaser will attempt to borrow from third parties and sell, through the relevant agent, acting as sales agent for such forward purchaser, shares of our common stock to hedge such forward purchaser's exposure under such forward sale agreement. The Company will not initially receive any proceeds from any sale of shares of our common stock borrowed by a forward purchaser and sold through a forward seller. The use of forward sale agreements allows the Company to lock in a share price on the sale of shares of common stock at the time the respective forward sale agreements are executed but defer settling the forward sale agreements and receiving the proceeds from the sale of shares until a later date.

We currently expect to fully physically settle any future forward sale agreement with the relevant forward purchaser on one or more dates specified by us on or prior to the maturity date of such forward sale agreement, in which case we expect to receive aggregate net cash proceeds at settlement equal to the number of shares specified in such forward sale agreement multiplied by the relevant forward price per share. However, subject to certain exceptions, we may also elect, in our sole discretion, to cash settle or net share settle all or any portion of our obligations under any forward sale agreement, in which case we may not receive any proceeds (in the case of cash settlement) or will not receive any proceeds (in the case of net share settlement), and we may owe cash (in the case of cash settlement) or shares of our common stock (in the case of net share settlement) to the relevant forward purchaser.

During 2019, we sold 1,663,116 shares under the ATM program at a weighted-average selling price of $28.99 per share, for net proceeds of approximately $47.2 million (after issuance costs). The net proceeds were employed to fund acquisitions and for general corporate purposes. At December 31, 2019, there was $161.8 million available for issuance under the ATM program.

On a long-term basis, our principal demands for funds include payment of dividends, financing of property acquisitions and scheduled debt maturities. We plan to meet our long-term capital needs by issuing debt or equity securities or by obtaining asset level financing, subject to market conditions. In addition, we may issue common stock to permanently finance properties that were financed on an intermediate basis by our revolving credit facility or other indebtedness. In the future, we may also acquire properties by issuing partnership interests of our operating partnership in exchange for property owned by third parties. Our common partnership interests would be redeemable for cash or shares of our common stock. In addition, we plan to use the proceeds from any future sales we may make for subsequent acquisitions via a 1031 exchange.

We continually evaluate alternative financing and believe that we can obtain financing on reasonable terms. However, we cannot assure you that we will have access to the capital markets at times and at terms that are acceptable to us.

Because the properties in our portfolio are generally leased to tenants under net leases, where the tenant is responsible for property operating costs and expenses, our exposure to rising property operating costs due to inflation is mitigated. Interest rates and other factors, such as occupancy, rental rate and the financial condition of our tenants, influence our performance more so than does inflation. Changes in interest rates do not necessarily correlate with inflation rates or changes in inflation rates. As described above, we currently offer leases that provide for payments of base rent with scheduled annual fixed increases.

Contractual Obligations

The following table provides information with respect to our commitments as of December 31, 2019. The table does not reflect available debt or operating lease extensions.

(In millions)	Less than 1 Year	1 – 3 Years	3 – 5 Years	More than 5 Years	Total
Long-term debt [(1)]	$ —	$ 202.0	$ 300.0	$ 175.0	$ 677.0
Interest payments on long-term obligations [(2)]	24.9	46.7	27.5	23.0	122.1
Commitments under non-cancellable operating leases	0.4	0.1	—	—	0.5
Total Contractual Obligations and Commitments	$ 25.3	$ 248.8	$ 327.5	$ 198.0	$ 799.6

(1) Long-term debt includes the $400 million of term loans, $52 million of borrowings under the revolving credit facility, and $225 million of senior unsecured fixed rate notes.

(2) Interest payments computed using the all-in rate as of December 31, 2019 of 2.99% for $300 million of the term loan that is hedged; 2.97% for the $100 million of the term loan that is unhedged using the December 31, 2019 LIBOR rate; and 3.25% using the December 31 LIBOR rate for the $52 million of revolving credit facility borrowings. The payments also assume on undrawn commitment fee of 0.30% on the $198 million revolving credit facility. Interest on private placement notes is calculated at 4.68%, 4.93%, 4.63%, and 4.76% on the $50 million June 2024, $75 million June 2027, $50 million December 2026, and $50 million December 2028 senior unsecured fixed rate notes, respectively.

Off-Balance Sheet Arrangements

At December 31, 2019, we had no off-balance sheet arrangements.

Supplemental Financial Measures

The following table presents a reconciliation of GAAP net income to Funds from Operations (“FFO”) and Adjusted Funds from Operations (“AFFO”) for the years ended December 31, 2019, 2018, and 2017.

	Year Ended December 31,		
(In thousands, except share and per share data)	2019	2018	2017
Net income	$ 72,939	$ 82,929	$ 71,892
Depreciation and amortization	26,158	22,287	21,547
Realized gain on sales of real estate	—	(15,271)	(10,532)
Provision for impairment	—	1,530	228
Realized gain on exchange of real estate [1]	—	(228)	—
Funds from Operations (FFO) (as defined by NAREIT)	99,097	91,247	83,135
Straight-line rent adjustment	(9,207)	(9,288)	(9,536)
Stock-based compensation expense	3,602	3,967	2,676
Non-cash amortization of deferred financing costs	2,050	1,834	2,144
Other non-cash interest expense (income)	(4)	29	145
Non-real estate investment depreciation	154	67	36
Amortization of above and below market leases, net	158	64	—
Adjusted Funds from Operations (AFFO)	$ 95,850	$ 87,920	$ 78,600
Fully diluted shares outstanding [2]	68,937,263	64,798,250	61,014,256
FFO per diluted share	$ 1.44	$ 1.41	$ 1.36
AFFO per diluted share	$ 1.39	$ 1.36	$ 1.29

(1) Non-cash gain recognized for GAAP purposes on the transfer of nonfinancial assets related to an excess land parcel exchange.

(2) Assumes the issuance of common shares for OP units held by non-controlling interests.

Non-GAAP Definitions

The certain non-GAAP financial measures included above management believes are helpful in understanding our business, as further described below. Our definition and calculation of non-GAAP financial measures may differ from those of other REITs and therefore may not be comparable. The non-GAAP measures should not be considered an alternative to net income as an indicator of our performance and should be considered only a supplement to net income, and to cash flows from operating, investing or financing activities as a measure of profitability and/or liquidity, computed in accordance with U.S. GAAP.

FFO is a supplemental measure of our performance which should be considered along with, but not as an alternative to, net income and cash provided by operating activities as a measure of operating performance and liquidity. We calculate FFO in accordance with the standards established by the NAREIT. FFO represents net income (loss) computed in accordance with U.S. GAAP, excluding gains (or losses) from sales of property and undepreciated land and impairment write-downs of depreciable real estate, plus real estate related depreciation and amortization (excluding amortization of deferred financing costs) and after adjustments for unconsolidated partnerships and joint ventures. We also omit the tax impact of non-FFO producing activities from FFO determined in accordance with the NAREIT definition.

Our management uses FFO as a supplemental performance measure because, in excluding real estate related depreciation and amortization and gains and losses from property dispositions, it provides a performance measure that, when compared year over year, captures trends in occupancy rates, rental rates and operating costs. We offer this measure because we recognize that FFO will be used by investors as a basis to compare our operating performance with that of other REITs. However, because FFO excludes depreciation and amortization and captures neither the changes in the value of our properties that result from use or market conditions, nor the level of capital expenditures and capitalized leasing commissions necessary to maintain the operating

performance of our properties, all of which have real economic effect and could materially impact our financial condition and results from operations, the utility of FFO as a measure of our performance is limited. FFO is a non-GAAP measure and should not be considered a measure of liquidity including our ability to pay dividends or make distributions. In addition, our calculations of FFO are not necessarily comparable to FFO as calculated by other REITs that do not use the same definition or implementation guidelines or interpret the standards differently from us. Investors in our securities should not rely on these measures as a substitute for any U.S. GAAP measure, including net income.

Adjusted Funds from Operations is a non-U.S. GAAP measure that is used as a supplemental operating measure specifically for comparing year-over-year ability to fund dividend distribution from operating activities. AFFO is used by us as a basis to address our ability to fund our dividend payments. We calculate AFFO by adding to or subtracting from FFO:

1. Transaction costs incurred in connection with business combinations
2. Straight-line rent revenue adjustment
3. Stock-based compensation expense
4. Non-cash amortization of deferred financing costs
5. Other non-cash interest expense (income)
6. Non-real estate investment depreciation
7. Merger, restructuring and other related costs
8. Impairment charges
9. Amortization of above and below market leases
10. Amortization of capitalized leasing costs
11. Debt extinguishment gains and losses
12. Recurring capital expenditures and tenant improvements

AFFO is not intended to represent cash flow from operations for the period, and is only intended to provide an additional measure of performance by adjusting the effect of certain items noted above included in FFO. AFFO is a widely reported measure by other REITs; however, other REITs may use different methodologies for calculating AFFO and, accordingly, our AFFO may not be comparable to other REITs.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

We are exposed to financial market risks, especially interest rate risk. Interest rates are highly sensitive to many factors, including governmental monetary policies, domestic and global economic and political conditions, and other factors which are beyond our control. Our operating results will depend heavily on the difference between the revenue from our assets and the interest expense incurred on our borrowings. We may incur additional variable rate debt in the future, including amounts that we may borrow under our revolving credit facility. We consider certain risks associated with the use of variable rate debt, including those described under "Item 1A. Risk Factors - Risks Related to Our Business - An increase in market interest rates could increase our interest costs on existing and future debt and could adversely affect our stock price, and a decrease in market interest rates could lead to additional competition for the acquisition of real estate, which could adversely affect our results of operations." The objective of our interest rate risk management policy is to match fund fixed-rate assets with fixed-rate liabilities and variable-rate assets with variable-rate liabilities. As of December 31, 2019, our assets were primarily long-term, fixed-rate leases (though most have scheduled rental increases during the terms of the leases).

As of December 31, 2019, $225 million of our total indebtedness consisted of senior unsecured fixed rated notes. The remaining $452 million of our total indebtedness consisted of three to five-year variable-rate obligations for which we have entered into swaps that effectively fix $300 million through November 2020. We intend to continue our practice of employing interest rate derivative contracts, such as interest rate swaps and futures, to reduce our exposure, on specific transactions or on a portfolio basis, to changes in cash flows as a result of interest rate changes. We do not intend to enter into derivative contracts for speculative or trading purposes. We generally intend to utilize derivative instruments to hedge interest rate risk on our liabilities and not use derivatives for other purposes, such as hedging asset-related risks. We consider certain risks associated with the use of derivative instruments, including those described under "Item 1A. Risk Factors - Risks Related to Our Business - Hedging transactions could have a negative effect on our results of operations."

Due to the fixed rate nature of $225 million of our indebtedness and the hedging transactions described above, a hypothetical one percentage point decline in interest rates would not have materially affected our consolidated financial position, results of operations or cash flows as of December 31, 2019.

Item 8. Financial Statements and Supplementary Data.

Financial Statements and Supplementary Data consist of financial statements as indexed on page F-1.

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

None.

Item 9A. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

We have established and maintain disclosure controls and procedures, as such term is defined in Rule 13a-15(e) under the Exchange Act, that are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is accumulated and communicated to management, including our principal executive and principal financial officers as appropriate, to allow timely decisions regarding required disclosure.

Our management, with participation of our principal executive officer and principal financial officer, evaluated the effectiveness of our disclosure controls and procedures as of December 31, 2019. Based on this evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures were effective as of December 31, 2019.

Management Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Our internal control system is designed to provide reasonable assurance to our management and Board of Directors regarding the preparation and fair presentation of published financial statements. All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

Our management assessed the effectiveness of our internal control over financial reporting as of December 31, 2019. In making this assessment, it used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) in Internal Control-Integrated Framework. Based on its assessment and those criteria, our management concluded that, as of December 31, 2019 our internal control over financial reporting is effective.

KPMG LLP, an independent registered public accounting firm, has audited the consolidated financial statements included in this annual report on Form 10-K and, as part of their audit, has issued a report, included herein, on the effectiveness of the Company's internal control over financial reporting.

Changes in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting (as defined in Rule 13a-15(f) and 15d-15(f) under the Exchange Act) during the three months ended December 31, 2019 that have materially affected, or that are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information.

Our discussion of federal income tax considerations in Exhibit 99.2 attached hereto, which is incorporated herein by reference, supersedes and replaces, in its entirety, the disclosure under the heading "United States Federal Income Tax Considerations" in Exhibit 99.1 to our Current Report on Form 8-K, filed with the SEC on October 31, 2018 (File No. 001-37538).

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

The information required by Item 10 is incorporated herein by reference to the definitive Proxy Statement to be filed with the SEC pursuant to Regulation 14A within 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K.

Item 11. Executive Compensation.

The information required by Item 11 is incorporated herein by reference to the definitive Proxy Statement to be filed with the SEC pursuant to Regulation 14A within 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K.

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

The information required by Item 12 is incorporated herein by reference to the definitive Proxy Statement to be filed with the SEC pursuant to Regulation 14A within 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K.

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

The information required by Item 13 is incorporated herein by reference to the definitive Proxy Statement to be filed with the SEC pursuant to Regulation 14A within 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K.

Item 14. Principal Accounting Fees and Services.

The information required by Item 14 is incorporated herein by reference to the definitive Proxy Statement to be filed with the SEC pursuant to Regulation 14A within 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K.

PART IV

Item 15. Exhibits, Financial Statement Schedules.

(a) For Financial Statements, see Index to Financial Statements on page F-1.

(b) For Exhibits, see Index to Exhibits on page E-1.

Item 16. Form 10-K Summary

None.

FOUR CORNERS PROPERTY TRUST, INC.

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Report of Independent Registered Public Accounting Firm

The Shareholders and Board of Directors

Four Corners Property Trust, Inc.:

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Four Corners Property Trust, Inc. and subsidiaries (the Company) as of December 31, 2019 and 2018, the related consolidated statements of income, comprehensive income, changes in equity, and cash flows for each of the years in the three-year period ended December 31, 2019, and the related notes and financial statement schedule III - Real Estate Assets and Accumulated Depreciation (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2019 and 2018, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2019, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2019, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated February 26, 2020 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

Change in Accounting Principle

As discussed in Note 2 to the consolidated financial statements, the Company has changed its method of accounting for leases as of January 1, 2019 due to the adoption of Financial Accounting Standards Board Accounting Standards Codification 842, Leases including effective amendments.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgment. The communication of a critical audit matter does not alter in any way our opinion on the consolidated financial

statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Assessment of Impairment of Long-Lived Assets

As discussed in Note 2 to the consolidated financial statements, the Company is required to test their long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. The Company's long-lived assets primarily consist of the total real estate investment and the related intangible lease assets, net of accumulated depreciation and amortization, which had a balance of $1.4 billion as of December 31, 2019.

We identified the assessment of the events or changes in circumstances which indicate that the carrying amount of long-lived assets may not be recoverable as a critical audit matter. Specifically, the factors that required a higher degree of auditor judgment were the identification and evaluation of changes in market conditions including factors impacting tenant credit quality and the period of time the Company expects to own the long-lived assets. Significant adverse changes in market conditions or a decrease in the period of time the Company expects to own the long-lived asset could indicate that the carrying amount of long-lived assets may not be recoverable.

The primary procedures we performed to address this critical audit matter included the following. We tested certain internal controls over the Company's impairment process, including controls over the identification of changes in market conditions including factors impacting tenant credit quality and the assessment of the period of time the Company expects to own long-lived assets. We evaluated the market conditions impacting the Company's real estate investment portfolio based on our understanding of the entity and the industry by reading third party market reports. We tested the tenant's performance of their lease obligation by evaluating the Company's accounts receivable balance and collection of rental payments to identify any indicators of impairment related to tenant credit quality. For certain tenants, we read publicly available information including the tenant's financial statements, analyst reports, recent public filings and news articles which may identify events or changes in circumstances that may indicate potential impairment. We examined the Company's ability to evaluate events or changes in circumstances that may indicate potential impairment by assessing the timeliness of historically recognized impairment charges. We also read board of directors meeting minutes, inspected other internal documentation such as strategic plans and property marketing information and inquired to assess the period of time the Company expects to own the long-lived assets.

/s/ KPMG LLP

We have served as the Company's auditor since 2015.

San Francisco, California

February 26, 2020

Report of Independent Registered Public Accounting Firm

The Shareholders and Board of Directors

Four Corners Property Trust, Inc.:

Opinion on Internal Control Over Financial Reporting

We have audited Four Corners Property Trust, Inc. and subsidiaries' (the Company) internal control over financial reporting as of December 31, 2019, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2019, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2019 and 2018, the related consolidated statements of income, comprehensive income, changes in equity, and cash flows for each of the years in the three-year period ended December 31, 2019, and the related notes and financial statement schedule III - Real Estate Assets and Accumulated Depreciation (collectively, the consolidated financial statements), and our report dated February 26, 2020 expressed an unqualified opinion on those consolidated financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit 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 audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

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.

/s/ KPMG LLP

San Francisco, California

February 26, 2020

FOUR CORNERS PROPERTY TRUST, INC.

CONSOLIDATED BALANCE SHEETS

(In thousands, except share and per share data)

	December 31,	
	2019	**2018**
ASSETS		
Real estate investments:		
Land	$ 690,575	$ 569,057
Buildings, equipment and improvements	1,277,159	1,236,224
Total real estate investments	1,967,734	1,805,281
Less: Accumulated depreciation	(635,630)	(614,584)
Real estate investments, net	1,332,104	1,190,697
Intangible real estate assets, net	57,917	18,998
Total real estate investments and intangible real estate assets, net	1,390,021	1,209,695
Cash and cash equivalents	5,083	92,041
Straight-line rent adjustment	39,350	30,141
Derivative assets	1,451	5,982
Other assets	10,165	5,239
Total Assets	$ 1,446,070	$ 1,343,098
LIABILITIES AND EQUITY		
Liabilities:		
Long-term debt, net of deferred financing costs	$ 669,940	$ 615,892
Dividends payable	21,325	19,580
Rent received in advance	10,463	1,609
Derivative liabilities	5,005	—
Other liabilities	12,596	7,053
Total liabilities	719,329	644,134
Equity:		
Preferred stock, par value $0.0001 per share, 25,000,000 authorized, zero shares issued and outstanding.	—	—
Common stock, par value $0.0001 per share; 500,000,000 shares authorized, 70,020,660 and 68,204,045 shares issued and outstanding at December 31, 2019 and 2018, respectively	7	7
Additional paid-in capital	686,181	639,116
Retained earnings	38,401	46,018
Accumulated other comprehensive (loss) income	(3,539)	5,956
Noncontrolling interests	5,691	7,867
Total equity	726,741	698,964
Total Liabilities and Equity	$ 1,446,070	$ 1,343,098

The accompanying notes are an integral part of this financial statement.

FOUR CORNERS PROPERTY TRUST, INC.

CONSOLIDATED STATEMENTS OF INCOME

(In thousands, except share and per share data)

	Year Ended December 31,		
	2019	**2018**	**2017**
Revenues:			
Rental	$ 139,682	$ 123,665	$ 113,937
Restaurant	20,551	19,970	19,272
Total revenues	160,233	143,635	133,209
Operating expenses:			
General and administrative	13,934	13,206	11,976
Depreciation and amortization	26,312	23,884	21,811
Property	1,579	433	283
Restaurant	19,632	19,014	18,652
Total operating expenses	61,457	56,537	52,722
Interest expense	(26,516)	(19,959)	(19,469)
Other income, net	944	781	324
Realized gain on sale, net	—	15,271	10,532
Income tax (expense) benefit	(265)	(262)	18
Net income	72,939	82,929	71,892
Net income attributable to noncontrolling interest	(323)	(531)	(498)
Net Income Available to Common Shareholders	$ 72,616	$ 82,398	$ 71,394
Basic net income per share:	$ 1.06	$ 1.29	$ 1.18
Diluted net income per share:	$ 1.06	$ 1.28	$ 1.18
Weighted average number of common shares outstanding:			
Basic	68,430,841	64,041,255	60,627,423
Diluted	68,632,010	64,388,929	60,695,834
Dividends declared per common share	$ 1.1675	$ 1.1125	$ 1.0025

The accompanying notes are an integral part of this financial statement.

FOUR CORNERS PROPERTY TRUST, INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In thousands)

	Year Ended December 31,		
	2019	**2018**	**2017**
Net income	$ 72,939	$ 82,929	$ 71,892
Realized and unrealized (loss) gain on hedging instruments	(9,540)	1,022	4,297
Comprehensive income	63,399	83,951	76,189
Less: comprehensive income attributable to noncontrolling interest	(278)	(542)	(524)
Comprehensive Income Attributable to Common Shareholders	$ 63,121	$ 83,409	$ 75,665

The accompanying notes are an integral part of this financial statement.

FOUR CORNERS PROPERTY TRUST, INC.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(In thousands, except share data)

	Common Stock						
	Shares	Amount	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interest	Total
Balance at December 31, 2016	59,923,557	6	$ 438,864	$ 25,943	$ 207	$ 5,097	$ 470,117
Issuance of OP units	—	—	—	—	—	2,620	2,620
Net income	—	—	—	71,394	—	498	71,892
Realized and unrealized gain on derivative instruments	—	—	—	—	4,271	26	4,297
Dividends and distributions paid and declared on common stock and OP units	—	—	—	(61,019)	—	(460)	(61,479)
ATM proceeds, net of issuance costs	1,347,010	—	32,145	—	—	—	32,145
Stock-based compensation, net	58,922	—	2,676	—	—	—	2,676
Balance at December 31, 2017	61,329,489	6	473,685	36,318	4,478	7,781	522,268
ASU 2017-12 Transition Adjustment	—	—	—	(467)	467	—	—
Net income	—	—		82,398	—	531	82,929
Realized and unrealized gain on derivative instruments	—	—	—	—	1,011	11	1,022
Equity offering, net of issuance costs	4,025,000	1	96,324	—			96,325
Dividends and distributions paid and declared on common stock and OP units	—	—	—	(72,231)	—	(456)	(72,687)
ATM proceeds, net of issuance costs	2,716,090	—	65,533		—	—	65,533
Stock-based compensation, net	133,466	—	3,574	—	—	—	3,574
Balance at December 31, 2018	68,204,045	7	639,116	46,018	5,956	7,867	698,964
Net income	—	—	—	72,616	—	323	72,939
Realized and unrealized loss on derivative instruments	—	—	—	—	(9,495)	(45)	(9,540)
Redemption of OP units	5,966	—	(1,068)	—	—	(2,099)	(3,167)
Dividends paid and declared on common stock	—	—	—	(80,233)	—	(355)	(80,588)
ATM proceeds, net of issuance costs	1,663,116	—	47,233	—	—	—	47,233
Stock-based compensation, net	147,533	—	900	—	—	—	900
Balance at December 31, 2019	70,020,660	7	$ 686,181	$ 38,401	$ (3,539)	$ 5,691	$ 726,741

The accompanying notes are an integral part of this financial statement.

FOUR CORNERS PROPERTY TRUST, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Year Ended December 31,		
	2019	2018	2017
Cash flows - operating activities			
Net income	$ 72,939	$ 82,929	71,892
Adjustments to reconcile net income to cash provided by operating activities:			
Depreciation and amortization	26,312	23,884	21,811
Gain on disposal of land, building, and equipment	—	(15,271)	(10,532)
Gain on exchange of non-financial assets	—	(228)	—
Non-cash revenue adjustments	158	64	—
Amortization of financing costs	2,050	1,834	2,144
Stock-based compensation expense	3,602	3,967	2,676
Deferred income taxes	—	—	(196)
Changes in assets and liabilities:			
Derivative assets and liabilities	(4)	29	145
Straight-line rent adjustment	(9,207)	(9,288)	(9,536)
Rent received in advance	8,854	(6,686)	321
Other assets and liabilities	(31)	(351)	220
Net cash provided by operating activities	104,673	80,883	78,945
Cash flows - investing activities			
Investments in real estate	(205,154)	(268,266)	(95,112)
Net proceeds from sale of operating real estate	—	21,139	15,645
Advance deposits on acquisition of operating real estate	(2,199)	81	(947)
Net cash used in investing activities	(207,353)	(247,046)	(80,414)
Cash flows - financing activities			
Net proceeds from ATM equity issuance	47,233	65,533	32,145
Net proceeds from equity offering	—	96,325	—
Proceeds from issuance of senior notes	—	100,000	125,000
Payment of deferred financing costs	—	(1,481)	(5,500)
Proceeds from revolving credit facility	52,000	25,000	36,000
Repayment of revolving credit facility	—	(25,000)	(81,000)
Payment of dividend to shareholders	(78,488)	(69,494)	(58,695)
Distribution to non-controlling interests	(355)	(456)	(460)
Redemption of non-controlling interests	(3,167)	—	(988)
Repayment of debt assumed in purchase of real estate investments	—	—	(2,305)
Shares withheld for taxes upon vesting	(2,702)	(393)	—
Net cash provided by financing activities	14,521	190,034	44,197
Net (decrease) increase in cash and cash equivalents, including restricted cash	(88,159)	23,871	42,728
Cash and cash equivalents, including restricted cash, beginning of year	93,242	69,371	26,643
Cash and cash equivalents, including restricted cash, ending of year	$ 5,083	$ 93,242	$ 69,371
Supplemental disclosures:			
Interest paid	$ 25,948	$ 20,218	$ 14,102
Taxes paid	$ 589	$ 470	$ 561
Operating lease payments received (lessor)	$ 129,699	$ —	$ —
Operating lease payments remitted (lessee)	$ 415	$ —	$ —
Non - cash investing and financing activities:			
Dividends declared but not paid	$ 21,325	$ 19,580	$ 16,843
Debt assumed in acquisition of real estate investments	$ —	$ —	$ 2,305
Change in fair value of derivative instruments	$ (9,536)	$ 993	$ 4,152
Operating partner units issued in exchange for real estate investments	$ —	$ —	$ 3,609

The accompanying notes are an integral part of this financial statement.

NOTE 1 – ORGANIZATION

Four Corners Property Trust, Inc. (together with its subsidiaries, "FCPT") is an independent, publicly traded, self-administered company, primarily engaged in the ownership, acquisition and leasing of restaurant properties. Substantially all of our business is conducted through Four Corners Operating Partnership, LP ("FCPT OP"), a Delaware limited partnership of which we are the initial and substantial limited partner. Our wholly owned subsidiary, Four Corners GP, LLC ("FCPT GP"), is its sole general partner.

FCPT was incorporated as a Maryland corporation on July 2, 2015 as a wholly owned indirect subsidiary of Darden Restaurants, Inc., (together with its consolidated subsidiaries "Darden"), for the purpose of owning, acquiring and leasing properties on a triple-net basis, for use in the restaurant and related food service industries. On November 9, 2015, Darden completed a spin-off of FCPT whereby Darden contributed to us 100% of the equity interest in entities that own 418 properties in which Darden operates restaurants, representing five of their brands, and six LongHorn Steakhouse restaurants located in the San Antonio, Texas area (the "Kerrow Restaurant Operating Business") along with the underlying properties or interests therein associated with the Kerrow Restaurant Operating Business. In exchange, we issued to Darden all of our common stock and paid to Darden $315.0 million in cash. Subsequently, Darden distributed all of our outstanding shares of common stock pro-rata to holders of Darden common stock whereby each Darden shareholder received one share of our common stock for every three shares of Darden common stock held at the close of business on the record date, which was November 2, 2015, as well as cash in lieu of any fractional shares of our common stock which they would have otherwise received (the "Spin-Off").

We believe that we have been organized and have operated in conformity with the requirements for qualification and taxation as a real estate investment trust (a "REIT") for U.S. federal income tax purposes commencing with our taxable year ended December 31, 2016, and we intend to continue to operate in a manner that will enable us to maintain our qualification as a REIT. To qualify as a REIT, we must meet a number of organizational and operational requirements, including a requirement that we distribute at least 90% of our adjusted taxable income to our shareholders, subject to certain adjustments and excluding any net capital gain. As a REIT, we will not be subject to federal corporate income tax on that portion of net income that is distributed to our shareholders. However, FCPT's taxable REIT subsidiaries ("TRS") will generally be subject to federal, state, and local income taxes. We made our REIT election upon the filing of our 2016 tax return.

Any references to "the Company," "we," "us," or "our," refer to FCPT as an independent, publicly traded, self-administered company.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation and Basis of Presentation

The accompanying consolidated financial statements ("the Consolidated Financial Statements") include the accounts of Four Corners Property Trust, Inc. and its consolidated subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation.

The Consolidated Financial Statements reflect all adjustments which are, in the opinion of management, necessary to a fair presentation of the results for the interim periods presented. These adjustments are considered to be of a normal, recurring nature.

Use of Estimates

The preparation of these Consolidated Financial Statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of sales and expenses during the reporting period. The estimates and assumptions used in the accompanying Consolidated Financial Statements are based on management's evaluation of the relevant facts and circumstances. Actual results may differ from the estimates and assumptions used in preparing the accompanying Consolidated Financial Statements, and such differences could be material.

Real Estate Investments, Net

Real estate investments, net are recorded at cost less accumulated depreciation. Building components are depreciated over estimated useful lives ranging from seven to fifty-five years using the straight-line method. Leasehold improvements, which are reflected on our Consolidated Balance Sheets as a component of buildings, equipment, and improvements, net, are amortized over the lesser of the non-cancelable lease term or the estimated useful lives of the related assets using the straight-line method. Equipment is depreciated over estimated useful lives ranging from two to fifteen years also using the straight-line method. Real estate development and construction costs for newly constructed restaurants are capitalized in the period in which they are incurred. Gains and losses on the disposal of land, buildings and equipment are included in realized gain on sale, net in our accompanying Consolidated Statements of Income ("Income Statements").

Our accounting policies regarding land, buildings, equipment, and improvements, include our judgments regarding the estimated useful lives of these assets, the residual values to which the assets are depreciated or amortized, the determination of what constitutes a reasonably assured lease term, and the determination as to what constitutes enhancing the value of or increasing the life of existing assets. These judgments and estimates may produce materially different amounts of reported depreciation and amortization expense if different assumptions were used. As discussed further below, these judgments may also impact our need to recognize an impairment charge on the carrying amount of these assets as the cash flows associated with the assets are realized, or as our expectations of estimated future cash flows change.

Acquisition of Real Estate

The Company evaluates acquisitions to determine whether transactions should be accounted for as asset acquisitions or business combinations in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") 2017-01. The Company has determined the land, building, site improvements, and in-places leases (if any) of assets acquired were each single assets as the building and property improvements are attached to the land and cannot be physically removed and used separately from the land without incurring significant costs or reducing their fair value. Additionally, the Company has not acquired a substantive process used to generate outputs. As substantially all of the fair value of the gross assets acquired are concentrated in a single identifiable asset and there were no processes acquired, the acquisitions do not qualify as businesses and are accounted for as asset acquisitions. Related transaction costs are generally capitalized and amortized over the useful lives of the acquired assets.

The Company allocates the purchase price (including acquisition and closing costs) of real estate acquisitions to land, building, and improvements based on their relative fair values. The determination of the building fair value is on an 'as-if-vacant' basis. Value is allocated to acquired lease intangibles (if any) based on the costs avoided and revenue recognized by acquiring the property subject to lease and avoiding an otherwise 'dark period'. In making estimates of fair values for this purpose, the Company uses a third-party specialist that obtains various information about each property, as well as the pre-acquisition due diligence of the Company and prior leasing activities at the site.

Lease Intangibles

Lease intangibles, if any, acquired in conjunction with the purchase of real estate represent the value of in-place leases and above- or below-market leases. For real estate acquired subject to existing lease agreements, acquired lease intangibles are valued based on the Company's estimates of costs related to tenant acquisition and the asset carrying costs, including lost revenue, that would be incurred during the time it would take to locate a tenant if the property were vacant, considering current market conditions and costs to execute similar leases at the time of the acquisition. Above-market and below-market lease intangibles are recorded based on the present value of the difference between the contractual amounts to be paid pursuant to the leases at the time of acquisition of the real estate and the Company's estimate of current market lease rates for the property, measured over a period equal to the remaining initial term of the lease.

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

related lease intangible is immediately recognized as an impairment loss included in depreciation and amortization expense. To date, the Company has not had significant early terminations.

Finance ground lease assets are also included in lease intangible assets, net on the Consolidated Balance Sheets. See *Leases* below for additional information.

Impairment of Long-Lived Assets

Land, buildings and equipment and certain other assets, including definite-lived intangible assets, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of a long-lived asset may not be recoverable. Events or changes in circumstances may include, but are not limited to, changes in market conditions including factors impacting tenant credit quality and changes in estimated time we expect to own the long-lived asset. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of the assets to the future undiscounted net cash flows expected to be generated by the assets. Identifiable cash flows are measured at the lowest level for which they are largely independent of the cash flows of other groups of assets and liabilities, generally at the restaurant level. If these assets are determined to be impaired, the amount of impairment recognized is measured by the amount by which the carrying amount of the assets exceeds their fair value. Fair value is generally determined by appraisals or sales prices of comparable assets.

The judgments we make related to the estimated period of time we expect to own the long-lived assets and our ability to realize undiscounted cash flows in excess of the carrying amounts of these assets identified as potentially not recoverable are affected by factors such as the ongoing maintenance and improvements of the assets, changes in economic conditions, changes in usage or operating performance, desirability of the restaurant sites and other factors, such as our ability or intent to sell our assets. As we assess the ongoing expected cash flows and carrying amounts of our long-lived assets, significant adverse changes in these factors could cause us to realize a material impairment loss.

Exit or disposal activities include the cost of disposing of the assets and are generally expensed as incurred. Upon disposal of the assets, any gain or loss is recorded in the same caption within our Income Statements as the original impairment. Provisions for impairment are included in depreciation and amortization expense in the accompanying Consolidated Income Statements.

During the year ended December 31, 2019, we did not record provisions for impairment. During the years ended December 31, 2018 and 2017 we recorded impairment expense of $1.5 million, and $228 thousand, respectively, due to the bankruptcy and court ordered termination of a lease by one tenant. These amounts are included in depreciation and amortization in the accompanying Income Statements.

Real Estate Held for Sale

Real estate is classified as held for sale when the sale is probable, will be completed within one year, purchase agreements are executed, the buyer has a significant deposit at risk, and no financing contingencies exist which could prevent the transaction from being completed in a timely manner. Restaurant sites and certain other assets to be disposed of are included in assets held for sale when the likelihood of disposing of these assets within one year is probable. Assets whose disposal is not probable within one year remain in land, buildings, equipment and improvements until their disposal within one year is probable. Disposals of assets that have a major effect on our operations and financial results or that represent a strategic shift in our operating businesses meet the requirements to be reported as discontinued operations. Real estate held for sale is reported at the lower of carrying amount or fair value, less estimated costs to sell. There was no real estate held for sale at December 31, 2019 or 2018.

Leases

Effective January 1, 2019, the Company adopted FASB Accounting Standards Codification 842, Leases, including effective amendments (“ASC 842”), using the effective date method. Consolidated Financial Statements for reporting periods beginning on or after January 1, 2019, are presented under the new guidance, while prior periods amounts are not adjusted and continue to be reported in accordance with previous guidance. We elected the package of practical expedients which permits us to not reassess (1) whether any expired or existing contracts are or contain leases, (2) the lease classification for any expired or existing leases, and (3) any initial direct costs for any existing leases as of the effective date. We did not elect the hindsight practical expedient which permits entities to use hindsight in determining the lease term and assessing impairment. The adoption of the lease standard did not change our previously reported Consolidated Financial Statements and did not result in a cumulative adjustment to equity.

All significant lease arrangements are generally recognized at lease commencement. For leases where the Company is the lessee upon adoption of ASC 842, operating or finance lease right-of-use ("ROU") assets and lease liabilities are recognized at commencement based on the present value of lease payments over the lease term. ROU assets represent our right to use an underlying asset during the reasonably certain lease term and lease liabilities represent our obligation to make lease payments arising from the lease. Our lease terms may include options to extend or terminate the lease when it is reasonably certain that we will exercise that option. Lease expense is recognized on a straight-line basis over the lease term. As part of certain real estate investment transactions, the Company may enter into long-term ground leases as a lessee. The Company recognizes a ground lease (or right-of-use) asset and related lease liability for each of these ground leases. Ground lease assets and lease liabilities are recognized based on the present value of the lease payments. The Company uses its estimated incremental borrowing rate, which is the estimated rate at which the Company could borrow on a collateralized basis with similar payments over a similar term, in determining the present value of the lease payments.

For leases where Company is the lessor, we determine the classification upon commencement. At December 31, 2019, all such leases are classified as operating leases. These operating leases may contain both lease and non-lease components. The Company accounts for lease and non-lease components as a single component. Prior to adoption of ASC 842, lease origination fees were deferred and amortized over the related lease term as an adjustment to depreciation expense. Subsequent to the adoption of ASC 842 on January 1, 2019, the Company expenses certain initial direct costs that are not incremental in obtaining a lease.

See Note 5 - Leases for additional information.

Cash, Cash Equivalents, and Restricted Cash

We consider all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents can consist of cash and money market accounts. Restricted cash consists of 1031 exchange proceeds and is included in Other assets on our Consolidated Balance Sheets.

The following table provides a reconciliation of cash, cash equivalents, and restricted cash in our Consolidated Balance Sheets to the total amount shown in our Consolidated Statements of Cash Flows.

	December 31,		
(In thousands)	2019	2018	2017
Cash and cash equivalents	$ 5,083	$ 92,041	$ 64,466
Restricted cash (included in Other assets)	—	1,201	4,905
Total Cash, Cash Equivalents, and Restricted Cash	$ 5,083	$ 93,242	$ 69,371

Long-term Debt

Long-term debt is carried at unpaid principal balance, net of deferred financing costs. All of our long-term debt is currently unsecured and interest is paid monthly on our non-amortizing term loans and revolving credit facility and semi-annually on our senior unsecured fixed rate notes.

Deferred Financing Costs

Financing costs related to long-term debt are deferred and amortized over the remaining life of the debt using the effective interest method. These costs are presented as a direct deduction from their related liabilities on the Consolidated Balance Sheets.

See Note 6 - Long-term Debt, Net of Deferred Financing Costs for additional information.

Derivative Instruments and Hedging Activities

We enter into derivative instruments for risk management purposes only, including derivatives designated as hedging instruments as required by FASB ASC Topic 815, Derivatives and Hedging, and those utilized as economic hedges. Our use of derivative instruments is currently limited to interest rate hedges. These instruments are generally structured as hedges of the variability of cash flows related to forecasted transactions (cash flow hedges). We do not enter into derivative instruments for trading or speculative purposes, where changes in the cash flows of the derivative are not expected to offset changes in cash flows of the hedged item. All derivatives are recognized on the balance sheet at fair value. For those derivative instruments for which

we intend to elect hedge accounting, at the time the derivative contract is entered into, we document all relationships between hedging instruments and hedged items, as well as our risk-management objective and strategy for undertaking the various hedge transactions. This process includes linking all derivatives designated as cash flow hedges to specific assets and liabilities on the Consolidated Balance Sheets or to specific forecasted transactions. We also formally assess, both at the hedge's inception and on an ongoing basis, whether the derivatives used in hedging transactions are highly effective in offsetting changes in cash flows of hedged items.

To the extent our derivatives are effective in offsetting the variability of the hedged cash flows, and otherwise meet the cash flow hedge accounting criteria in accordance with GAAP, changes in the derivatives' fair value are not included in current earnings but are included in accumulated other comprehensive income (loss), net of tax. These changes in fair value will be reclassified into earnings at the time of the forecasted transaction. Ineffectiveness measured in the hedging relationship is recorded in earnings in the period in which it occurs.

See Note 7 - Derivative Financial Instruments for additional information.

Other Assets and Liabilities

Other assets primarily consist of pre-acquisition costs, prepaid assets, food and beverage inventories for use by our Kerrow operating subsidiary, escrow deposits, lease origination fees, and accounts receivable. Other liabilities primarily consist of accrued compensation, accrued interest, accrued operating expenses, derivative liabilities, and deferred rent obligations on certain operating leases.

See Note 8 - Supplemental detail for certain components of the Consolidated Balance Sheets

Revenue Recognition

Effective January 1, 2018, the Company adopted FASB ASU No. 2014-09, "Revenue from Contracts with Customers" using the modified retrospective method. The standard outlines a single comprehensive revenue recognition model for entities to follow in accounting for revenue from contracts with customers and supersedes most current revenue recognition guidance, including industry-specific guidance. The core principle of the revenue model is that an entity should recognize revenue for the transfer of promised goods or services to customers in an amount that reflects the consideration the entity expects to receive for those goods or services. Effective January 1, 2018, the Company also adopted FASB ASU No. 2017-05, "Clarifying the Scope of Asset Derecognition Guidance and Accounting for Partial Sales of Nonfinancial Assets." Through the evaluation and implementation process, we have determined FCPT's key revenue stream that could be impacted by FASB ASU No. 2014-09, as amended by FASB ASU No. 2017-05, is the gain on disposition of real estate reported on the Consolidated Income Statements. We previously recognized revenue from asset sales upon satisfaction of the criteria set forth in ASC 360, usually at the time of closing (i.e., transfer of asset). After adoption of FASB No. ASU 2014-09, as amended by FASB ASU No. 2017-05, we will evaluate the transaction to determine if control of the asset, as well as other specified criteria, has been transferred to the buyer to determine proper timing of revenue recognition, as well as transaction price allocation. Adoption of this guidance did not have a material impact on our Consolidated Financial Statements or related disclosures.

Rental revenue

For those net leases that provide for periodic and determinable increases in base rent, base rental revenue is recognized on a straight-line basis over the applicable lease term when collectability is reasonably assured. Recognizing rental income on a straight-line basis generally results in recognized revenues during the first half of a lease term exceeding the cash amounts contractually due from our tenants, creating a deferred rent receivable. Lease origination fees are deferred and amortized over the related lease term as an adjustment to depreciation expense. Taxes collected from lessees and remitted to governmental authorities are presented on a net basis within rental revenue in our Income Statements and Comprehensive Income Statement.

For those leases that provide for periodic increases in base rent only if certain revenue parameters or other substantive contingencies are met, the increased rental revenue is recognized as the related parameters or contingencies are met, rather than on a straight-line basis over the applicable lease term.

We assess the collectability of our lease receivables, including deferred rent receivables. We base our assessment of the collectability of rent receivables on several factors including payment history, the financial strength of the tenant and any guarantors, historical operations and operating trends of the property, the historical payment pattern of the tenant and the type of property, the

value of the underlying collateral, if any, and current economic conditions. If our evaluation of these factors indicates it is probable that we will be unable to receive the rent payments due in the future, we derecognize the deferred rent receivable asset and any outstanding accounts receivable as a reduction to rental revenue and record future rental revenue on a cash basis. If our evaluation of these factors indicates it is probable that we will be unable to recover the full value of the cash lease receivable, we provide a reserve against the portion of the receivable that we estimate may not be recovered. Refer to the Application of New Accounting Standards section below for discussion of FASB ASU 2016-02, "Leases (Topic 842)".

Restaurant revenue

Restaurant revenue represents food, beverage, and other products sold and is presented net of the following discounts: coupons, employee meals, complimentary meals and gift cards. Revenue from restaurant sales, whether received in cash or by credit card, is recognized when food and beverage products are sold. At December 31, 2019 and 2018, credit card receivables, included in other assets, totaled $81 thousand and $82 thousand, respectively. We recognize sales from our gift cards when the gift card is redeemed by the customer. Sales taxes collected from customers and remitted to governmental authorities are presented on a net basis within restaurant revenue on our Income Statements.

Restaurant Expenses

Restaurant expenses include restaurant labor, general and administrative expenses, and food and beverage costs. Food and beverage costs include inventory, warehousing, related purchasing and distribution costs. Vendor allowances received in connection with the purchase of a vendor's products are recognized as a reduction of the related food and beverage costs as earned.

Earnings Per Share

Basic earnings per share ("EPS") are computed by dividing net income allocated to common shareholders by the weighted-average number of common shares outstanding for the reporting period. Diluted EPS reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock. No effect is shown for any securities that are anti-dilutive. Net income allocated to common shareholders represents net income less income allocated to participating securities and non-controlling interests. None of the Company's equity awards are participating securities.

See Note 9 - Equity for additional information.

Noncontrolling Interest

Noncontrolling interest represents the aggregate limited partnership interests in FCPT OP held by third parties. In accordance with GAAP, the noncontrolling interest of FCPT OP is shown as a component of equity on our Consolidated Balance Sheets, and the portion of income allocable to third parties is shown as net income attributable to noncontrolling interests in our Income Statements and consolidated statements of comprehensive income ("Comprehensive Income Statement"). The Company follows the guidance issued by the FASB regarding the classification and measurement of redeemable securities. At FCPT OP's option, it may satisfy this redemption with cash or by exchanging non-registered shares of FCPT common stock on a one-for-one basis. Accordingly, the Company has determined that the common OP units meet the requirements to be classified as permanent equity. A reconciliation of equity attributable to noncontrolling interest is disclosed in our consolidated statement of changes in equity.

See Note 9 - Equity for additional information.

Income Taxes

We believe that we have been organized and have operated in conformity with the requirements for qualification and taxation as a REIT commencing with our taxable year ended December 31, 2016, and we intend to continue to operate in a manner that will enable us to maintain our qualification as a REIT. So long as we qualify as a REIT, we generally will not be subject to U.S. federal income tax on our net income. To maintain our qualification as a REIT, we are required under the Code to distribute at least 90% of our REIT taxable income (without regard to the deduction for dividends paid and excluding net capital gains) to our shareholders and meet certain other requirements. If we fail to qualify as a REIT in any taxable year, we will be subject to U.S. federal income tax on our taxable income at regular corporate rates. Even if we qualify as a REIT, we are subject to certain state, local and franchise taxes. Under certain circumstances, U.S. federal income and excise taxes may be due on our undistributed taxable income.

The Kerrow Restaurant Operating Business is a TRS and is taxed as a C corporation.

We provide for federal and state income taxes currently payable as well as for those deferred because of temporary differences between reporting income and expenses for financial statement purposes versus tax purposes. Federal income tax credits are recorded as a reduction of income taxes. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in earnings in the period that includes the enactment date. Interest recognized on reserves for uncertain tax positions is included in interest, net in our Comprehensive Income Statement. A corresponding liability for accrued interest is included as a component of other liabilities on our Consolidated Balance Sheets. Penalties, when incurred, are recognized in general and administrative expenses.

We estimate certain components of our provision for income taxes. These estimates include, among other items, depreciation and amortization expense allowable for tax purposes, allowable tax credits for items such as taxes paid on reported employee tip income, effective rates for state and local income taxes and the valuation and tax deductibility of certain other items. We adjust our annual effective income tax rate as additional information on outcomes or events becomes available.

We base our estimates on the best available information at the time that we prepare the provision. We will generally file our annual income tax returns several months after our year end. Income tax returns are subject to audit by state and local governments, generally years after the returns are filed. These returns could be subject to material adjustments or differing interpretations of the tax laws. The major jurisdictions in which we will file income tax returns are the U.S. federal jurisdiction and all states in the U.S. in which we own properties that have an income tax.

U.S. GAAP requires that a position taken or expected to be taken in a tax return be recognized (or derecognized) in the financial statements when it is more likely than not (i.e., a likelihood of more than 50 percent) that the position would be sustained upon examination by tax authorities. A recognized tax position is then measured at the largest amount of benefit that is greater than 50 percent likely of being realized upon ultimate settlement. We include within our current tax provision the balance of unrecognized tax benefits related to tax positions for which it is reasonably possible that the total amounts could change during the next 12 months based on the outcome of examinations.

See Note 10 - Income Taxes for additional information.

Stock-Based Compensation

The Company's stock-based compensation plan provides for the grant of restricted stock awards ("RSAs"), deferred stock units ("DSUs"), performance-based awards including performance stock units ("PSUs"), dividend equivalents ("DEUs"), restricted stock units ("RSUs"), and other types of awards to eligible participants. DEUs are earned during the vesting period and received upon vesting of award. Upon forfeiture of an award, DEUs earned during the vesting period are also forfeited. We classify stock-based payment awards either as equity awards or liability awards based upon cash settlement options. Equity classified awards are measured based on the fair value on the date of grant. Liability classified awards are remeasured to fair value each reporting period. We recognize costs resulting from the Company's stock-based compensation awards on a straight-line basis over their vesting periods, which range between one and five years, less forfeitures. No compensation cost is recognized for awards for which employees do not render the requisite services.

See Note 11 - Stock-based Compensation for additional information.

Fair Value of Financial Instruments

We use a fair value approach to value certain assets and liabilities. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. We use a fair value hierarchy, which distinguishes between assumptions based on market data (observable inputs) and an entity's own assumptions (unobservable inputs). The hierarchy consists of three levels:

- Level 1 - Quoted market prices in active markets for identical assets or liabilities;
- Level 2 - Inputs other than level 1 inputs that are either directly or indirectly observable; and

- Level 3 - Unobservable inputs developed using estimates and assumptions, which are developed by the reporting entity and reflect those assumptions that a market participant would use.

NOTE 3 – CONCENTRATION OF CREDIT RISK

Our tenant base and the restaurant brands operating our properties are highly concentrated. With respect to our tenant base, Darden leases represent approximately 71% of the scheduled base rents of the properties we own. As our revenues predominately consist of rental payments, we are dependent on Darden for a significant portion of our leasing revenues. The audited and unaudited financial statements for Darden are included in its filings with the SEC, which can be found on the SEC's internet website at www.sec.gov. Reference to Darden's filings with the SEC is solely for the information of investors. We do not intend this website to be an active link or to otherwise incorporate the information contained on such website (including Darden's filings with the SEC) into this report or our other filings with the SEC.

We are also subject to concentration risk in terms of restaurant brands that occupy our properties. With 304 locations in our portfolio, Olive Garden branded restaurants comprise approximately 43% of our leased properties and approximately 53% of the revenues received under leases. Our properties, including the Kerrow Operating Business, are located in 46 states with lease revenue concentrations of 10% or greater in two states: Texas (12.5%) and Florida (10.8%).

We are exposed to credit risk with respect to cash held at various financial institutions, access to our credit facility, and amounts due or payable under our derivative contracts. At December 31, 2019, our exposure to risk related to amounts due to us on our derivative instruments totaling $3.6 million, and the counterparty to such instruments is an investment grade financial institution. Our credit risk exposure with regard to our cash deposits and the $198 million available capacity under the revolver portion of our credit facility is spread among a diversified group of investment grade financial institutions.

NOTE 4 – REAL ESTATE INVESTMENTS, NET AND INTANGIBLE ASSETS AND LIABILITIES, NET

Real Estate Investments

Real estate investments, net, which consist of land, buildings and improvements leased to others subject to net operating leases and those utilized in the operations of Kerrow Restaurant Operating Business is summarized as follows:

	December 31,	
(In thousands)	2019	2018
Land	$ 690,575	$ 569,057
Buildings and improvements	1,142,275	1,099,591
Equipment	134,884	136,633
Total gross real estate investments	1,967,734	1,805,281
Less: accumulated depreciation	(635,630)	(614,584)
Real estate investments, net	1,332,104	1,190,697
Intangible real estate assets, net	57,917	18,998
Total Real Estate Investments and Intangible Real Estate Assets, Net	$ 1,390,021	$ 1,209,695

During the year ended December 31, 2019, the Company invested $205.2 million, including transaction costs, in 90 restaurant properties located in twenty-seven states, and allocated the investment as follows: $121.5 million to land, $42.7 million to buildings and improvements, and $41.0 million to intangible assets, including finance ROU assets. There was no contingent consideration associated with these acquisitions. These properties are 100% occupied under net leases, with a weighted average remaining lease term of 10.0 years as of December 31, 2019. During the year ended December 31, 2019, the Company did not sell any properties.

During the year ended December 31, 2018, the Company invested $268.3 million, including transaction costs, in 97 restaurant properties located in twenty-eight states, and allocated the investment as follows: $122.6 million to land, $130.1 million to buildings and improvements, and $15.6 million to intangible assets principally related to the value of the in-place leases acquired. There was no contingent consideration associated with these acquisitions. These properties were 100% occupied under net leases,

with a weighted average remaining lease term of 13.7 years as of December 31, 2018. During the year ended December 31, 2018, the Company sold two properties with a net book value of $5.8 million for a realized gain on sale of $15.3 million.

Intangible Lease Assets and Liabilities, Net

The following tables detail intangible lease assets and liabilities. Intangible lease liabilities are included in Other liabilities on our Consolidated Balance Sheets. Acquired in-place lease intangibles are amortized over the remaining lease term as depreciation and amortization expense. Above-market and below-market leases are amortized over the initial term of the respective leases as an adjustment to rental revenue.

(In thousands)	December 31, 2019	December 31, 2018
Acquired in-place lease intangibles	$ 38,844	$ 19,079
Above-market leases	7,754	1,318
Finance lease - right of use assets	16,063	—
Total	62,661	20,397
Less: accumulated amortization	(4,744)	(1,399)
Intangible Lease Assets, Net	$ 57,917	$ 18,998

(In thousands)	December 31, 2019	December 31, 2018
Below-market leases	$ 1,923	$ 610
Less: accumulated amortization	(155)	(33)
Intangible Lease Liabilities, Net	$ 1,768	$ 577

The value of acquired in-place leases amortized and included in depreciation and amortization expense was $3.1 million, and $970 thousand, for the years ended December 31, 2019, and 2018, respectively. The value of above-market and below-market leases amortized as a net adjustment to revenue was $157 thousand and $62 thousand for the year ended December 31, 2019, and 2018, respectively. There was no amortization for adjustments to revenue for the year ended December 31, 2017. At December 31, 2019, the total weighted average amortization period remaining for our intangible lease assets and liabilities was 11.1 years, and the individual weighted average amortization period remaining for acquired in-place lease intangibles, above-market leases and below-market leases was 11.3 years, 9.8 years, and 10.7 years, respectively.

Based on the balance of intangible assets at December 31, 2019, the net aggregate amortization expense for the next five years and thereafter is expected to be as follows:

(In thousands)	December 31, 2019
2020	$ 5,347
2021	4,960
2022	4,655
2023	3,893
2024	3,494
Thereafter	17,737
Total Future Amortization Expense	$ 40,086

NOTE 5 – LEASES

Operating Leases as Lessee

Upon adoption of ASC 842, as a lessee we recorded ROU assets and lease liabilities for the three ground leases at our Kerrow Restaurant Operating Business. These ground leases have extension options, which we believe will be exercised and are included

in the calculation of our lease liabilities and ROU assets. In calculating the lease obligations under the ground leases, we used discount rates estimated to be equal to what the Company would have to pay to borrow on a collateralized basis over a similar term, for an amount equal to the lease payments, in a similar economic environment.

Impact of Adoption

The table below presents the impact of adoption of the lease standard on our Consolidated Balance Sheet as of January 1, 2019.

(In thousands)	December 31, 2018	Upon Adoption (January 1, 2019)	As Adjusted
Operating lease right-of-use asset (included in other assets)	$ —	$ 5,723	$ 5,723
Operating lease liability (included in other liabilities)	—	6,425	6,425
Deferred rent payable	702	(702)	—

Operating Lease Liability

During the year ended December 31, 2019, the Company acquired the land and lease of one of the Kerrow Operating Businesses. The acquisition resulted in an intercompany lease which is eliminated in consolidation, and removed as an operating lease liability for financial reporting purposes. As of December 31, 2019, maturities of operating lease liabilities were as follows:

(In thousands)	December 31, 2019
2020	$ 265
2021	282
2022	290
2023	290
2024	290
Thereafter	5,671
Total Payments	7,088
Less: Interest	(2,685)
Operating Lease Liability	$ 4,403

The weighted-average discount rate for operating leases at December 31, 2019 was 4.52%. The weighted-average remaining lease term was 21.3 years.

As previously disclosed in our 2018 Annual Report on Form 10-K and under the previous lease accounting standard, the following table presents future minimum lease commitments under non-cancelable operating leases. The table does not reflect available operating lease extensions.

(In thousands)	December 31, 2018
2019	$ 550
2020	400
2021	103
2022 and thereafter	—
Total Future Lease Commitments	$ 1,053

Rent expense was $663 thousand, $716 thousand, and $608 thousand for the years ended December 31, 2019, 2018, and 2017, respectively.

Operating Leases as Lessor

Our leases consist primarily of single-tenant, net leases, in which the tenants are responsible for making payments to third parties for operating expenses such as property taxes, insurance, and other costs associated with the properties leased to them. In leases where costs are paid by the Company and reimbursed by lessees, such payments are considered variable lease payments and recognized in rental revenue.

The following table shows the components of rental revenue for the year ended December 31, 2019.

(In thousands)	Year Ended December 31, 2019
Lease revenue - operating leases	$ 138,746
Variable lease revenue (tenant reimbursements)	936
Total Rental Revenue	$ 139,682

Future Minimum Lease Payments to be Received

The following table presents the scheduled minimum future contractual rent to be received under the remaining non-cancelable term of the operating leases. The table presents future minimum lease payments due during the initial lease term only as lease renewal periods are exercisable at the option of the lessee.

(In thousands)	December 31, 2019
2020	$ 140,395
2021	141,993
2022	143,263
2023	143,987
2024	145,732
Thereafter	1,010,660
Total Future Minimum Lease Payments	$ 1,726,030

Ground Leases as Lessee

As of December 31, 2019, the Company had finance ground lease assets aggregating $16.1 million. These assets are included in intangible lease assets, net on the Consolidated Balance Sheets. The Company did not recognize a lease liability as no payments are due in the future under the leases. The Company's ground lease assets have remaining terms of ninety-nine years, with options to extend the lease terms for additional ninety-nine years terms, and the option to purchase the assets once certain conditions and contingencies are met. The weighted average remaining non-cancelable lease term for the ground leases was ninety-nine years at December 31, 2019.

NOTE 6 – LONG-TERM DEBT, NET OF DEFERRED FINANCING COSTS

At December 31, 2019, our long-term debt consisted of $400 million in non-amortizing term loans, $52 million in outstanding borrowings under the revolving credit facility, and $225 million of senior unsecured fixed rate notes. At December 31, 2018, our long-term debt consisted of a $400 million, non-amortizing term loan, no outstanding borrowings under the revolving credit facility and $225 million of senior unsecured fixed rate notes.

At December 31, 2019 and 2018, the net unamortized deferred financing costs were approximately $7.1 million and $9.1 million, respectively. The weighted average interest rate on the term loan before consideration of the interest rate hedges described below was 3.01% and 3.68% at December 31, 2019 and 2018, respectively.

During the years ended December 31, 2019, 2018 and 2017, amortization of deferred financing costs was $2.0 million, $1.8 million, and $2.1 million, respectively. Amortization in the year ended December 31, 2017 includes a one-time charge of $424 thousand for deferred financing costs expensed as a result of the execution of the Credit Agreement in December 2017.

At December 31, 2019, and December 31, 2018, there was $52 million and no balance outstanding under the $250 million revolving credit facility, respectively, and no any outstanding letters of credit.

Credit Agreement

On December 13, 2018, the Company and its subsidiary, FCPT OP, entered into Amendment No. 2 to Amended and Restated Revolving Credit and Term Loan Agreement (the "Credit Facility Amendment") with JPMorgan Chase Bank, N.A., as administrative agent (the "Agent"), and the lenders (the "Lenders") and other agents party thereto, which amended the existing Amended and Restated Revolving Credit and Term Loan Agreement, dated as of October 2, 2017, as amended (the "Credit Agreement"), by and among the Company, FCPT OP, the Agent, the Lenders and the other agents party thereto. Prior to the Credit Facility Amendment, $400 million aggregate principal amount outstanding under the Company's term loan facility was scheduled to mature on November 9, 2022. The Credit Facility Amendment extends the maturity date of certain of the Company's term loan facility such that $150 million, the non-extended portion of the term loan facility, will mature on November 9, 2022, $150 million will mature on November 9, 2023, and $100 million will mature on March 9, 2024. The interest rate charged on the non-extended portion of the term loan facility remained unchanged; however, as of the date of the Credit Facility Amendment, the interest rate charged on the extended portions of the term loan facility will be reduced by ten basis points from the interest rate charged prior to the Credit Facility Amendment. The aggregate principal amount of $400 million outstanding under the term loan facility prior to the Credit Facility Amendment as well as the lenders and allocation by lender remained unchanged. The revolving credit facility portion of the Credit Agreement was not amended and remained unchanged.

The following table presents the Term Loan balances as of December 31, 2019, and 2018.

	Maturity	Interest	Outstanding Balance December 31,	
(Dollars in thousands)	Date	Rate	2019	2018
Term Loans:				
Term Loan 2022, amended and restated October 2017 & December 2018	Nov 2022	3.07% (a)	$ 150,000	$ 150,000
Term Loan 2023, extended December 2018	Nov 2023	2.97% (a)	150,000	150,000
Term Loan 2024, extended December 2018	Mar 2024	2.97% (a)	100,000	100,000
Total Term Loans			$ 400,000	$ 400,000

(a) Loan is a variable-rate loan which resets monthly at one-month LIBOR + the applicable credit spread which was 1.25%-1.35% at December 31, 2019.

Note Purchase Agreements

The Company has entered into note purchase agreements with institutional purchasers to provide for the private placement of four series of senior unsecured fixed rate notes aggregating to $225 million. The following table presents the senior unsecured fixed rate notes balance as of December 31, 2019 and 2018.

	Maturity	Interest	Outstanding Balance December 31,	
(Dollars in thousands)	Date	Rate	2019	2018
Notes Payable:				
Senior unsecured fixed rate note, issued June 2017	Jun 2024	4.68%	$ 50,000	$ 50,000
Senior unsecured fixed rate note, issued June 2017	Jun 2027	4.93%	75,000	75,000
Senior unsecured fixed rate note, issued December 2018	Dec 2026	4.63%	50,000	50,000
Senior unsecured fixed rate note, issued December 2018	Dec 2028	4.76%	50,000	50,000
Total Notes			$ 225,000	$ 225,000

For the December 2018 notes, the all-in pricing represented 182 basis points and 192 basis points above the 8-year interpolated U.S. Treasury rate and the 10-year U.S. Treasury rate, respectively, at the time of pricing. For the June 2017 notes, the all-in pricing represented 235 basis points and 240 basis points above the 7-year and 10-year U.S. Treasury rates, respectively, at the time of pricing.

The Note Purchase Agreements contains customary events of default, including payment defaults, cross defaults with certain other indebtedness, breaches of covenants and bankruptcy events. In the case of an event of default, the purchasers may, among other remedies, accelerate the payment of all obligations.

The Note Purchase Agreements have not been and will not be registered under the Securities Act of 1933, as amended (the "Securities Act"), or the securities laws of any state or other jurisdiction, and may not be offered or sold in the United States or any other jurisdiction absent registration or an applicable exemption from the registration requirements of the Securities Act and the applicable securities laws of any state or other jurisdiction. FCPT OP offered and sold the Note Purchase Agreements in reliance on the exemption from registration provided by Section 4(a)(2) of the Securities Act.

Debt Covenants

Under the terms of the Note Purchase Agreement and Credit Agreement (the "Agreements"), the Agreements have the same guarantors. The Agreements contain customary financial covenants, including a total leverage ratio, a mortgage-secured leverage ratio, a secured recourse leverage ratio, a fixed charge coverage ratio, a minimum net worth requirement, an unencumbered leverage ratio and an unencumbered interest coverage ratio status. They also contain restrictive covenants that, among other things, restrict the ability of FCPT OP, the Company and their subsidiaries to enter into transactions with affiliates, merge, consolidate, create liens or make certain restricted payments. In addition, the Agreements include provisions providing that certain of such covenants will be automatically amended in the Note Purchase Agreement to conform to certain amendments that may from time to time be implemented to corresponding covenants under the Credit Agreement. At December 31, 2019, the Company was in compliance with all debt covenants.

NOTE 7 – DERIVATIVE FINANCIAL INSTRUMENTS

Risk Management Objective of Using Derivatives

We are exposed to certain risks arising from both our business operations and economic conditions. We principally manage our exposures to a wide variety of business and operational risks through management of our core business activities. We manage economic risks, including interest rate, liquidity, and credit risk primarily by managing the amount, sources, and duration of our debt funding and the use of derivative financial instruments. Specifically, we enter into derivative financial instruments to manage exposures that arise from business activities that result in our payment of future cash amounts, the value of which are determined by interest rates. Our derivative financial instruments are used to manage differences in the amount, timing, and duration of our known or expected cash payments principally related to our borrowings.

Cash Flow Hedges of Interest Rate Risk

Our objective in using interest rate derivatives is to manage our exposure to interest rate movements. To accomplish this objective, we primarily use interest rate swaps as part of our interest rate risk management strategy. Interest rate swaps designated as cash flow hedges involve the receipt of variable amounts from a counterparty in exchange for us making fixed-rate payments over the life of the agreements without exchange of the underlying notional amount. The changes in the fair value of derivatives designated and that qualify as cash flow hedges is recorded on our Consolidated Balance Sheets in accumulated other comprehensive income and is subsequently reclassified into earnings in the period that the hedged forecasted transaction affects earnings. During the year ended December 31, 2019, such derivatives were used to hedge the variable cash flows associated with existing variable-rate debt.

We have entered into interest rate swaps to hedge the variability associated with the Credit Agreement. The following table presents the swaps held as of December 31, 2019.

Product	Fixed Rate	Notional (in thousands)	Index	Effective Date	Maturity Date
Swap	1.56%	200,000	1 mo. USD-LIBOR-BBA	11/12/2015	11/9/2020
Swap	1.96%	100,000	1 mo. USD-LIBOR-BBA	11/9/2018	11/9/2021
Swap	2.30%	100,000	1 mo. USD-LIBOR-BBA	11/9/2020	11/9/2023
Swap [1]	2.00%	100,000	1 mo. USD-LIBOR-BBA	11/9/2020	11/9/2022
Swap	1.91%	150,000	1 mo. USD-LIBOR-BBA	11/9/2022	11/9/2024
Swap	1.63%	50,000	3 mo. USD-LIBOR-BBA	7/31/2020	7/31/2030

(1) In November 2021, the notional amount of the swap increases to $200 million.

For the years ended December 31, 2019, 2018, and 2017, we recorded approximately $0, $0, and $54 thousand of income, respectively, related to hedge ineffectiveness in earnings. The hedge ineffectiveness is attributable to zero-percent floor and rounding mismatches in the hedging relationships.

Amounts reported in accumulated other comprehensive income related to derivatives will be reclassified to interest expense as interest payments are made on our variable-rate debt. We estimate that during 2019 an additional $0.4 million will be reclassified to earnings as a increase to interest expense.

As of December 31, 2019, we had two interest rate swaps outstanding with current notionals of $300 million that were designated as cash flow hedges of interest rate risk.

Non-designated Hedges

We do not use derivatives for trading or speculative purposes. During the years ended December 31, 2019 and 2018, we did not have any derivatives that were not designated as cash flow hedges for accounting purposes.

Tabular Disclosure of Fair Values of Derivative Instruments on the Consolidated Balance Sheets

The table below presents the fair value of our derivative financial instruments as well as their classification on the Consolidated Balance Sheets as of December 31, 2019 and 2018.

	Derivative Assets			Derivative Liabilities		
		Fair Value at December 31,			Fair Value at December 31,	
(Dollars in thousands)	Balance Sheet Location	2019	2018	Balance Sheet Location	2019	2018
Derivatives designated as hedging instruments:						
Interest rate swaps	Derivative assets	$ 1,451	$ 5,982	Derivative liabilities	$ 5,005	$ —
Total		$ 1,451	$ 5,982		$ 5,005	$ —

Tabular Disclosure of the Effect of Derivative Instruments on the Comprehensive Income Statement

The table below presents the effect of our interest rate swaps on the Comprehensive Income Statement for the years ending December 31, 2019, 2018, and 2017.

(Dollars in thousands)	Amount of Gain or (Loss) Recognized in OCI on Derivative (Effective Portion)	Location of Gain or (Loss) Reclassified from Accumulated OCI into Income (Effective Portion)	Amount of Gain or (Loss) Reclassified from Accumulated OCI into Income (Effective Portion)	Location of Gain or (Loss) Recognized in Income on Derivative (Ineffective Portion and Amount Excluded from Effectiveness Testing)	Amount of Gain or (Loss) Recognized in Income on Derivative (Ineffective Portion and Amounts Excluded from Effectiveness Testing)	Total Amount of Interest Expense Presented in the Consolidated Income Statements
Interest rate swaps						
Year Ended December 31, 2019	$ (7,818)	Interest expense	$ 1,722	Interest expense	$ —	$ 26,516
Year Ended December 31, 2018	3,257	Interest expense	2,235	Interest expense	—	19,959
Year Ended December 31, 2017	2,942	Interest expense	(1,355)	Interest expense	54	19,469

Tabular Disclosure Offsetting Derivatives

The table below presents a gross presentation, the effects of offsetting, and a net presentation of our derivatives as of December 31, 2019 and 2018. The net amounts of derivative assets or liabilities can be reconciled to the tabular disclosure of fair value which provides the location that derivative assets and liabilities are presented on the Consolidated Balance Sheets.

Offsetting of Derivative Assets

				Gross Amounts Not Offset in the Consolidated Balance Sheets		
(In thousands)	Gross Amounts of Recognized Assets	Gross Amounts Offset in the Consolidated Balance Sheets	Net Amounts of Assets Presented in the Consolidated Balance Sheets	Financial Instruments	Cash Collateral Received	Net Amount
December 31, 2019	$ 1,451	$ —	$ 1,451	$ (1,451)	$ —	$ —
December 31, 2018	5,982	—	5,982	—	—	5,982

Offsetting of Derivative Liabilities

				Gross Amounts Not Offset in the Consolidated Balance Sheets		
(In thousands)	Gross Amounts of Recognized Liabilities	Gross Amounts Offset in the Consolidated Balance Sheets	Net Amounts of Liabilities Presented in the Consolidated Balance Sheets	Financial Instruments	Cash Collateral Posted	Net Amount
December 31, 2019	$ 5,005	$ —	$ 5,005	$ (1,451)	$ —	$ 3,554
December 31, 2018	—	—	—	—	—	—

Credit-risk-related Contingent Features

The agreement with our derivative counterparties provides that if we default on any of our indebtedness, including default for which repayment of the indebtedness has not been accelerated by the lender, then we could also be declared in default on our derivative obligations.

At December 31, 2019 the fair value of derivative in a net liability position related to these agreements was approximately $3.6 million and at December 31, 2018 the fair value of the derivative in a net asset position related to these agreements was $6.1 million. As of December 31, 2019, we have not posted any collateral related to these agreements. If we or our counterparty had

breached any of these provisions at December 31, 2019, we could have been required to settle our obligations under the agreements at their termination value of approximately $3.6 million.

NOTE 8 – SUPPLEMENTAL DETAIL FOR CERTAIN COMPONENTS OF CONSOLIDATED BALANCE SHEETS

Other Assets

The components of Other assets were as follows:

	December 31,	
(In thousands)	2019	2018
Prepaid acquisition costs	$ 4,219	$ 1,802
Operating lease right-of-use asset	3,810	—
Prepaid assets	845	815
Accounts receivable	380	782
Inventories	196	183
Escrow deposits	—	1,201
Other	715	456
Total Other Assets	$ 10,165	$ 5,239

Other Liabilities

The components of Other liabilities were as follows:

	December 31,	
(In thousands)	2019	2018
Operating lease liability	$ 4,403	$ —
Accrued compensation	1,913	1,714
Intangible lease liabilities, net	1,768	577
Accrued interest expense	1,572	1,586
Accounts payable	799	986
Accrued operating expenses	396	486
Other	1,745	1,704
Total Other Liabilities	$ 12,596	$ 7,053

NOTE 9 – EQUITY

Preferred Stock

At December 31, 2019, the Company was authorized to issue 25,000,000 shares of $0.0001 par value per share of preferred stock. There were no shares issued and outstanding at December 31, 2019 or December 31, 2018.

Common Stock

At December 31, 2019, the Company was authorized to issue 500,000,000 shares of $0.0001 par value per share of common stock. Each holder of common stock is entitled to vote on all matters and is entitled to one vote for each share held.

In August 2018, the Company completed a stock offering pursuant to which we sold 4,025,000 shares of our common stock, par value $0.01 per share, at a price of $25.00 per share. We raised $100.6 million in gross proceeds, resulting in net proceeds of approximately $96.3 million.

In March 2019, we declared a dividend of $0.2875 per share, which was paid in April 2019 to common stockholders of record as of March 29, 2019. In June 2019, we declared a dividend of $0.2875 per share, which was paid in July 2019 to common stockholders of record as of June 28, 2019. In September 2019, we declared a dividend of $0.2875 per share, which was paid in October 2019 to common stockholders of record as of September 27, 2019. In November 2019 we declared a dividend of $0.305 per share, which was payable on January 15, 2020 to common stockholders of record as of January 3, 2020.

As of December 31, 2019, there were 70,020,660 shares of the Company's common stock issued and outstanding.

Common Stock Issuance Under the At-The-Market Program

In December 2016, the Company entered into an "At-the-Market" ("ATM") equity issuance program under which the Company may, at its discretion, issue and sell its common stock with a sales value of up to a maximum of $150.0 million through ATM offerings on the New York Stock Exchange through broker-dealers. During the year ended December 31, 2016, we sold 32,513 shares under the ATM program at a weighted-average selling price of $20.01 per share, for net proceeds of approximately $640 thousand (after issuance costs). During the year ended December 31, 2017, we sold 1,347,010 shares under the ATM program at a weighted-average selling price of $24.35 per share, for net proceeds of approximately $32.1 million (after issuance costs). During the year ended December 31, 2018, we sold 2,716,090 shares under the ATM program at a weighted-average selling price of $24.68 per share, for net proceeds of approximately $65.5 million (after issuance costs).

On March 22, 2019, the Company amended its ATM program and increased the maximum sales under ATM offerings to $210.0 million, thus adding an additional $160.0 million to the maximum sales under ATM offerings. In connection with the amended ATM program, the Company may enter into forward sale agreements with certain financial institutions acting as forward purchasers whereby, at the Company's discretion, the forward purchasers may borrow and sell shares of common stock under the amended ATM program. The use of forward sale agreements allows the Company to lock in a share price on the sale of shares of common stock at the time the respective forward sale agreements are executed but defer settling the forward sale agreements and receiving the proceeds from the sale of shares until a later date. During the year ended December 31, 2019, the Company executed and settled a forward sale agreement with a financial institution acting as forward purchaser under the ATM program to sell 1,603,478 shares of common stock at a sales price of $29.30 per share before sales commissions and offering expenses.

During the year ended December 31, 2019, we sold 1,663,116 shares shares under the amended ATM program, including the forward sale agreement, at a weighted-average selling price of $28.99 per share, for net proceeds of approximately $47.2 million (after issuance costs). At December 31, 2019, there was $161.8 million available for issuance under the ATM program.

Noncontrolling Interest

At December 31, 2019, there were 289,392 FCPT OP units ("OP units") outstanding held by third parties. During the year ended December 31, 2019, FCPT OP did not issue any OP units for consideration in real estate transactions. Generally, OP Units participate in net income allocations and distributions and entitle their holder the right, subject to the terms set forth in the partnership agreement, to require the Operating Partnership to redeem all or a portion of the OP Units held by such limited partner. At FCPT OP's option, it may satisfy this redemption with cash or by exchanging non-registered shares of FCPT common stock on a one-for-one basis. Prior to the redemption of units, the limited partners participate in net income allocations and distributions in a manner equivalent to the common stock holders. The redemption value of outstanding non-controlling interest OP units was $7.9 million, $10.8 million, and $10.6 million as of December 31, 2019, 2018, and 2017, respectively.

As of December 31, 2019, FCPT is the owner of approximately 99.59% of FCPT's OP units. The remaining 0.41%, or 289,392, of FCPT's OP units are held by unaffiliated limited partners. For the year ended December 31, 2019, FCPT OP distributed $355 thousand to limited partners and settled redemptions of 119,928 OP units: 113,962 OP units for cash, at a weighted average price per unit of $27.78 for $3.2 million; and 5,966 OP units for shares of common stock.

Earnings Per Share

The following table presents the computation of basic and diluted net earnings per common share for the years ended December 31, 2019, 2018, and 2017.

	Year Ended December 31,		
(In thousands except share and per share data)	2019	2018	2017
Average common shares outstanding – basic	68,430,841	64,041,255	60,627,423
Effect of dilutive stock based compensation	201,169	347,674	68,411
Average common shares outstanding – diluted	68,632,010	64,388,929	60,695,834
Net income	$ 72,939	$ 82,929	$ 71,892
Basic net earnings per share	$ 1.06	$ 1.29	$ 1.18
Diluted net earnings per share	$ 1.06	$ 1.28	$ 1.18

For the years ended December 31, 2019, 2018, and 2017, the number of outstanding equity awards that were anti-dilutive totaled 324,246, 176,945, and 320,332, respectively. Exchangeable OP units have been omitted from the denominator for the purpose of computing diluted earnings per share since FCPT OP, at its option, may satisfy a redemption with cash or by exchanging non-registered shares of FCPT common stock. The weighted average exchangeable OP units outstanding for the year ended December 31, 2019, 2018, and 2017 totaled 289,392, 305,253, 409,320, respectively.

NOTE 10 – INCOME TAXES

The income tax expense (benefit) was composed as follows:

	Year Ended December 31,		
(In thousands)	2019	2018	2017
Current:			
Federal	$ 3	$ —	$ —
Current state and local	262	262	178
Total current	265	262	178
Deferred:			
Federal deferred	—	—	(196)
State deferred	—	—	—
Total deferred	—	—	(196)
Total Income Tax Expense (Benefit)	$ 265	$ 262	$ (18)

The following table is a reconciliation of the U.S. statutory income tax rate to the effective income tax rate included in the accompanying consolidated statements of operations:

	Year Ended December 31,		
	2019	2018	2017
U.S. statutory rate	21.0 %	21.0 %	34.0 %
Current benefit	(21.0)	(21.0)	(34.1)
State and local income taxes, net of federal tax benefits	0.8	0.7	0.1
Benefit of federal income tax credits	—	—	(0.5)
Valuation allowance	—	—	0.4
Permanent differences	—	—	0.1
Effective Income Tax Rate	0.8 %	0.7 %	— %

In December 2017, the Tax Cuts and Jobs Act lowered the federal corporate income tax rate to 21% effective for taxable years after December 31, 2017. Due to FCPT's REIT status, we did not recognize a significant impact to our reported results resulting from this change.

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts for income tax purposes, as well as operating loss and tax credit carryforwards. The Company evaluates the realizability of its deferred tax assets and recognizes a valuation allowance if, based on the available evidence, both positive and negative, it is more likely than not that some portion or all of its deferred tax assets will not be realized. When evaluating the realizability of its deferred tax assets, the Company considers, among other matters, estimates of expected future taxable income, nature of current and cumulative losses, existing and projected book/tax differences, tax planning strategies available, and the general and industry specific economic outlook. This realizability analysis is inherently subjective, as it requires the Company to forecast its business and general economic environment in future periods. Based on an assessment of all factors, including historical losses of the Kerrow Restaurants Operating Business, it was determined that full valuation allowances were required on the net deferred tax assets as of December 31, 2019. Changes in estimates of deferred tax asset realizability are included in Income tax expense in the Income Statements.

The tax effects of temporary differences that gave rise to deferred tax assets and liabilities were as follows:

	December 31,		
(In thousands)	2019	2018	2017
Compensation and employee benefits	$ 40	$ 37	$ 30
Charitable contribution and credit carryforwards	636	484	366
Net operating losses	—	—	26
Lease payable	139	148	137
UNICAP	13	12	13
Gross deferred tax assets	828	681	572
Prepaid expenses	(25)	(24)	(23)
Straight-line rent		—	—
Buildings and equipment [1]	(275)	(284)	(273)
Gross deferred tax liabilities	(300)	(308)	(296)
Valuation allowance	(528)	(373)	(276)
Net Deferred Tax Assets (Liabilities)	$ —	$ —	$ —

(1) These buildings and equipment in 2019, 2018 and 2017 relate to the Kerrow Restaurant Operating Business.

NOTE 11 – STOCK-BASED COMPENSATION

On October 20, 2015, the Board of Directors of FCPT adopted, and FCPT's sole shareholder, Rare Hospitality International, Inc., approved, the Four Corners Property Trust, Inc. 2015 Omnibus Incentive Plan (the "Plan"). The Plan provides for the grant of awards of nonqualified stock options, stock appreciation rights, RSAs, RSUs, DSUs, unrestricted stock, dividend equivalent rights, performance shares and other performance-based awards, other equity-based awards, and cash bonus awards (each, an "Award" and collectively, the "Awards") to eligible participants. Subject to adjustment, the maximum number of shares of stock reserved for issuance under the Plan is equal to 2,100,000 shares.

At December 31, 2019, 1,475,745 shares of common stock were available for award under the Plan. The unamortized compensation cost of awards issued under the Incentive Plan totaled $3.12 million at December 31, 2019 as shown in the following table.

Equity Compensation Costs by Award Type

(In thousands)	Restricted Stock Units	Restricted Stock Awards	Performance Stock Units	Total
Unrecognized compensation cost at January 1, 2019	$ 188	$ 1,269	$ 1,611	$ 3,068
Equity grants	1,834	1,850	—	3,684
Equity grant forfeitures	—	(27)	—	(27)
Equity compensation expense	(732)	(1,665)	(1,205)	(3,602)
Unrecognized Compensation Cost at December 31, 2019	$ 1,290	$ 1,427	$ 406	$ 3,123

At December 31, 2019, the weighted average amortization period remaining for all of our equity awards was 2.1 years.

Restricted Stock Units

RSUs are granted at a value equal to the five-day average closing market price of our common stock on the date of grant and are settled in stock at the end of their vesting periods, which range between one and three years, at the then market price of our common stock.

The following table summarizes the activities related to RSUs for the years ended December 31, 2019, 2018, and 2017.

	Year Ended December 31,					
	2019		2018		2017	
	Units	Weighted Average Grant Date Fair Value	Units	Weighted Average Grant Date Fair Value	Units	Weighted Average Grant Date Fair Value
Outstanding at beginning of period	33,592	$ 22.88	64,983	$ 23.34	65,207	$ 22.64
Units granted	67,368	$ 27.17	17,896	$ 23.19	9,379	$ 25.78
Units vested	(9,487)	$ 23.19	(49,287)	$ 23.60	(9,603)	$ 20.96
Units forfeited	—	$ —	—	$ —	—	$ —
Outstanding at End of Period	91,473	$ 26.00	33,592	$ 22.88	64,983	$ 23.34

Expenses related to RSUs were $732 thousand, $750 thousand, and $695 thousand for the years ended December 31, 2019 2018, and 2017, respectively. Remaining unrecognized compensation cost related to RSU will be recognized over a weighted average period of less than five years. Restrictions on shares of restricted stock outstanding lapse through 2024. The Company expects all RSUs to vest.

Restricted Stock Awards

The following table summarizes the activities related to RSAs for the years ended December 31, 2019, 2018, and 2017.

	Year Ended December 31,								
	2019			2018			2017		
	Units	Weighted Average Grant Date Fair Value		Units	Weighted Average Grant Date Fair Value		Units	Weighted Average Grant Date Fair Value	
Outstanding at beginning of period	100,402	$	21.76	81,909	$	19.40	53,280	$	16.55
Units granted	69,547	$	26.60	67,845	$	23.76	48,378	$	21.58
Units vested	(67,621)	$	22.08	(47,292)	$	20.45	(19,749)	$	16.55
Units forfeited	(1,061)	$	25.16	(2,060)	$	23.87	—	$	—
Outstanding at End of Period	101,267	$	24.83	100,402	$	21.76	81,909	$	19.40

Expenses related to RSAs were $1.7 million, $1.3 million, and $617 thousand for the years ended December 31, 2019, 2018, and 2017, respectively. The remaining unrecognized compensation cost will be recognized over a weighted average period of less than three years. Restrictions on shares of RSAs outstanding lapse through 2022. The Company expects all RSAs to vest.

Performance-Based Restricted Stock Awards

During the years ended December 31, 2019, 2018, and 2017, there were 69,370, 68,490, and 63,538 PSUs as well as dividend equivalent rights granted under the Plan, respectively. The performance period of these grants runs from January 1, 2019 through December 31, 2021, January 1, 2018 through December 31, 2020, and from January 1, 2017 through December 31, 2019, respectively. Pursuant to the performance share award agreement, each participant is eligible to vest in and receive shares of the Company's common stock based on the initial target number of shares granted multiplied by a percentage range between 0% and 200%. The percentage range is based on the attainment of a total shareholder return of the Company compared to certain specified peer groups of companies during the performance period. The fair value of the performance shares were estimated on the date of grant using a Monte Carlo Simulation model.

During the years ended December 31, 2019, 2018, and 2017, PSUs were granted at a weighted average fair value of $26.57, $23.64, and $21.55 per unit, respectively. During the year ended December 31, 2019, 72,040 PSUs vested at 200%, resulting in the issuance of 144,080 shares. There were no target number of PSUs forfeited due to employee departures during the year ended December 31, 2019. The Company expects all PSUs to vest.

The grant date fair values of PSUs were determined through Monte-Carlo simulations using the following assumptions: our common stock closing price at the grant date, the average closing price of our common stock price for the 20 trading days prior to the grant date and a range of performance-based vesting based on estimated total stockholder return over three years from the grant date. For the 2019 PSU grant, the Company used an implied volatility assumption of 20.6% (based on historical volatility), and the risk free rate of 2.6% (the three-year Treasury rate on the grant date), and a 0% dividend yield (the mathematical equivalent to reinvesting the dividends over the three-year performance period as is consistent with the terms of the PSUs). For the 2018 PSU grant, the Company used an implied volatility assumption of 20.4% (based on historical volatility), risk free rates of 2.20%, 2.26%, and 2.33% (the one-year Treasury rates on the grant dates), and a 0% dividend yield (the mathematical equivalent to reinvesting the dividends over the three-year performance period as is consistent with the terms of the PSUs). For the 2017 PSU grant, the Company used an implied volatility assumption of 19.9% (based on historical volatility), risk free rates of 1.52% and 1.67% (the one-year and three-year Treasury rates on the grant date), and a 0% dividend yield (the mathematical equivalent to reinvesting the dividends over the three-year performance period as is consistent with the terms of the PSUs).

Expenses related to PSUs were $1.2 million, 1.9 million and $1.4 million for the year ended December 31, 2019, 2018, and 2017, respectively.

NOTE 12 – FAIR VALUE MEASUREMENTS

The carrying amounts of certain of the Company's financial instruments including cash equivalents, accounts receivable, accounts payable, accrued liabilities, and derivative financial instruments approximate fair value due either to length of maturity or interest rates that approximate prevailing market rates.

Determining which category an asset or liability falls within the hierarchy requires significant judgment. We evaluate hierarchy disclosures each reporting period. The following table presents the derivative assets recorded that are reported at fair value on our Consolidated Balance Sheets on a recurring basis.

Derivative Assets and Liabilities Measured at Fair Value on a Recurring Basis

(In thousands)	Level 1	Level 2	Level 3	Total
Derivative Assets				
December 31, 2019	$ —	$ 1,451	$ —	$ 1,451
December 31, 2018	—	5,982	—	5,982
Derivative Liabilities				
December 31, 2019	$ —	$ 5,005	$ —	$ 5,005
December 31, 2018	—	—	—	—

Derivative Financial Instruments

Currently, we use interest rate swaps to manage our interest rate risk associated with our note payable. The valuation of these instruments is determined using widely accepted valuation techniques, including discounted cash flow analysis on the expected cash flows of each derivative. This analysis reflects the contractual terms of the derivatives, including the period to maturity, and uses observable market-based inputs, including interest rate curves and implied volatilities. The fair values of interest rate swaps are determined using the market standard methodology of netting the discounted future fixed cash receipts (or payments) and the discounted expected variable cash payments (or receipts). The variable cash payments (or receipts) are based on an expectation of future interest rates (forward curves) derived from observable market interest rate curves.

The fair values of interest rate options will be determined using the market standard methodology of discounting the future expected cash receipts that would occur if variable interest rates rise above the strike rate of the caps. The variable interest rates used in the calculation of projected receipts on the cap are based on an expectation of future interest rates derived from observable market interest rate curves and volatilities.

To comply with the provisions of ASC 820, we incorporate credit valuation adjustments to appropriately reflect both our own nonperformance risk and the respective counterparty's nonperformance risk in the fair value measurements. In adjusting the fair value of our derivative contracts for the effect of nonperformance risk, we have considered the impact of netting and any applicable credit enhancements, such as collateral postings, thresholds, mutual puts and guarantees.

Although we have determined that the majority of the inputs used to value our derivatives fall within Level 2 of the fair value hierarchy, the credit valuation adjustments associated with our derivatives utilize Level 3 inputs, such as estimates of current credit spreads to evaluate the likelihood of default by ourselves and our counterparties. We have determined that the significance of the impact of the credit valuation adjustments made to our derivative contracts, which determination was based on the fair value of each individual contract, was not significant to the overall valuation. As a result, all of our derivatives held as of December 31, 2018 were classified as Level 2 of the fair value hierarchy.

The following table presents the carrying value and fair value of certain financial liabilities that are recorded on our Consolidated Balance Sheets.

Fair Value of Certain Financial Liabilities

December 31, 2019 (In thousands)		**Carrying Value**		**Fair Value**
Liabilities				
Term loan due 2022, excluding deferred financing costs	$	150,000	$	150,834
Term loan due 2023, excluding deferred financing costs		150,000		150,510
Term loan due 2024, excluding deferred financing costs		100,000		100,352
Senior note due June 2024, excluding deferred financing costs		50,000		52,496
Senior note due June 2027, excluding deferred financing costs		75,000		81,176
Senior note due June 2026, excluding deferred financing costs		50,000		52,946
Senior note due June 2028, excluding deferred financing costs		50,000		53,902

December 31, 2018 (In thousands)		**Carrying Value**		**Fair Value**
Liabilities				
Term loan due 2022, excluding deferred financing costs	$	150,000	$	151,042
Term loan due 2023, excluding deferred financing costs		150,000		150,651
Term loan due 2024, excluding deferred financing costs		100,000		100,453
Senior note due June 2024, excluding deferred financing costs		50,000		50,834
Senior note due June 2027, excluding deferred financing costs		75,000		77,471
Senior note due June 2026, excluding deferred financing costs		50,000		50,533
Senior note due June 2028, excluding deferred financing costs		50,000		50,917

The fair value of the Notes payable (Level 2) is determined using the present value of the contractual cash flows, discounted at the current market cost of debt.

NOTE 13 – COMMITMENTS AND CONTINGENCIES

Litigation

We are subject to private lawsuits, administrative proceedings and claims that arise in the ordinary course of our business. A number of these lawsuits, proceedings and claims may exist at any given time. These matters typically involve claims from guests, employee wage and hour claims and others related to operational issues common to the restaurant industry. We record our best estimate of a loss when the loss is considered probable. When a liability is probable and there is a range of estimated loss with no best estimate in the range, we record the minimum estimated liability related to the lawsuits, proceedings or claims. While the resolution of a lawsuit, proceeding or claim may have an impact on our financial results for the period in which it is resolved, we believe that the maximum liability related to probable lawsuits, proceedings and claims in which we are currently involved, individually and in the aggregate, will not have a material adverse effect on our financial position, results of operations or liquidity.

NOTE 14 – SEGMENTS

During 2019, 2018, and 2017, we operated in two segments: real estate operations and restaurant operations. Our segments are based on our organizational and management structure, which aligns with how our results are monitored and performance is assessed. The accounting policies of the reportable segments are the same as those described in Note 2 - Summary of Significant Accounting Policies.

The following tables present financial information by segment for the years ended December 31, 2019, 2018, and 2017.

For the Year Ended December 31, 2019

(In thousands)	Real Estate Operations	Restaurant Operations	Intercompany	Total
Revenues:				
Rental	$ 139,682	—	$ —	$ 139,682
Intercompany rental	410	—	(410)	—
Restaurant	—	20,551	—	20,551
Total revenues	140,092	20,551	(410)	160,233
Operating expenses:				
General and administrative	13,934	—	—	13,934
Depreciation and amortization	25,780	532	—	26,312
Property	1,579			1,579
Restaurant	—	20,042	(410)	19,632
Total operating expenses	41,293	20,574	(410)	61,457
Interest expense	(26,516)	—	—	(26,516)
Other income, net	944	—	—	944
Realized gain on sale, net	—	—	—	—
Income tax expense	(152)	(113)	—	(265)
Net Income (Loss)	$ 73,075	$ (136)	$ —	$ 72,939

For the Year Ended December 31, 2018

(In thousands)	Real Estate Operations	Restaurant Operations	Intercompany	Total
Revenues:				
Rental	$ 123,665	$ —	$ —	$ 123,665
Intercompany rental	401	—	(401)	—
Restaurant	—	19,970	—	19,970
Total revenues	124,066	19,970	(401)	143,635
Operating expenses:				
General and administrative	13,206	—	—	13,206
Depreciation and amortization	23,373	511	—	23,884
Property	433			433
Restaurant	—	19,415	(401)	19,014
Total operating expenses	37,012	19,926	(401)	56,537
Interest expense	(19,959)	—	—	(19,959)
Other income, net	781	—	—	781
Realized gain on sale, net	15,271	—	—	15,271
Income tax expense	(156)	(106)	—	(262)
Net Income (Loss)	$ 82,991	$ (62)	$ —	$ 82,929

For the Year Ended December 31, 2017

(In thousands)	Real Estate Operations	Restaurant Operations	Intercompany	Total
Revenues:				
Rental	$ 113,937	$ —	$ —	$ 113,937
Intercompany rental	395	—	(395)	—
Restaurant	—	19,272	—	19,272
Total revenues	114,332	19,272	(395)	133,209
Operating expenses:				
General and administrative	11,976	—	—	11,976
Depreciation and amortization	21,237	574	—	21,811
Property	283			283
Restaurant	—	19,047	(395)	18,652
Total operating expenses	33,496	19,621	(395)	52,722
Interest expense	(19,469)	—	—	(19,469)
Other income, net	324	—	—	324
Realized gain on sale, net	10,532	—	—	10,532
Income tax (expense) benefit	(77)	95	—	18
Net Income (Loss)	$ 72,146	$ (254)	$ —	$ 71,892

The following table presents supplemental information by segment at December 31, 2019 and 2018.

December 31, 2019

(In thousands)	Real Estate Operations	Restaurant Operations	Total
Total real estate investments	$ 1,952,855	$ 14,879	$ 1,967,734
Accumulated depreciation	(630,250)	(5,380)	(635,630)
Total real estate investments, net	1,322,605	9,499	1,332,104
Cash and cash equivalents	4,032	1,051	5,083
Total assets	1,431,003	15,067	1,446,070
Long-term debt, net of deferred financing costs	669,940	—	669,940

December 31, 2018

(In thousands)	Real Estate Operations	Restaurant Operations	Total
Total real estate investments	$ 1,788,462	$ 16,819	$ 1,805,281
Accumulated depreciation	(607,556)	(7,028)	(614,584)
Total real estate investments, net	1,180,906	9,791	1,190,697
Cash and cash equivalents	90,690	1,351	92,041
Total assets	1,331,213	11,885	1,343,098
Long-term debt, net of deferred financing costs	615,892	—	615,892

NOTE 15 – SUBSEQUENT EVENTS

In the first quarter through February 25, 2020, the Company invested $27.3 million, net of transaction costs, in acquisitions of 17 restaurant and retail properties and ground leasehold interests located in nine states. These properties are 100% occupied under net leases. The Company funded the acquisitions using the revolving credit facility and cash on hand. The Company

anticipates accounting for these acquisitions as asset acquisitions in accordance with GAAP. There were no material contingent liabilities associated with these transactions at December 31, 2019.

NOTE 16 – SELECTED QUARTERLY FINANCIAL DATA

(In thousands, except per share amounts)	January 1, 2019 - March 31, 2019	April 1, 2019 - June 30, 2019	July 1, 2019 - September 30, 2019	October 1, 2019 - December 31, 2019
Revenues:				
Rental	$ 34,208	$ 34,415	$ 35,209	$ 35,850
Restaurant	5,393	5,153	4,974	5,031
Total revenues	39,601	39,568	40,183	40,881
Operating expenses:				
General and administrative	3,946	3,431	3,389	3,168
Depreciation and amortization	6,361	6,518	6,653	6,780
Property expenses	308	417	346	508
Restaurant expense	4,983	4,954	4,805	4,890
Total operating expenses	15,598	15,320	15,193	15,346
Interest expense	(6,747)	(6,557)	(6,665)	(6,547)
Other income	413	306	153	72
Realized gain on sale, net	—	—	—	—
Income tax expense	$ (68)	$ (61)	$ (69)	$ (67)
Net Income	$ 17,601	$ 17,936	$ 18,409	$ 18,993
Earnings per share:				
Basic	$ 0.26	$ 0.26	$ 0.27	$ 0.27
Diluted	0.26	0.26	0.27	0.27
Distributions declared per share	$ 0.2875	$ 0.2875	$ 0.2875	$ 0.3050

(In thousands, except per share amounts)	January 1, 2018 - March 31, 2018	April 1, 2018 - June 30, 2018	July 1, 2018 - September 30, 2018	October 1, 2018 - December 31, 2018
Revenues:				
Rental	$ 29,589	$ 29,596	$ 31,324	$ 33,156
Restaurant	5,214	5,079	4,798	4,879
Total revenues	34,803	34,675	36,122	38,035
Operating expenses:				
General and administrative	3,567	3,093	3,099	3,447
Depreciation and amortization	5,345	5,225	5,743	7,571
Property expense	86	95	109	143
Restaurant expense	4,870	4,786	4,713	4,645
Total operating expenses	13,868	13,199	13,664	15,806
Interest expense	(4,855)	(4,877)	(4,934)	(5,293)
Other income	342	215	147	77
Realized gain on sale, net	—	10,879	—	4,392
Income tax expense	(58)	(66)	(64)	(74)
Net Income	$ 16,364	$ 27,627	$ 17,607	$ 21,331
Earnings per share:				
Basic	$ 0.27	$ 0.44	$ 0.27	$ 0.31
Diluted	0.26	0.44	0.27	0.31
Distributions declared per share	$ 0.2750	$ 0.2750	$ 0.2750	$ 0.2875

(In thousands, except per share amounts)	January 1, 2017 - March 31, 2017	April 1, 2017 - June 30, 2017	July 1, 2017 - September 30, 2017	October 1, 2017 - December 31, 2017
Revenues:				
Rental	$ 27,764	$ 28,327	$ 28,835	$ 29,011
Restaurant	4,943	4,826	4,676	4,827
Total revenues	32,707	33,153	33,511	33,838
Operating expenses:				
General and administrative	2,779	3,379	2,828	2,990
Depreciation and amortization	5,409	5,420	5,425	5,557
Property expense	78	80	71	54
Restaurant expense	4,668	4,583	4,572	4,829
Total operating expenses	12,934	13,462	12,896	13,430
Interest expense	(4,094)	(4,509)	(5,463)	(5,403)
Other income	5	34	172	113
Realized gain on sale, net	—	3,292	4,042	3,198
Income tax (expense) benefit	(45)	(61)	(33)	157
Net Income	$ 15,639	$ 18,447	$ 19,333	$ 18,473
Earnings per share:				
Basic	$ 0.26	$ 0.30	$ 0.31	$ 0.30
Diluted	0.26	0.30	0.31	0.30
Distributions declared per share	$ 0.2425	$ 0.2425	$ 0.2425	$ 0.2750

FOUR CORNERS PROPERTY TRUST, INC.
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		Initial Cost to Company			Cost Capitalized Since Acquisition			Gross Carrying Value (2)							
Restaurant Property (1)	Location	Land	Buildings and Improvements	Equipment	Land	Building and Improvements	Equipment	Land	Building and Improvements	Equipment	Total	Accumulated Depreciation	Construction Date	Acquisition Date	Life on which Depreciation in latest Statement of Income is Computed
APB	Tracy, CA	1,267	—	—	—	—	—	1,267	—	—	1,267	—	2004	11/20/2018	—
ARB	Rocky Mount, NC	261	1,405	—	—	—	—	261	1,405	—	1,666	125	2004	9/6/2016	10 - 45
ARB	Roanoke Rapids, NC	288	1,563	—	—	—	—	288	1,563	—	1,851	146	2003	9/6/2016	10 - 45
ARB	South Hill, VA	538	1,283	—	—	—	—	538	1,283	—	1,821	109	2002	11/3/2016	10 - 50
ARB	Wake Forest, NC	805	1,344	—	—	—	—	805	1,344	—	2,149	140	2005	11/3/2016	9 - 49
ARB	Birch Run, MI	590	777	—	—	—	—	590	777	—	1,367	97	1991	11/9/2016	10 - 40
ARB	Brighton, MI	456	990	—	—	—	—	456	990	—	1,446	100	1987	11/9/2016	10 - 40
ARB	Cedar Rapids, IA	485	—	—	—	—	—	485	—	—	485	—	1987	1/12/2018	—
ARB	Plainwell, MI	696	837	—	—	—	—	696	837	—	1,533	57	1999	8/6/2018	3 - 36
ARB	Logan, UT	827	1,157	—	—	—	—	827	1,157	—	1,984	25	1980	5/1/2019	5 - 40
ARB	Spring Lake, MI	317	762	—	—	—	—	317	762	—	1,079	14	1986	6/21/2019	5 - 30
ARB	Holland, MI	735	735	—	—	—	—	735	735	—	1,469	18	1988	6/21/2019	5 - 30
ARB	Muskegon, MI	486	919	—	—	—	—	486	919	—	1,405	15	1979	6/21/2019	5 - 40
ARB	Kokomo, IN	902	—	—	—	—	—	902	—	—	902	—	2003	8/1/2019	—
BB	Raleigh, NC	2,507	3,230	155	—	918	314	2,507	4,148	469	7,124	3,061	1999	5/17/1999	2 - 38
BB	Duluth, GA	1,292	2,362	254	—	1,378	274	1,292	3,740	528	5,560	2,959	1999	5/24/1999	2 - 38
BB	Miami, FL	1,731	3,427	222	—	1,162	422	1,731	4,589	644	6,964	3,313	2000	4/4/2000	2 - 35
BB	Fort Myers, FL	1,914	2,863	186	—	916	398	1,914	3,779	584	6,277	2,637	2000	5/16/2000	2 - 35
BB	Pembroke Pines, FL	1,808	2,999	207	—	1,039	382	1,808	4,038	589	6,435	2,777	2000	12/18/2000	2 - 35
BB	Livonia, MI	2,105	3,856	286	—	362	138	2,105	4,218	424	6,747	3,034	2001	2/6/2001	2 - 36
BB	Sunrise, FL	1,515	3,251	138	—	450	224	1,515	3,701	362	5,578	2,320	2002	10/22/2002	2 - 37
BB	Jacksonville, FL	2,235	2,295	344	—	50	13	2,235	2,345	357	4,937	1,125	2010	3/29/2010	2 - 45
BB	Orlando, FL	1,659	2,340	356	—	324	41	1,659	2,664	397	4,720	980	2012	2/27/2012	2 - 47
BE	Dover, DE	591	1,713	—	—	—	—	591	1,713	—	2,304	129	1993	4/28/2017	10 - 50
BE	Indianapolis, IN	603	1,701	—	—	—	—	603	1,701	—	2,304	124	1991	4/28/2017	10 - 50
BE	Bowie, MD	506	1,940	—	—	—	—	506	1,940	—	2,446	144	1995	4/28/2017	10 - 50
BE	Catonsville, MD	170	1,091	—	—	—	—	170	1,091	—	1,261	87	2003	4/28/2017	10 - 50
BE	Midland, MI	1,060	1,567	—	—	—	—	1,060	1,567	—	2,627	116	1998	4/28/2017	10 - 50
BE	Niagara Falls, NY	304	1,892	—	—	—	—	304	1,892	—	2,196	141	1992	4/28/2017	10 - 50
BE	Independence, OH	1,161	1,847	—	—	—	—	1,161	1,847	—	3,008	128	1994	4/28/2017	11 - 51
BE	Centerville, OH	947	1,209	—	—	—	—	947	1,209	—	2,156	106	1997	4/28/2017	7 - 45
BE	Blacklick, OH	1,178	1,269	—	—	—	—	1,178	1,269	—	2,447	123	1999	4/28/2017	7 - 45
BE	Celina, OH	944	1,431	—	—	—	—	944	1,431	—	2,375	110	2005	4/28/2017	9 - 49

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		Initial Cost to Company			Cost Capitalized Since Acquisition			Gross Carrying Value (2)							
Restaurant Property (1)	Location	Land	Buildings and Improvements	Equipment	Land	Building and Improvements	Equipment	Land	Building and Improvements	Equipment	Total	Accumulated Depreciation	Construction Date	Acquisition Date	Life on which Depreciation in latest Statement of Income is Computed
BE	Canton, OH	755	1,441	—	—	—	—	755	1,441	—	2,196	101	2005	4/28/2017	10 - 50
BE	Kent, OH	814	1,215	—	—	—	—	814	1,215	—	2,029	90	1994	4/28/2017	10 - 50
BE	Waynesburg, PA	389	1,758	—	—	—	—	389	1,758	—	2,147	143	2006	4/28/2017	10 - 50
BE	Fredericksburg, VA	218	1,068	—	—	—	—	218	1,068	—	1,286	90	2006	4/28/2017	7 - 45
BE	Kanawha City, WV	405	1,899	—	—	—	—	405	1,899	—	2,304	136	2000	4/28/2017	10 - 50
BE	Lima, OH	1,382	1,461	—	—	—	—	1,382	1,461	—	2,843	121	1988	4/28/2017	9 - 49
BE	Englewood, OH	958	—	—	—	—	—	958	—	—	958	—	2004	10/18/2019	—
BJ	Youngstown, OH	1,125	—	—	—	—	—	1,125	—	—	1,125	—	2017	1/12/2018	—
BJ	Longview, TX	1,508	—	—	—	—	—	1,508	—	—	1,508	—	2015	11/16/2018	—
BJ	Livonia, MI	638	3,259	—	—	—	—	638	3,259	—	3,897	62	2018	12/28/2018	14 - 54
BJ	Ft. Wayne, IN	2,878	—	—	—	—	—	2,878	—	—	2,878	—	2016	12/24/2019	—
BJ	Little Rock, AR	3,646	—	—	—	—	—	3,646	—	—	3,646	—	2014	12/27/2019	—
BK	Keysville, VA	571	1,424	—	—	—	—	571	1,424	—	1,995	122	1996	10/28/2016	10 - 50
BK	Roxboro, NC	601	2,089	—	—	—	—	601	2,089	—	2,690	162	1989	10/28/2016	10 - 50
BK	Oxford, NC	449	1,892	—	—	—	—	449	1,892	—	2,341	152	1982	10/28/2016	10 - 50
BK	Huntsville, AL	460	1,549	—	—	—	—	460	1,549	—	2,009	136	2000	10/28/2016	10 - 50
BK	Amory, MS	570	2,159	—	—	—	—	570	2,159	—	2,729	150	2016	10/28/2016	14 - 54
BK	Madisonville, KY	1,071	1,257	—	—	—	—	1,071	1,257	—	2,328	135	1986	11/9/2016	10 - 45
BK	Monterey, TN	429	1,611	—	—	—	—	429	1,611	—	2,040	122	2000	12/28/2016	10 - 50
BK	Crossville, TN	397	1,873	—	—	—	—	397	1,873	—	2,270	139	1987	12/28/2016	10 - 50
BK	Livingston, TN	481	1,354	—	—	—	—	481	1,354	—	1,835	102	2015	12/28/2016	13 - 53
BK	Mount Juliet, TN	683	1,101	—	—	—	—	683	1,101	—	1,784	138	1988	12/28/2016	7 - 40
BK	Herkimer, NY	308	1,460	—	—	—	—	308	1,460	—	1,768	94	2002	1/12/2017	13 - 53
BK	Chattanooga, TN	485	894	—	—	—	—	485	894	—	1,379	80	1998	1/12/2017	10 - 45
BK	Salem, IN	534	1,608	—	—	—	—	534	1,608	—	2,142	97	2016	6/30/2017	14 - 54
BK	Tupelo, MS	772	1,765	—	—	—	—	772	1,765	—	2,537	104	2016	6/30/2017	14 - 54
BK	Booneville, MS	448	1,253	—	—	—	—	448	1,253	—	1,701	76	2016	6/30/2017	14 - 54
BK	Tupelo, MS	953	1,418	—	—	—	—	953	1,418	—	2,371	101	1998	6/30/2017	10 - 50
BK	Memphis, TN	739	1,708	—	—	—	—	739	1,708	—	2,447	95	1996	6/30/2017	15 - 55
BK	Columbus, MS	922	1,633	—	—	—	—	922	1,633	—	2,555	108	2000	6/30/2017	12 - 52
BK	Tupelo, MS	826	1,774	—	—	—	—	826	1,774	—	2,600	114	1998	6/30/2017	10 - 50
BK	Olive Branch, MS	521	1,317	—	—	—	—	521	1,317	—	1,838	72	2016	12/19/2017	14 - 54
BK	Holly Springs, MS	335	1,253	—	—	—	—	335	1,253	—	1,588	62	2016	12/19/2017	14 - 54
BK	Waldorf, MD	747	1,214	—	—	—	—	747	1,214	—	1,961	30	1989	4/3/2019	10 - 40

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		Initial Cost to Company			Cost Capitalized Since Acquisition			Gross Carrying Value (2)							
Restaurant Property (1)	Location	Land	Buildings and Improvements	Equipment	Land	Building and Improvements	Equipment	Land	Building and Improvements	Equipment	Total	Accumulated Depreciation	Construction Date	Acquisition Date	Life on which Depreciation in latest Statement of Income is Computed
BWW	Burlington, IA	137	2,530	—	—	—	—	137	2,530	—	2,667	211	2010	9/15/2016	10 - 49
BWW	Galesburg, IL	157	2,510	—	—	—	—	157	2,510	—	2,667	226	2009	9/15/2016	10 - 46
BWW	Macomb, IL	138	2,528	—	—	—	—	138	2,528	—	2,666	215	2009	9/15/2016	10 - 48
BWW	Springfield, IL	825	2,352	—	—	—	—	825	2,352	—	3,177	127	2006	1/10/2018	10 - 50
BWW	Quincy, IL	676	2,378	—	—	—	—	676	2,378	—	3,054	120	2007	1/10/2018	10 - 50
BWW	Orange Park, FL	1,768	—	—	—	—	—	1,768	—	—	1,768	—	1997	1/12/2018	—
BWW	Florence, SC	1,638	—	—	—	—	—	1,638	—	—	1,638	—	2011	6/29/2018	—
BWW	Austin, TX	1,250	—	—	—	—	—	1,250	—	—	1,250	—	2010	7/16/2018	—
BWW	Hendersonville, TN	1,401	—	—	—	—	—	1,401	—	—	1,401	—	2009	8/8/2018	—
BWW	Grand Junction, CO	1,182	—	—	—	—	—	1,182	—	—	1,182	—	2004	1/18/2019	—
BWW	Loredo, TX	1,287	1,923	—	—	—	—	1,287	1,923	—	3,210	55	2001	2/8/2019	10 - 45
BWW	Rockaway, NJ	787	—	—	—	—	—	787	—	—	787	—	2013	2/11/2019	—
BWW	Centerville, GA	1,001	—	—	—	—	—	1,001	—	—	1,001	—	2011	8/1/2019	—
BWW	Mansfield, TX	1,438	845	—	—	—	—	1,438	845	—	2,282	7	2007	10/21/2019	10 - 25
BWW	Fort Worth, TX	1,484	922	—	—	—	—	1,484	922	—	2,405	8	2007	11/4/2019	10 - 25
BWW	Racine, WI	1,898	—	—	—	—	—	1,898	—	—	1,898	—	2013	11/12/2019	—
BWW	Suffolk, VA	602	1,779	—	—	—	—	602	1,779	—	2,381	45	2012	12/31/2018	9 - 49
CB	Bloomingdale, IL	1,328	—	—	—	—	—	1,328	—	—	1,328	—	1991	10/18/2019	—
CFA	Cedar Rapids, IA	1,894	—	—	—	—	—	1,894	—	—	1,894	—	2012	1/12/2018	—
CFA	Sioux City, IA	1,162	—	—	—	—	—	1,162	—	—	1,162	—	2012	6/28/2019	—
CFA	Rehoboth Beach, DE	2,081	—	—	—	—	—	2,081	—	—	2,081	—	2013	12/24/2019	—
CFA	Ft. Wayne, IN	2,251	—	—	—	—	—	2,251	—	—	2,251	—	2019	12/24/2019	—
CGR	Bloomingdale, IL	1,111	—	—	—	—	—	1,111	—	—	1,111	—	1990	1/12/2018	—
CGR	Baton Rouge, LA	1,146	1,077	—	—	—	—	1,146	1,077	—	2,223	67	1985	8/8/2018	5 - 30
CGR	Mesquite, TX	2,180	2,938	—	—	—	—	2,180	2,938	—	5,118	98	2012	8/8/2018	13 - 53
CGR	Palm Bay, FL	1,666	2,881	—	—	—	—	1,666	2,881	—	4,547	101	1994	8/8/2018	12 - 52
CGR	Madison, TN	1,178	2,372	—	—	—	—	1,178	2,372	—	3,550	85	1989	8/8/2018	11 - 51
CGR	Ocala, FL	2,017	2,216	—	—	—	—	2,017	2,216	—	4,233	86	1989	8/8/2018	11 - 51
CGR	Palmdale, CA	1,234	2,573	—	—	—	—	1,234	2,573	—	3,807	91	1991	8/8/2018	9 - 49
CGR	Sebring, FL	1,568	2,275	—	—	—	—	1,568	2,275	—	3,843	84	1992	8/8/2018	11 - 51
CGR	Tarpon Springs, FL	1,394	2,232	—	—	—	—	1,394	2,232	—	3,626	88	1994	8/8/2018	10 - 50
CGR	Peoria, AZ	867	1,199	—	—	—	—	867	1,199	—	2,066	76	1993	8/8/2018	5 - 31

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		Initial Cost to Company			Cost Capitalized Since Acquisition			Gross Carrying Value (2)							
Restaurant Property (1)	Location	Land	Buildings and Improvements	Equipment	Land	Building and Improvements	Equipment	Land	Building and Improvements	Equipment	Total	Accumulated Depreciation	Construction Date	Acquisition Date	Life on which Depreciation in latest Statement of Income is Computed
CGR	The Woodlands, TX	1,445	1,218	—	—	—	—	1,445	1,218	—	2,663	71	1995	8/8/2018	5 - 35
CGR	Orlando, FL	2,106	1,376	—	—	—	—	2,106	1,376	—	3,482	78	1994	8/8/2018	5 - 35
CGR	Kissimmee, FL	2,101	2,052	—	—	—	—	2,101	2,052	—	4,153	86	1994	8/8/2018	7 - 47
CGR	Mesa, AZ	1,295	1,628	—	—	—	—	1,295	1,628	—	2,923	82	1994	8/8/2018	5 - 40
CGR	Katy, TX	1,930	1,907	—	—	—	—	1,930	1,907	—	3,837	82	1995	8/8/2018	10 - 45
CGR	McAllen, TX	759	1,691	—	—	—	—	759	1,691	—	2,450	86	1994	8/8/2018	5 - 35
CGR	Winter Haven, FL	922	1,926	—	—	—	—	922	1,926	—	2,848	81	1995	8/8/2018	7 - 47
CGR	Ormond Beach, FL	545	1,104	—	—	—	—	545	1,104	—	1,649	70	1995	8/8/2018	3 - 32
CGR	Pembroke Pines, FL	1,757	1,514	—	—	—	—	1,757	1,514	—	3,271	88	1996	8/8/2018	5 - 40
CGR	High Point, NC	955	1,446	—	—	—	—	955	1,446	—	2,401	62	1996	8/8/2018	5 - 55
CGR	Anderson, SC	1,647	2,252	—	—	—	—	1,647	2,252	—	3,899	79	1995	8/8/2018	13 - 53
CGR	Burleson, TX	2,612	2,321	—	—	—	—	2,612	2,321	—	4,933	107	1998	8/8/2018	5 - 45
CGR	Brownsville, TX	2,111	2,868	—	—	—	—	2,111	2,868	—	4,979	101	1999	8/8/2018	12 -52
CGR	Hermitage, TN	1,226	1,564	—	—	—	—	1,226	1,564	—	2,790	80	2000	8/8/2018	5 - 39
CGR	Reno, NV	723	2,496	—	—	—	—	723	2,496	—	3,219	82	2002	8/8/2018	10 - 50
CGR	Bartlesville, OK	1,497	1,571	—	—	—	—	1,497	1,571	—	3,068	66	2002	8/8/2018	10 - 50
CGR	Gallatin, TN	821	1,613	—	—	—	—	821	1,613	—	2,434	65	2002	8/8/2018	10 - 50
CGR	Tampa, FL	920	1,839	—	—	—	—	920	1,839	—	2,759	83	2002	8/8/2018	7 - 40
CGR	Atascocita, TX	1,953	2,256	—	—	—	—	1,953	2,256	—	4,209	83	2002	8/8/2018	12 - 52
CGR	Canon City, CO	709	1,928	—	—	—	—	709	1,928	—	2,637	72	2002	8/8/2018	10 - 50
CGR	Chattanooga, TN	350	1,852	—	—	—	—	350	1,852	—	2,202	57	2003	8/8/2018	11 - 51
CGR	Hobbs, NM	1,424	1,746	—	—	—	—	1,424	1,746	—	3,170	69	2003	8/8/2018	10 - 50
CGR	Gonzales, LA	1,681	2,292	—	—	—	—	1,681	2,292	—	3,973	84	2003	8/8/2018	10 - 50
CGR	Tupelo, MS	890	1,514	—	—	—	—	890	1,514	—	2,404	77	2003	8/8/2018	5 - 40
CGR	Las Cruces, NM	1,645	1,720	—	—	—	—	1,645	1,720	—	3,365	78	1991	8/8/2018	7 - 45
CGR	Carson City, NV	775	467	—	—	—	—	775	467	—	1,242	35	2004	8/8/2018	5 - 41
CGR	Lady Lake, FL	2,474	2,618	—	—	—	—	2,474	2,618	—	5,092	101	2004	8/8/2018	12 - 52
CGR	Lone Tree, CO	753	1,511	—	—	—	—	753	1,511	—	2,264	75	2004	8/8/2018	5 - 41
CGR	Bristol, VA	1,059	1,563	—	—	—	—	1,059	1,563	—	2,622	81	2004	8/8/2018	5 - 41
CGR	Trinity, FL	1,701	2,613	—	—	—	—	1,701	2,613	—	4,314	92	2004	8/8/2018	13 - 53
CGR	Kingsville, TX	1,254	1,719	—	—	—	—	1,254	1,719	—	2,973	67	2004	8/8/2018	9 - 49
CGR	Conroe, TX	1,224	1,661	—	—	—	—	1,224	1,661	—	2,885	77	2004	8/8/2018	7 - 45
CGR	Portland, TX	1,537	2,089	—	—	—	—	1,537	2,089	—	3,626	86	2005	8/8/2018	10 - 45
CGR	Plainview, TX	657	1,302	—	—	—	—	657	1,302	—	1,959	58	2005	8/8/2018	5 - 45

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Restaurant Property (1)	Location	Land	Buildings and Improvements	Equipment	Land	Building and Improvements	Equipment	Land	Building and Improvements	Equipment	Total	Accumulated Depreciation	Construction Date	Acquisition Date	Life on which Depreciation in latest Statement of Income is Computed
CGR	Pinellas Park, FL	2,857	2,352	—	—	—	—	2,857	2,352	—	5,209	88	2005	8/8/2018	10 - 50
CGR	Conyers, GA	1,049	2,168	—	—	—	—	1,049	2,168	—	3,217	87	2000	8/8/2018	7 - 45
CGR	Eagle Pass, TX	1,338	1,859	—	—	—	—	1,338	1,859	—	3,197	84	2007	8/8/2018	5 - 45
CGR	Enid, OK	1,712	2,805	—	—	—	—	1,712	2,805	—	4,517	104	1996	9/14/2018	10 - 45
CGR	Lawton, OK	1,072	1,197	—	—	—	—	1,072	1,197	—	2,269	64	1999	9/14/2018	3 - 36
CGR	Austin, TX	988	1,330	—	—	—	—	988	1,330	—	2,318	61	2003	9/14/2018	1 - 41
CGR	Greenville, TX	1,495	1,431	—	—	—	—	1,495	1,431	—	2,926	58	2002	9/28/2018	10 - 45
CGR	Arcadia, FL	1,575	1,408	—	—	—	—	1,575	1,408	—	2,983	61	2005	9/28/2018	5 - 45
CGR	Aurora, CO	649	1,534	—	—	—	—	649	1,534	—	2,183	58	1990	10/23/2018	5 - 40
CGR	Coralville, IA	1,628	—	—	—	—	—	1,628	—	—	1,628	—	1998	12/26/2019	—
CGR	Alamosa, CO	1,992	1,206	—	—	—	—	1,992	1,206	—	3,199	—	2007	12/27/2019	10 - 35
CGR	Pueblo, CO	800	1,694	—	—	—	—	800	1,694	—	2,494	—	2005	12/27/2019	10 - 35
CGR	Lafayette, LA	3,183	1,579	—	—	—	—	3,183	1,579	—	4,761	—	2005	12/27/2019	10 - 35
CGR	Southaven, MS	2,332	1,770	—	—	—	—	2,332	1,770	—	4,102	—	2000	12/27/2019	10 - 35
CGR	Shawnee, OK	2,077	1,370	—	—	—	—	2,077	1,370	—	3,448	—	2001	12/27/2019	10 - 35
CGR	Harlingen, TX	3,054	1,630	—	—	—	—	3,054	1,630	—	4,684	—	1998	12/27/2019	10 - 35
CGR	Seguin, TX	2,350	1,778	—	—	—	—	2,350	1,778	—	4,129	—	2004	12/27/2019	10 - 35
CJ	Logan, UT	848	—	—	—	—	—	848	—	—	848	—	1997	6/7/2019	—
CRB	Palm Coast , FL	2,146	—	—	—	—	—	2,146	—	—	2,146	—	2012	6/13/2019	—
CSK	Pensacola, FL	1,530	—	—	—	—	—	1,530	—	—	1,530	—	1991	6/29/2018	—
DEN	Amherst, OH	460	998	—	—	—	—	460	998	—	1,458	111	1971	11/9/2016	10 - 40
DQ	Tulsa, OK	485	388	—	—	—	—	485	388	—	873	114	2015	10/20/2016	14 - 54
DT/MP	New Baltimore, MI	435	2,351	—	—	—	—	435	2,351	—	2,786	119	2016	9/15/2017	14 - 54
DTC	Coralville, IA	2,142	—	—	—	—	—	2,142	—	—	2,142	—	1998	12/26/2019	—
FAZ	Lafayette, IN	244	522	—	—	—	—	244	522	—	766	70	1996	11/9/2016	5 - 40
HAR	Gadsden, AL	464	1,064	—	—	—	—	464	1,064	—	1,528	118	1985	12/15/2016	10 - 40
HAR	Baxley, GA	644	1,258	—	—	—	—	644	1,258	—	1,902	150	1983	12/15/2016	10 - 40
HAR	Vidalia, GA	364	1,232	—	—	—	—	364	1,232	—	1,596	96	2007	12/15/2016	10 - 50
HAR	Hazlehurst, GA	461	1,516	—	—	—	—	461	1,516	—	1,977	116	2013	12/15/2016	12 - 52
HAR	Sioux City, IA	901	—	—	—	—	—	901	—	—	901	—	1979	6/28/2019	—
HIE	Coralville, IA	1,318	—	—	—	—	—	1,318	—	—	1,318	—	2000	12/26/2019	—
IHOP	Grand Junction, CO	853	—	—	—	—	—	853	—	—	853	—	2002	1/18/2019	—
IHOP	Christiansburg, VA	739	—	—	250	—	—	989	—	—	989	—	1998	4/19/2019	—
KFC	Detroit, MI	294	916	—	—	—	—	294	916	—	1,210	84	1997	9/14/2016	5 - 43

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Restaurant Property (1)	Location	Land	Buildings and Improvements	Equipment	Land	Building and Improvements	Equipment	Land	Building and Improvements	Equipment	Total	Accumulated Depreciation	Construction Date	Acquisition Date	Life on which Depreciation in latest Statement of Income is Computed
KFC	Auburn Hills, MI	98	925	—	—	—	—	98	925	—	1,023	93	2002	9/14/2016	5 - 43
KFC	Detroit, MI	75	732	—	—	—	—	75	732	—	807	75	1984	9/14/2016	5 - 40
KFC	Detroit, MI	323	635	—	—	—	—	323	635	—	958	78	1984	9/14/2016	5 - 40
KFC	Altoona, WI	195	1,714	—	—	—	—	195	1,714	—	1,909	143	1993	11/10/2016	10 - 45
KFC	LaCrosse, WI	216	893	—	—	—	—	216	893	—	1,109	107	1979	11/10/2016	5 - 40
KFC	Rice Lake, WI	215	1,045	—	—	—	—	215	1,045	—	1,260	123	1991	11/10/2016	5 - 40
KFC	Chippewa Falls, WI	167	924	—	—	—	—	167	924	—	1,091	95	2003	11/10/2016	5 - 40
KFC	LaCrosse, WI	245	1,042	—	—	—	—	245	1,042	—	1,287	117	1972	11/10/2016	5 - 40
KFC	Stevens Point, WI	92	697	—	—	—	—	92	697	—	789	74	1984	11/10/2016	5 - 40
KFC	Wisconsin Rapids, WI	179	1,928	—	—	—	—	179	1,928	—	2,107	158	1991	11/10/2016	10 - 45
KFC	Wausau, WI	126	1,387	—	—	—	—	126	1,387	—	1,513	113	1979	11/10/2016	10 - 45
KFC	Escanaba, MI	143	1,362	—	—	—	—	143	1,362	—	1,505	118	1985	11/10/2016	10 - 43
KFC	Menominee, MI	93	862	—	—	—	—	93	862	—	955	92	1995	11/10/2016	10 - 40
KFC	Goshen, IN	95	1,041	—	—	—	—	95	1,041	—	1,136	108	1976	11/10/2016	5 - 40
KFC	South Bend, IN	141	868	—	—	—	—	141	868	—	1,009	105	1970	11/10/2016	5 - 40
KFC	South Bend, IN	155	774	—	—	—	—	155	774	—	929	99	1973	11/10/2016	5 - 40
KFC	Mishawaka, IN	72	1,510	—	—	—	—	72	1,510	—	1,582	117	1978	11/10/2016	10 - 45
KFC	Kokomo, IN	118	1,093	—	—	—	—	118	1,093	—	1,211	104	1994	11/10/2016	10 - 40
KFC	Kokomo, IN	141	1,798	—	—	—	—	141	1,798	—	1,939	148	1994	11/10/2016	10 - 45
KK	Troy, MI	1,480	—	—	—	—	—	1,480	—	—	1,480	—	2003	12/24/2019	—
KRYS	Gardendale, AL	723	376	—	—	—	—	723	376	—	1,099	7	1976	9/27/2019	5 - 20
KRYS	Lenoir City, TN	1,124	338	—	—	—	—	1,124	338	—	1,462	6	1998	10/10/2019	5 - 20
KRYS	Pratville, AL	1,077	385	—	—	—	—	1,077	385	—	1,462	7	1998	10/11/2019	5 - 20
LH	Tucker, GA	1,407	923	10	—	339	214	1,407	1,262	224	2,893	993	1986	10/1/2007	2 - 43
LH	Snellville, GA	1,911	925	76	—	422	147	1,911	1,347	223	3,481	1,023	1992	10/1/2007	2 - 43
LH	Macon, GA	1,249	718	30	—	420	204	1,249	1,138	234	2,621	1,055	1992	10/1/2007	2 - 44
LH	Augusta, GA	1,631	845	46	—	300	103	1,631	1,145	149	2,925	932	1993	10/1/2007	2 - 42
LH	Ocala, FL	1,210	1,100	17	—	579	112	1,210	1,679	129	3,018	1,347	1993	10/1/2007	2 - 42
LH	Altamonte Springs, FL	1,649	974	22	—	450	135	1,649	1,424	157	3,230	969	1994	10/1/2007	2 - 44
LH	Florence, KY	—	741	52	1,191	347	165	1,191	1,088	217	2,496	833	1994	10/1/2007	2 - 47
LH	Gainesville, GA	1,537	965	19	—	348	140	1,537	1,313	159	3,009	963	1995	10/1/2007	2 - 43

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Restaurant Property (1)	Location	Land	Buildings and Improvements	Equipment	Land	Building and Improvements	Equipment	Land	Building and Improvements	Equipment	Total	Accumulated Depreciation	Construction Date	Acquisition Date	Life on which Depreciation in latest Statement of Income is Computed
LH	Peachtree City, GA	1,485	1,080	9	—	457	159	1,485	1,537	168	3,190	1,112	1995	10/1/2007	2 - 43
LH	Lawrenceville, GA	1,865	1,116	17	—	451	117	1,865	1,567	134	3,566	1,048	1996	10/1/2007	2 - 42
LH	Jensen Beach, FL	1,322	1,082	33	—	347	153	1,322	1,429	186	2,937	1,046	1996	10/1/2007	2 - 42
LH	Destin, FL	2,053	793	16	—	357	224	2,053	1,150	240	3,443	914	1996	10/1/2007	2 - 42
LH	Albany, GA	1,500	988	34	—	422	126	1,500	1,410	160	3,070	929	1997	10/1/2007	2 - 42
LH	Dublin, OH	1,572	1,205	18	—	510	259	1,572	1,715	277	3,564	1,144	1997	10/1/2007	2 - 42
LH	Columbia, SC	1,677	1,291	23	—	495	176	1,677	1,786	199	3,662	1,188	1997	10/1/2007	2 - 42
LH	Pineville, NC	1,262	879	11	—	495	195	1,262	1,374	206	2,842	888	1998	10/1/2007	2 - 44
LH	Johns Creek, GA	1,694	1,089	18	—	203	123	1,694	1,292	141	3,127	837	1998	10/1/2007	2 - 42
LH	Greensboro, NC	1,438	1,017	16	—	270	152	1,438	1,287	168	2,893	781	1999	10/1/2007	2 - 44
LH	Huntsville, AL	1,443	983	7	—	350	194	1,443	1,333	201	2,977	817	1999	10/1/2007	2 - 44
LH	Hickory, NC	1,333	1,029	7	—	313	166	1,333	1,342	173	2,848	766	1999	10/1/2007	2 - 44
LH	Tampa, FL	1,488	1,078	6	—	297	189	1,488	1,375	195	3,058	917	2000	10/1/2007	2 - 35
LH	Clarksville, TN	1,662	1,097	15	—	449	112	1,662	1,546	127	3,335	833	1999	10/1/2007	2 - 43
LH	Orlando, FL	1,165	749	21	—	264	137	1,165	1,013	158	2,336	683	2000	10/1/2007	2 - 35
LH	Concord, NH	1,329	935	7	—	359	172	1,329	1,294	179	2,802	698	2000	10/1/2007	2 - 35
LH	Orlando, FL	1,492	1,277	52	—	297	150	1,492	1,574	202	3,268	918	2000	10/1/2007	2 - 35
LH	Medina, OH	1,189	820	12	—	268	168	1,189	1,088	180	2,457	666	2000	10/1/2007	2 - 35
LH	Hoover, AL	1,401	966	17	—	350	160	1,401	1,316	177	2,894	786	2001	10/1/2007	2 - 36
LH	Boardman, OH	954	673	17	—	285	151	954	958	168	2,080	566	2001	10/1/2007	2 - 36
LH	Prattville, AL	1,481	1,016	27	—	336	134	1,481	1,352	161	2,994	794	2001	10/1/2007	2 - 36
LH	Bensalem, PA	1,645	600	17	—	346	160	1,645	946	177	2,768	561	2001	10/1/2007	2 - 36
LH	Lee's Summit, MO	1,705	1,219	34	—	285	88	1,705	1,504	122	3,331	751	2002	10/1/2007	2 - 37
LH	Germantown, MD	1,439	1,069	27	—	306	138	1,439	1,375	165	2,979	775	2002	10/1/2007	2 - 37
LH	Independence, OH	1,241	686	26	—	231	106	1,241	917	132	2,290	515	2002	10/1/2007	2 - 37
LH	Hiram, GA	1,639	1,033	25	—	374	130	1,639	1,407	155	3,201	775	2002	10/1/2007	2 - 37
LH	Louisville, KY	1,405	980	18	—	238	113	1,405	1,218	131	2,754	639	2002	10/1/2007	2 - 37
LH	Bowie, MD	1,871	1,230	21	—	257	147	1,871	1,487	168	3,526	799	2002	10/1/2007	2 - 37
LH	Waldorf, MD	1,929	1,167	26	—	245	162	1,929	1,412	188	3,529	786	2002	10/1/2007	2 - 37
LH	West Palm Beach, FL	1,781	1,228	27	—	297	132	1,781	1,525	159	3,465	804	2002	10/1/2007	2 - 37
LH	Columbia, MD	1,918	1,439	40	—	268	161	1,918	1,707	201	3,826	894	2003	10/1/2007	2 - 38
LH	East Point, GA	1,052	1,232	21	—	291	143	1,052	1,523	164	2,739	816	2003	10/1/2007	2 - 38
LH	Lexington, KY	1,251	874	16	—	238	162	1,251	1,112	178	2,541	641	2003	10/1/2007	2 - 42

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Restaurant Property (1)	Location	Land	Buildings and Improvements	Equipment	Land	Building and Improvements	Equipment	Land	Building and Improvements	Equipment	Total	Accumulated Depreciation	Construction Date	Acquisition Date	Life on which Depreciation in latest Statement of Income is Computed
LH	Winter Haven, FL	1,285	1,149	39	—	276	124	1,285	1,425	163	2,873	768	2003	10/1/2007	2 - 38
LH	Jacksonville, FL	795	1,302	32	—	210	128	795	1,512	160	2,467	779	2003	10/1/2007	2 - 38
LH	Daphne, AL	1,130	757	30	—	308	111	1,130	1,065	141	2,336	642	2003	10/1/2007	2 - 38
LH	Anderson, SC	1,445	990	41	—	240	111	1,445	1,230	152	2,827	660	2004	10/1/2007	2 - 39
LH	Palm Harbor, FL	1,406	917	32	—	263	93	1,406	1,180	125	2,711	677	2004	10/1/2007	2 - 39
LH	West Chester, OH	1,371	927	31	—	248	79	1,371	1,175	110	2,656	649	2004	10/1/2007	2 - 39
LH	Jefferson City, MO	1,342	875	60	—	196	68	1,342	1,071	128	2,541	588	2004	10/1/2007	2 - 39
LH	Chantilly, VA	1,568	882	50	—	262	66	1,568	1,144	116	2,828	592	2004	10/1/2007	2 - 39
LH	Dawsonville, GA	1,084	1,321	51	—	188	100	1,084	1,509	151	2,744	766	2004	10/1/2007	2 - 39
LH	Opelika, AL	1,427	1,244	36	—	202	58	1,427	1,446	94	2,967	740	2004	10/1/2007	2 - 39
LH	Indianapolis, IN	1,298	854	55	—	211	51	1,298	1,065	106	2,469	584	2005	10/1/2007	2 - 40
LH	Grove City, OH	1,566	1,067	53	—	191	61	1,566	1,258	114	2,938	655	2005	10/1/2007	2 - 40
LH	Springfield, IL	1,573	1,451	65	—	182	79	1,573	1,633	144	3,350	844	2005	10/1/2007	2 - 40
LH	Covington, GA	887	1,212	70	—	45	49	887	1,257	119	2,263	640	2005	10/1/2007	2 - 40
LH	West Homestead, PA	1,418	947	79	—	33	91	1,418	980	170	2,568	553	2005	10/1/2007	2 - 40
LH	Carrollton, GA	1,192	1,227	75	—	15	49	1,192	1,242	124	2,558	650	2005	10/1/2007	2 - 40
LH	Tarentum, PA	1,414	931	91	—	84	46	1,414	1,015	137	2,566	557	2005	10/1/2007	2 - 40
LH	Commerce, GA	647	1,476	60	—	57	84	647	1,533	144	2,324	725	2006	10/1/2007	2 - 41
LH	East Ellijay, GA	1,126	1,272	70	—	21	82	1,126	1,293	152	2,571	669	2006	10/1/2007	2 - 41
LH	Acworth, GA	1,941	1,255	70	—	23	82	1,941	1,278	152	3,371	646	2006	10/1/2007	2 - 41
LH	Peoria, IL	1,299	848	81	—	143	46	1,299	991	127	2,417	563	2006	10/1/2007	2 - 41
LH	Hixson, TN	1,676	1,263	84	—	40	44	1,676	1,303	128	3,107	649	2006	10/1/2007	2 - 41
LH	Fredericksburg, VA	1,734	1,174	89	—	42	35	1,734	1,216	124	3,074	669	2006	10/1/2007	2 - 41
LH	Morgantown, WV	1,223	812	89	—	27	44	1,223	839	133	2,195	513	2006	10/1/2007	2 - 41
LH	Florence, SC	1,628	1,352	90	—	28	35	1,628	1,380	125	3,133	649	2006	10/1/2007	2 - 41
LH	Portage, IN	901	1,652	105	—	59	26	901	1,711	131	2,743	799	2006	10/1/2007	2 - 41
LH	Macon, GA	1,052	1,840	97	—	135	38	1,052	1,975	135	3,162	955	2007	10/1/2007	2 - 42
LH	Panama City Beach, FL	1,379	1,736	99	—	47	95	1,379	1,783	194	3,356	924	2007	10/1/2007	2 - 42
LH	LaGrange, GA	979	1,527	111	—	36	52	979	1,563	163	2,705	804	2007	10/1/2007	2 - 42
LH	Calhoun, GA	765	1,760	109	—	(4)	36	765	1,756	145	2,666	863	2007	10/1/2007	2 - 42
LH	Dublin, GA	389	1,910	140	—	27	23	389	1,937	163	2,489	871	2008	1/14/2008	2 - 43
LH	Monroe, GA	966	1,549	164	—	30	13	966	1,579	177	2,722	742	2008	4/28/2008	2 - 43

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LH	Denham Springs, LA	1,306	2,049	283	—	35	12	1,306	2,084	295	3,685	1,168	2008	8/25/2008	2 - 43
LH	Cornelia, GA	106	1,542	281	282	52	8	388	1,594	289	2,271	897	2008	12/1/2008	2 - 43
LH	Richmond, VA	1,442	1,758	207	—	24	9	1,442	1,782	216	3,440	884	2009	2/23/2009	2 - 44
LH	San Antonio, TX	907	1,504	—	—	699	535	907	2,203	535	3,645	1,145	2010	1/18/2010	2 - 40
LH	Orlando, FL	1,406	1,701	253	—	23	6	1,406	1,724	259	3,389	785	2010	3/8/2010	2 - 45
LH	Thomasville, GA	730	1,688	229	—	19	5	730	1,707	234	2,671	815	2010	4/19/2010	2 - 45
LH	San Antonio, TX	947	1,436	—	—	444	543	947	1,880	543	3,370	1,079	2010	5/10/2010	2 - 40
LH	San Antonio, TX	1,206	1,583	—	—	245	540	1,206	1,828	540	3,574	1,029	2010	7/5/2010	2 - 40
LH	Jackson, TN	1,398	1,257	204	—	16	8	1,398	1,273	212	2,883	614	2010	7/19/2010	2 - 45
LH	Conyers, GA	589	1,797	198	—	30	21	589	1,827	219	2,635	805	2010	8/2/2010	2 - 45
LH	San Antonio, TX	—	1,382	735	1,990	249	(230)	1,990	1,631	505	4,126	980	2010	10/11/2010	2 - 40
LH	Fort Smith, AR	953	1,610	252	—	23	10	953	1,633	262	2,848	762	2010	11/1/2010	2 - 45
LH	Whitehall, PA	1,307	1,901	270	—	24	7	1,307	1,925	277	3,509	849	2010	12/6/2010	2 - 45
LH	New Braunfels, TX	—	1,330	681	—	145	(210)	—	1,475	471	1,946	856	2011	1/24/2011	2 - 40
LH	McAllen, TX	1,128	1,600	284	—	13	13	1,128	1,613	297	3,038	728	2011	3/28/2011	2 - 46
LH	Kingsland, GA	849	1,564	236	—	13	5	849	1,577	241	2,667	663	2011	4/25/2011	2 - 46
LH	Jonesboro, AR	902	1,704	234	—	15	1	902	1,719	235	2,856	724	2011	4/25/2011	2 - 46
LH	Hanover, MD	1,437	2,258	252	—	45	2	1,437	2,303	254	3,994	853	2011	5/16/2011	2 - 46
LH	Council Bluffs, IA	869	1,827	236	—	31	7	869	1,858	243	2,970	754	2011	5/31/2011	2 - 46
LH	San Antonio, TX	—	278	383	—	35	(302)	—	313	81	394	330	2011	6/20/2011	2 - 40
LH	Tupelo, MS	771	1,717	236	—	13	1	771	1,730	237	2,738	652	2011	8/29/2011	2 - 46
LH	Champaign, IL	1,499	1,725	267	—	4	3	1,499	1,729	270	3,498	691	2011	10/10/2011	2 - 46
LH	Rapid City, SD	965	1,869	252	—	2	3	965	1,871	255	3,091	767	2011	10/10/2011	2 - 46
LH	West Melbourne, FL	1,144	1,858	266	—	4	3	1,144	1,862	269	3,275	732	2011	11/21/2011	2 - 46
LH	Flowood, MS	1,088	1,803	327	34	—	2	1,122	1,803	329	3,254	770	2012	2/6/2012	2 - 47
LH	McAllen, TX	1,339	1,775	319	—	3	12	1,339	1,778	331	3,448	734	2012	2/27/2012	2 - 47
LH	Deptford, NJ	1,799	1,694	287	—	3	(2)	1,799	1,697	285	3,781	660	2012	3/26/2012	2 - 47
LH	Athens, GA	970	1,744	289	—	35	13	970	1,779	302	3,051	636	2012	10/29/2012	2 - 47
LH	Morehead City, NC	975	1,941	340	—	2	1	975	1,943	341	3,259	679	2013	1/14/2013	2 - 48
LH	Columbus, MS	1,155	1,993	256	—	4	4	1,155	1,997	260	3,412	608	2013	2/18/2013	2 - 48

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		Initial Cost to Company			Cost Capitalized Since Acquisition			Gross Carrying Value (2)							
Restaurant Property (1)	Location	Land	Buildings and Improvements	Equipment	Land	Building and Improvements	Equipment	Land	Building and Improvements	Equipment	Total	Accumulated Depreciation	Construction Date	Acquisition Date	Life on which Depreciation in latest Statement of Income is Computed
LH	Sandusky, OH	1,081	2,027	263	—	—	2	1,081	2,027	265	3,373	621	2013	4/22/2013	2 - 48
LH	Coralville, IA	953	2,135	288	—	—	(3)	953	2,135	285	3,373	664	2013	5/13/2013	2 - 48
LH	Cleveland, TN	1,054	1,776	337	—	—	1	1,054	1,776	338	3,168	593	2013	5/13/2013	2 - 48
LH	Cincinnati, OH	1,205	1,758	291	—	—	3	1,205	1,758	294	3,257	543	2013	8/26/2013	2 - 48
LH	Minot, ND	887	2,230	314	—	15	17	887	2,245	331	3,463	640	2013	9/23/2013	2 - 48
LH	Bethlehem, GA	936	1,684	286	—	—	—	936	1,684	286	2,906	472	2014	1/20/2014	2 - 49
LH	Wilkes Barre, PA	859	2,227	278	—	6	—	859	2,233	278	3,370	584	2014	1/27/2014	2 - 49
LH	Columbia, SC	1,407	—	—	—	—	—	1,407	—	—	1,407	—	1997	12/7/2017	0 0
LH	Gadsden, AL	1,580	—	—	—	—	—	1,580	—	—	1,580	—	2018	4/19/2019	—
LH	Salisbury, MD	1,514	—	—	—	—	—	1,514	—	—	1,514	—	2011	10/21/2019	—
LH	Watertown, NY	1,437	—	—	—	—	—	1,437	—	—	1,437	—	2015	12/6/2019	—
LH/RT/ADB	Auburn, ME	3,355	—	—	—	—	—	3,355	—	—	3,355	—	2005	10/31/2019	—
MCA	Andrews, TX	283	1,772	—	—	—	—	283	1,772	—	2,055	117	2014	1/27/2017	14 - 54
MCA	San Angelo, TX	248	1,913	—	—	—	—	248	1,913	—	2,161	119	2014	1/27/2017	14 - 54
MCA	Shavano Park, TX	486	1,915	—	—	—	—	486	1,915	—	2,401	142	2014	2/16/2017	14 - 54
MCA	New Braunfels, TX	472	1,932	—	—	—	—	472	1,932	—	2,404	137	2017	3/16/2017	14 - 54
MCD	Altamonte Springs, FL	1,489	—	—	—	—	—	1,489	—	—	1,489	—	1991	1/12/2018	—
MCD	Kokoma, IN	1,671	—	—	—	—	—	1,671	—	—	1,671	—	2016	6/29/2018	—
MCD	Grand Junction, CO	1,163	—	—	—	—	—	1,163	—	—	1,163	—	1985	1/18/2019	—
MVS	Camp Hill, PA	1,148	—	—	—	—	—	1,148	—	—	1,148	—	2019	12/30/2019	—
OG	Greenwood, IN	400	749	1	—	1,883	625	400	2,632	626	3,658	2,254	1985	7/15/1985	2 - 49
OG	Indianapolis, IN	333	755	15	—	1,839	541	333	2,594	556	3,483	2,063	1985	7/15/1985	2 - 49
OG	Kissimmee, FL	400	710	2	—	1,803	615	400	2,513	617	3,530	2,446	1985	8/5/1985	2 - 42
OG	Huntsville, AL	317	719	1	—	1,092	338	317	1,811	339	2,467	1,724	1986	3/3/1986	2 - 36
OG	Las Vegas, NV	597	557	12	—	1,108	316	597	1,665	328	2,590	1,726	1986	3/31/1986	2 - 42
OG	Ocala, FL	470	416	11	—	2,112	383	470	2,528	394	3,392	2,071	1986	7/14/1986	2 - 48
OG	Granger, IN	220	650	15	—	1,309	348	220	1,959	363	2,542	2,019	1986	9/8/1986	2 - 42
OG	Toledo, OH	275	343	6	—	1,146	244	275	1,489	250	2,014	1,558	1986	9/15/1986	2 - 35
OG	Bradenton, FL	207	837	4	—	1,779	602	207	2,616	606	3,429	2,230	1986	11/3/1986	2 - 48
OG	Clearwater, FL	717	593	17	—	1,521	446	717	2,114	463	3,294	1,955	1986	12/2/1986	2 - 47
OG	North Richland Hills, TX	468	1,187	19	—	1,414	342	468	2,601	361	3,430	2,434	1986	12/15/1986	2 - 42
OG	Austin, TX	492	1,183	6	—	1,690	440	492	2,873	446	3,811	2,642	1987	1/12/1987	2 - 46

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		Initial Cost to Company			Cost Capitalized Since Acquisition			Gross Carrying Value (2)							
Restaurant Property (1)	Location	Land	Buildings and Improvements	Equipment	Land	Building and Improvements	Equipment	Land	Building and Improvements	Equipment	Total	Accumulated Depreciation	Construction Date	Acquisition Date	Life on which Depreciation in latest Statement of Income is Computed
OG	Morrow, GA	446	813	10	—	1,448	423	446	2,261	433	3,140	2,247	1987	3/23/1987	2 - 42
OG	Mobile, AL	698	872	31	—	1,209	479	698	2,081	510	3,289	1,964	1987	5/18/1987	2 - 42
OG	Fort Worth, TX	654	626	29	—	1,273	403	654	1,899	432	2,985	1,854	1987	5/25/1987	2 - 46
OG	Fort Myers, FL	289	1,124	14	—	1,786	550	289	2,910	564	3,763	2,479	1987	5/25/1987	2 - 48
OG	Bakersfield, CA	529	861	54	—	1,294	264	529	2,155	318	3,002	2,070	1987	5/25/1987	2 - 36
OG	Tulsa, OK	702	637	23	—	1,137	291	702	1,774	314	2,790	1,699	1987	6/22/1987	2 - 42
OG	Mesquite, TX	721	772	10	238	1,650	435	959	2,422	445	3,826	2,148	1987	7/20/1987	2 - 46
OG	Indianapolis, IN	526	82	2	—	2,534	406	526	2,616	408	3,550	1,832	1987	7/20/1987	2 - 49
OG	Canton, OH	275	834	8	—	829	426	275	1,663	434	2,372	1,742	1987	9/21/1987	2 - 40
OG	Duluth, GA	675	906	18	351	1,247	313	1,026	2,153	331	3,510	2,065	1987	11/2/1987	2 - 42
OG	Reno, NV	—	639	29	1,215	1,581	560	1,215	2,220	589	4,024	2,427	1988	1/18/1988	2 - 35
OG	Orlando, FL	—	894	6	1,585	1,792	614	1,585	2,686	620	4,891	2,643	1988	2/1/1988	2 - 42
OG	Middleburg Heights, OH	555	882	18	—	1,285	400	555	2,167	418	3,140	2,163	1988	3/7/1988	2 - 42
OG	Knoxville, TN	375	1,397	33	—	700	220	375	2,097	253	2,725	2,030	1988	3/14/1988	2 - 40
OG	Fairfield, OH	325	1,230	15	—	1,303	276	325	2,533	291	3,149	2,323	1988	3/21/1988	2 - 46
OG	Akron, OH	577	1,048	6	—	879	281	577	1,927	287	2,791	1,802	1988	4/4/1988	2 - 40
OG	Fairview Heights, IL	735	1,162	19	—	1,163	518	735	2,325	537	3,597	2,366	1988	5/9/1988	2 - 35
OG	Grand Rapids, MI	—	959	14	749	753	288	749	1,712	302	2,763	1,757	1988	5/9/1988	2 - 35
OG	Toledo, OH	—	891	38	652	726	201	652	1,617	239	2,508	1,668	1988	5/23/1988	2 - 35
OG	Chattanooga, TN	604	760	19	—	937	405	604	1,697	424	2,725	1,740	1988	6/6/1988	2 - 35
OG	Lansing, IL	—	814	18	912	1,200	379	912	2,014	397	3,323	1,929	1988	6/20/1988	2 - 42
OG	Bloomington, MN	525	1,779	20	—	1,212	393	525	2,991	413	3,929	3,404	1988	6/28/1988	2 - 41
OG	Livonia, MI	—	459	25	890	2,624	331	890	3,083	356	4,329	2,936	1988	8/1/1988	2 - 37
OG	Irving, TX	710	647	33	—	1,603	309	710	2,250	342	3,302	1,971	1988	8/22/1988	2 - 46
OG	Montclair, CA	—	873	44	1,231	736	238	1,231	1,609	282	3,122	1,696	1988	9/5/1988	2 - 40
OG	Flint, MI	426	1,089	14	—	882	234	426	1,971	248	2,645	1,889	1988	9/5/1988	2 - 35
OG	Sarasota, FL	1,136	725	24	—	1,427	570	1,136	2,152	594	3,882	2,040	1988	10/10/1988	2 - 48
OG	Sterling Heights, MI	855	1,158	32	—	984	403	855	2,142	435	3,432	2,260	1988	10/17/1988	2 - 37
OG	Vernon Hills, IL	750	1,252	17	—	1,289	474	750	2,541	491	3,782	2,372	1988	10/24/1988	2 - 47
OG	Columbus, OH	740	909	38	—	1,057	232	740	1,966	270	2,976	1,808	1988	11/14/1988	2 - 40
OG	North Olmsted, OH	931	1,060	63	—	925	343	931	1,985	406	3,322	1,910	1988	12/5/1988	2 - 40
OG	West Des Moines, IA	—	377	24	1,130	2,047	338	1,130	2,424	362	3,916	2,173	1988	12/12/1988	2 - 36

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		Initial Cost to Company			Cost Capitalized Since Acquisition			Gross Carrying Value (2)							
Restaurant Property (1)	Location	Land	Buildings and Improvements	Equipment	Land	Building and Improvements	Equipment	Land	Building and Improvements	Equipment	Total	Accumulated Depreciation	Construction Date	Acquisition Date	Life on which Depreciation in latest Statement of Income is Computed
OG	Oklahoma City, OK	280	1,043	58	—	1,095	371	280	2,138	429	2,847	1,893	1989	1/16/1989	2 - 42
OG	San Antonio, TX	400	783	17	—	1,458	449	400	2,241	466	3,107	2,126	1989	2/13/1989	2 - 41
OG	York, PA	555	931	31	—	1,048	462	555	1,979	493	3,027	1,992	1989	3/6/1989	2 - 42
OG	Brandon, FL	700	967	24	—	1,566	577	700	2,533	601	3,834	2,269	1989	3/27/1989	2 - 47
OG	Kennesaw, GA	754	824	32	—	1,233	390	754	2,057	422	3,233	1,824	1989	5/1/1989	2 - 47
OG	Plantation, FL	888	982	27	—	1,189	392	888	2,171	419	3,478	1,997	1989	5/8/1989	2 - 42
OG	San Antonio, TX	—	720	1	677	1,330	395	677	2,050	396	3,123	1,906	1989	5/22/1989	2 - 41
OG	Saint Peters, MO	697	930	134	—	1,034	292	697	1,964	426	3,087	1,896	1989	7/3/1989	2 - 35
OG	Corpus Christi, TX	—	713	21	880	1,463	553	880	2,176	574	3,630	2,051	1989	7/3/1989	2 - 36
OG	Houston, TX	616	746	40	—	1,228	492	616	1,974	532	3,122	1,914	1989	7/10/1989	2 - 39
OG	Saginaw, MI	828	813	22	—	787	340	828	1,600	362	2,790	1,661	1989	7/31/1989	2 - 40
OG	Portage, MI	325	1,290	32	—	892	266	325	2,182	298	2,805	2,072	1989	7/31/1989	2 - 35
OG	Beaumont, TX	608	721	33	—	1,163	375	608	1,884	408	2,900	1,814	1989	8/14/1989	2 - 40
OG	Winter Haven, FL	—	832	49	563	1,673	543	563	2,505	592	3,660	2,311	1989	8/14/1989	2 - 47
OG	West Dundee, IL	828	1,167	32	—	964	325	828	2,131	357	3,316	2,035	1989	8/28/1989	2 - 40
OG	Champaign, IL	521	1,158	26	—	1,009	343	521	2,167	369	3,057	2,094	1989	10/30/1989	2 - 35
OG	North Little Rock, AR	—	437	94	766	1,623	293	766	2,060	387	3,213	1,956	1989	10/30/1989	2 - 42
OG	Fort Wayne, IN	700	1,045	23	—	927	320	700	1,972	343	3,015	1,869	1989	12/11/1989	2 - 42
OG	Fargo, ND	313	864	20	—	680	264	313	1,544	284	2,141	1,508	1989	12/11/1989	2 - 40
OG	Southgate, MI	476	1,138	31	—	1,103	242	476	2,241	273	2,990	2,069	1990	1/22/1990	2 - 37
OG	Orlando, FL	787	998	17	—	1,877	431	787	2,875	448	4,110	2,426	1990	1/29/1990	2 - 48
OG	Fayetteville, NC	637	856	56	—	879	461	637	1,735	517	2,889	1,780	1990	2/26/1990	2 - 35
OG	Chesapeake, VA	506	863	44	—	1,046	344	506	1,909	388	2,803	1,897	1990	3/5/1990	2 - 40
OG	Las Vegas, NV	1,085	1,191	47	—	967	310	1,085	2,158	357	3,600	2,114	1990	3/26/1990	2 - 42
OG	Naples, FL	992	677	40	—	1,201	526	992	1,878	566	3,436	1,877	1990	3/26/1990	2 - 40
OG	Maplewood, MN	556	1,009	86	—	1,126	250	556	2,135	336	3,027	2,088	1990	4/16/1990	2 - 40
OG	Jacksonville, FL	—	755	39	905	1,137	487	905	1,892	526	3,323	1,895	1990	4/30/1990	2 - 42
OG	Rochester, NY	1,104	1,113	61	—	1,102	376	1,104	2,215	437	3,756	2,089	1990	5/14/1990	2 - 36
OG	Columbia, MO	602	983	53	—	1,070	327	602	2,053	380	3,035	1,917	1990	6/4/1990	2 - 42
OG	Greenfield, WI	956	802	29	114	1,174	295	1,070	1,976	324	3,370	1,850	1990	8/13/1990	2 - 42
OG	Lynnwood, WA	875	1,132	66	—	855	316	875	1,987	382	3,244	1,886	1990	8/20/1990	2 - 35

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Restaurant Property (1)	Location	Land	Buildings and Improvements	Equipment	Land	Building and Improvements	Equipment	Land	Building and Improvements	Equipment	Total	Accumulated Depreciation	Construction Date	Acquisition Date	Life on which Depreciation in latest Statement of Income is Computed
OG	Victorville, CA	603	985	31	—	888	271	603	1,873	302	2,778	1,689	1990	9/10/1990	2 - 42
OG	Richmond, VA	467	1,363	93	—	966	399	467	2,329	492	3,288	2,264	1990	9/17/1990	2 - 42
OG	Wichita, KS	779	802	80	—	1,022	274	779	1,824	354	2,957	1,763	1990	10/1/1990	2 - 42
OG	Antioch, TN	—	811	61	892	628	241	892	1,439	302	2,633	1,471	1990	10/15/1990	2 - 40
OG	Topeka, KS	701	812	18	—	1,658	381	701	2,470	399	3,570	2,162	1990	10/22/1990	2 - 47
OG	Orange City, FL	551	727	16	—	1,163	479	551	1,890	495	2,936	1,687	1990	10/29/1990	2 - 48
OG	Terre Haute, IN	560	1,128	34	—	872	355	560	2,000	389	2,949	1,917	1990	12/3/1990	2 - 35
OG	Columbia, SC	613	782	35	—	1,055	230	613	1,837	265	2,715	1,678	1990	12/3/1990	2 - 42
OG	Littleton, CO	750	859	79	—	1,324	359	750	2,183	438	3,371	2,076	1991	1/21/1991	2 - 40
OG	Colorado Springs, CO	—	690	87	571	2,173	415	571	2,863	502	3,936	2,715	1991	1/21/1991	2 - 41
OG	Miami, FL	1,059	879	89	—	1,413	549	1,059	2,292	638	3,989	2,244	1991	1/28/1991	2 - 42
OG	Parkersburg, WV	454	1,096	60	—	723	323	454	1,819	383	2,656	1,787	1991	2/11/1991	2 - 42
OG	Clovis, CA	489	796	62	—	787	300	489	1,583	362	2,434	1,623	1991	2/18/1991	2 - 42
OG	Dallas, TX	750	776	36	70	1,001	305	820	1,777	341	2,938	1,657	1991	2/25/1991	2 - 41
OG	Roseville, MN	754	1,106	90	—	784	178	754	1,890	268	2,912	1,742	1991	3/25/1991	2 - 40
OG	Eastpointe, MI	897	1,367	75	—	598	244	897	1,965	319	3,181	1,903	1991	3/25/1991	2 - 40
OG	Aurora, CO	803	1,169	14	—	1,368	343	803	2,537	357	3,697	2,234	1991	4/1/1991	2 - 41
OG	Talleyville, DE	737	1,278	95	—	805	377	737	2,083	472	3,292	2,137	1991	4/22/1991	2 - 40
OG	Boise, ID	627	839	76	—	858	386	627	1,697	462	2,786	1,702	1991	4/29/1991	2 - 42
OG	McAllen, TX	803	857	76	—	1,160	476	803	2,017	552	3,372	1,870	1991	4/29/1991	2 - 42
OG	Houston, TX	723	960	87	—	1,234	498	723	2,194	585	3,502	2,202	1991	5/20/1991	2 - 40
OG	Boardman, OH	675	993	48	—	1,208	329	675	2,201	377	3,253	2,103	1991	8/5/1991	2 - 38
OG	Jacksonville, FL	1,124	863	74	—	1,185	438	1,124	2,048	512	3,684	1,926	1991	8/12/1991	2 - 42
OG	West Melbourne, FL	983	953	22	—	1,390	578	983	2,343	600	3,926	2,125	1991	8/19/1991	2 - 47
OG	Omaha, NE	315	1,230	51	—	1,642	341	315	2,872	392	3,579	2,317	1991	10/28/1991	2 - 42
OG	Columbia, MD	1,283	1,199	92	—	1,020	297	1,283	2,219	389	3,891	2,135	1991	11/4/1991	2 - 42
OG	Houston, TX	627	947	68	—	1,084	435	627	2,031	503	3,161	1,992	1991	11/11/1991	2 - 40
OG	Provo, UT	702	714	128	—	805	284	702	1,519	412	2,633	1,529	1991	11/11/1991	2 - 40
OG	Roanoke, VA	607	714	33	—	783	350	607	1,497	383	2,487	1,450	1991	12/9/1991	2 - 42
OG	Pittsburgh, PA	1,125	1,170	65	—	1,202	279	1,125	2,372	344	3,841	2,083	1991	12/9/1991	2 - 38
OG	Harrisburg, PA	769	837	108	—	1,117	328	769	1,954	436	3,159	1,873	1991	12/9/1991	2 - 35
OG	Pineville, NC	1,018	972	71	—	950	281	1,018	1,922	352	3,292	1,872	1992	1/27/1992	2 - 42
OG	Palm Desert, CA	607	987	100	—	617	185	607	1,604	285	2,496	1,559	1992	1/27/1992	2 - 40
OG	Lafayette, LA	555	751	69	—	997	304	555	1,748	373	2,676	1,688	1992	1/27/1992	2 - 42

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Restaurant Property (1)	Location	Land	Buildings and Improvements	Equipment	Land	Building and Improvements	Equipment	Land	Building and Improvements	Equipment	Total	Accumulated Depreciation	Construction Date	Acquisition Date	Life on which Depreciation in latest Statement of Income is Computed
OG	Woodbridge, VA	1,228	1,071	56	—	1,163	444	1,228	2,234	500	3,962	2,130	1992	2/3/1992	2 - 41
OG	Elkhart, IN	381	724	145	—	683	281	381	1,407	426	2,214	1,513	1992	2/3/1992	2 - 40
OG	San Bernardino, CA	1,393	1,210	83	—	756	301	1,393	1,966	384	3,743	1,920	1992	3/9/1992	2 - 42
OG	Little Rock, AR	335	895	105	—	749	265	335	1,644	370	2,349	1,636	1992	3/9/1992	2 - 40
OG	Cincinnati, OH	842	953	107	—	986	344	842	1,939	451	3,232	1,947	1992	3/16/1992	2 - 38
OG	Myrtle Beach, SC	520	872	51	—	845	386	520	1,717	437	2,674	1,676	1992	3/16/1992	2 - 42
OG	Highlands Ranch, CO	813	980	49	—	1,177	380	813	2,157	429	3,399	1,938	1992	5/11/1992	2 - 41
OG	Novi, MI	866	1,629	31	—	867	296	866	2,496	327	3,689	2,271	1992	5/25/1992	2 - 42
OG	Louisville, KY	492	1,571	76	—	869	254	492	2,440	330	3,262	2,187	1992	6/15/1992	2 - 42
OG	Palmdale, CA	679	1,080	109	—	1,093	315	679	2,173	424	3,276	1,966	1992	8/3/1992	2 - 39
OG	Clarksville, TN	302	771	101	—	443	207	302	1,214	308	1,824	1,225	1992	8/3/1992	2 - 38
OG	Cincinnati, OH	917	939	62	—	1,041	360	917	1,980	422	3,319	1,855	1992	8/17/1992	2 - 38
OG	Greensburg, PA	579	1,272	143	—	1,026	352	579	2,298	495	3,372	1,944	1992	8/31/1992	2 - 40
OG	Sioux Falls, SD	247	1,325	78	—	917	217	247	2,242	295	2,784	1,975	1992	9/7/1992	2 - 40
OG	Roswell, GA	838	897	79	—	764	339	838	1,661	418	2,917	1,678	1992	9/14/1992	2 - 40
OG	Green Bay, WI	453	789	97	—	675	260	453	1,464	357	2,274	1,515	1992	9/14/1992	2 - 40
OG	Harlingen, TX	453	803	107	—	1,013	426	453	1,816	533	2,802	1,605	1992	10/19/1992	2 - 42
OG	Erie, PA	1,078	1,412	91	—	1,129	408	1,078	2,541	499	4,118	2,342	1992	11/2/1992	2 - 42
OG	Chico, CA	984	923	95	—	850	308	984	1,773	403	3,160	1,673	1992	11/9/1992	2 - 40
OG	Las Vegas, NV	1,055	1,005	108	—	849	297	1,055	1,854	405	3,314	1,855	1992	12/14/1992	2 - 42
OG	Laurel, MD	1,241	1,552	121	—	1,403	388	1,241	2,955	509	4,705	2,752	1993	1/25/1993	2 - 42
OG	Racine, WI	608	1,247	140	—	914	198	608	2,161	338	3,107	1,982	1993	2/1/1993	2 - 40
OG	Fort Collins, CO	809	1,105	97	—	1,011	350	809	2,116	447	3,372	2,083	1993	2/8/1993	2 - 41
OG	Longview, TX	505	816	90	—	1,133	290	505	1,949	380	2,834	1,720	1993	2/22/1993	2 - 45
OG	Raleigh, NC	855	877	76	—	855	318	855	1,732	394	2,981	1,743	1993	3/8/1993	2 - 42
OG	Yakima, WA	—	1,296	124	409	568	294	409	1,864	418	2,691	1,966	1993	3/22/1993	2 - 40
OG	Lafayette, IN	455	875	98	—	635	221	455	1,510	319	2,284	1,541	1993	3/22/1993	2 - 40
OG	Arlington, TX	782	766	70	—	795	441	782	1,561	511	2,854	1,627	1993	3/29/1993	2 - 44
OG	Mesa, AZ	551	888	97	—	803	274	551	1,691	371	2,613	1,605	1993	4/12/1993	2 - 40
OG	Dover, DE	614	1,055	127	—	656	279	614	1,711	406	2,731	1,650	1993	4/19/1993	2 - 38
OG	Addison, TX	1,221	1,746	79	—	1,032	374	1,221	2,778	453	4,452	2,582	1993	4/26/1993	2 - 41
OG	Appleton, WI	424	956	117	—	646	216	424	1,602	333	2,359	1,543	1993	5/17/1993	2 - 40
OG	Duncanville, TX	835	1,057	91	—	945	370	835	2,002	461	3,298	1,862	1993	6/28/1993	2 - 40

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Restaurant Property (1)	Location	Land	Buildings and Improvements	Equipment	Land	Building and Improvements	Equipment	Land	Building and Improvements	Equipment	Total	Accumulated Depreciation	Construction Date	Acquisition Date	Life on which Depreciation in latest Statement of Income is Computed
OG	Kenner, LA	695	969	86	—	1,112	361	695	2,081	447	3,223	2,036	1993	7/5/1993	2 - 40
OG	Texas City, TX	732	1,093	97	—	871	319	732	1,964	416	3,112	1,838	1993	7/19/1993	2 - 44
OG	Muncie, IN	454	1,003	92	—	1,065	296	454	2,068	388	2,910	1,576	1993	8/23/1993	2 - 49
OG	Panama City, FL	465	957	84	—	1,082	400	465	2,039	484	2,988	1,786	1993	10/11/1993	2 - 42
OG	Billings, MT	479	1,107	89	—	775	301	479	1,882	390	2,751	1,763	1993	10/18/1993	2 - 42
OG	Whitehall, PA	936	1,291	90	—	1,025	331	936	2,316	421	3,673	2,174	1993	11/8/1993	2 - 36
OG	Paducah, KY	452	1,083	82	—	700	288	452	1,783	370	2,605	1,666	1993	11/8/1993	2 - 40
OG	Rochester, NY	974	1,108	101	—	824	243	974	1,932	344	3,250	1,659	1993	11/15/1993	2 - 42
OG	Poughkeepsie, NY	873	1,613	108	—	823	174	873	2,436	282	3,591	2,000	1993	11/29/1993	2 - 40
OG	Bangor, ME	357	1,120	96	—	1,027	282	357	2,147	378	2,882	1,888	1993	12/13/1993	2 - 42
OG	Dearborn, MI	542	1,219	59	—	713	242	542	1,932	301	2,775	1,746	1994	1/10/1994	2 - 40
OG	Newington, NH	915	1,051	103	—	803	355	915	1,854	458	3,227	1,782	1994	1/17/1994	2 - 42
OG	Tyler, TX	485	1,041	92	—	1,279	340	485	2,320	432	3,237	2,003	1994	1/17/1994	2 - 47
OG	Grand Rapids, MI	804	866	87	—	637	257	804	1,503	344	2,651	1,493	1994	1/24/1994	2 - 40
OG	Peoria, IL	668	1,204	81	—	914	323	668	2,118	404	3,190	1,888	1994	2/14/1994	2 - 42
OG	Concord, NH	469	1,284	115	—	594	194	469	1,878	309	2,656	1,661	1994	2/14/1994	2 - 38
OG	Janesville, WI	370	1,069	86	—	712	287	370	1,781	373	2,524	1,582	1994	3/7/1994	2 - 40
OG	Las Vegas, NV	879	1,344	95	—	596	317	879	1,940	412	3,231	1,801	1994	3/7/1994	2 - 40
OG	Middletown, OH	424	1,044	95	—	863	318	424	1,907	413	2,744	1,817	1994	3/7/1994	2 - 42
OG	Branson, MO	1,056	1,893	69	—	785	295	1,056	2,678	364	4,098	2,303	1994	5/16/1994	2 - 40
OG	Coon Rapids, MN	514	1,248	67	—	588	245	514	1,836	312	2,662	1,686	1994	9/26/1994	2 - 40
OG	Dallas, TX	764	1,212	55	—	811	281	764	2,023	336	3,123	1,871	1994	10/10/1994	2 - 44
OG	Asheville, NC	2,651	1,198	94	—	655	292	2,651	1,853	386	4,890	1,747	1994	10/31/1994	2 - 40
OG	Cedar Rapids, IA	510	1,148	105	—	608	311	510	1,756	416	2,682	1,669	1994	12/5/1994	2 - 40
OG	Amherst, NY	1,215	1,394	88	—	891	307	1,215	2,285	395	3,895	2,036	1994	12/12/1994	2 - 38
OG	Joplin, MO	654	1,219	102	—	662	323	654	1,881	425	2,960	1,763	1995	1/9/1995	2 - 40
OG	Eau Claire, WI	600	1,193	110	—	538	268	600	1,731	378	2,709	1,643	1995	1/23/1995	2 - 40
OG	Middletown, NY	807	1,581	97	—	592	345	807	2,173	442	3,422	1,974	1995	1/30/1995	2 - 40
OG	Fairborn, OH	804	1,290	82	—	681	221	804	1,971	303	3,078	1,760	1995	2/20/1995	2 - 40
OG	VooRDIees, NJ	804	1,696	101	—	600	303	804	2,296	404	3,504	2,053	1995	2/20/1995	2 - 38
OG	Henderson, NV	1,109	1,289	74	—	826	383	1,109	2,115	457	3,681	2,001	1995	2/20/1995	2 - 42
OG	Barboursville, WV	1,139	1,062	84	—	731	203	1,139	1,793	287	3,219	1,552	1995	2/27/1995	2 - 40
OG	Norman, OK	596	1,246	96	—	449	172	596	1,695	268	2,559	1,516	1995	3/7/1995	2 - 38
OG	Hampton, VA	1,074	1,061	86	—	674	225	1,074	1,735	311	3,120	1,573	1995	3/13/1995	2 - 40

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Restaurant Property (1)	Location	Land	Buildings and Improvements	Equipment	Land	Building and Improvements	Equipment	Land	Building and Improvements	Equipment	Total	Accumulated Depreciation	Construction Date	Acquisition Date	Life on which Depreciation in latest Statement of Income is Computed
OG	Jackson, MI	699	1,156	73	—	764	320	699	1,920	393	3,012	1,675	1995	3/20/1995	2 - 42
OG	Clay, NY	782	1,705	98	—	866	356	782	2,571	454	3,807	2,135	1995	4/24/1995	2 - 42
OG	Onalaska, WI	603	1,283	102	—	339	197	603	1,622	299	2,524	1,503	1995	4/24/1995	2 - 38
OG	Grapevine, TX	752	1,026	99	—	793	404	752	1,819	503	3,074	1,827	1995	5/8/1995	2 - 40
OG	Tempe, AZ	703	1,131	75	—	746	353	703	1,877	428	3,008	1,842	1995	5/15/1995	2 - 40
OG	Waldorf, MD	779	1,152	81	—	1,258	357	779	2,410	438	3,627	2,196	1995	5/22/1995	2 - 42
OG	Heath, OH	599	1,353	65	—	971	331	599	2,324	396	3,319	1,975	1995	5/22/1995	2 - 46
OG	Waterloo, IA	466	891	79	—	873	331	466	1,764	410	2,640	1,560	1995	5/22/1995	2 - 42
OG	Peoria, AZ	551	1,294	81	—	623	242	551	1,917	323	2,791	1,717	1995	5/22/1995	2 - 38
OG	Spring, TX	780	1,329	80	—	1,289	327	780	2,618	407	3,805	2,206	1995	9/11/1995	2 - 40
OG	Midland, TX	400	1,340	88	—	566	314	400	1,906	402	2,708	1,721	1995	10/16/1995	2 - 40
OG	Colonie, NY	966	1,862	57	—	984	273	966	2,846	330	4,142	2,236	1995	11/27/1995	2 - 42
OG	Fort Smith, AR	527	893	113	—	427	187	527	1,320	300	2,147	1,187	1996	2/19/1996	2 - 38
OG	Jackson, MS	641	1,195	110	—	846	268	641	2,041	378	3,060	1,798	1996	3/25/1996	2 - 42
OG	Lancaster, OH	372	846	115	—	603	284	372	1,449	399	2,220	1,355	1996	5/6/1996	2 - 40
OG	Lima, OH	471	930	67	—	387	282	471	1,317	349	2,137	1,252	1996	5/20/1996	2 - 38
OG	Dubuque, IA	518	1,103	76	—	391	221	518	1,494	297	2,309	1,160	1996	5/20/1996	2 - 38
OG	Zanesville, OH	707	1,065	25	—	673	323	707	1,738	348	2,793	1,480	1996	8/5/1996	2 - 40
OG	Williamsburg, VA	673	1,268	31	—	743	202	673	2,011	233	2,917	1,600	1996	8/19/1996	2 - 40
OG	Frederick, MD	638	1,276	79	—	787	344	638	2,063	423	3,124	1,734	1996	10/21/1996	2 - 40
OG	Hyannis, MA	664	2,097	90	—	665	175	664	2,762	265	3,691	2,241	1997	11/17/1997	2 - 35
OG	Westminster, MD	595	1,741	124	—	452	204	595	2,193	328	3,116	1,704	1998	4/20/1998	2 - 38
OG	Wyomissing, PA	963	1,926	109	—	498	206	963	2,424	315	3,702	1,941	1998	5/11/1998	2 - 38
OG	Eugene, OR	761	1,486	91	—	356	200	761	1,842	291	2,894	1,582	1998	5/11/1998	2 - 38
OG	Savannah, GA	952	1,781	189	—	660	147	952	2,441	336	3,729	1,847	2000	4/10/2000	2 - 35
OG	Douglasville, GA	1,189	1,978	144	—	406	248	1,189	2,384	392	3,965	1,907	2000	5/1/2000	2 - 35
OG	Mentor, OH	—	1,955	138	1,474	288	241	1,474	2,243	379	4,096	1,791	2000	5/22/2000	2 - 35
OG	Buford, GA	1,493	1,688	179	—	542	203	1,493	2,230	382	4,105	1,741	2000	5/22/2000	2 - 35
OG	Maple Grove, MN	807	1,924	176	—	227	124	807	2,151	300	3,258	1,630	2000	5/22/2000	2 - 35

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OG	Coeur D'Alene, ID	681	1,661	131	—	278	305	681	1,939	436	3,056	1,522	2001	1/29/2001	2 - 36
OG	Olathe, KS	796	2,121	109	—	489	256	796	2,610	365	3,771	1,925	2001	3/12/2001	2 - 36
OG	Kennewick, WA	763	1,980	149	—	259	158	763	2,239	307	3,309	1,672	2001	5/14/2001	2 - 36
OG	Frisco, TX	1,029	2,038	139	—	279	218	1,029	2,317	357	3,703	1,820	2001	6/25/2001	2 - 36
OG	Bolingbrook, IL	1,006	2,424	147	—	253	129	1,006	2,677	276	3,959	1,914	2001	7/23/2001	2 - 36
OG	Muskegon, MI	691	1,704	168	—	108	41	691	1,812	209	2,712	1,310	2001	10/8/2001	2 - 36
OG	Memphis, TN	1,142	1,790	100	—	246	171	1,142	2,036	271	3,449	1,466	2001	10/8/2001	2 - 36
OG	Round Rock, TX	953	2,090	149	—	335	153	953	2,425	302	3,680	1,640	2002	3/25/2002	2 - 37
OG	Killeen, TX	806	1,705	187	—	322	118	806	2,027	305	3,138	1,551	2002	8/5/2002	2 - 37
OG	Austin, TX	1,239	2,295	154	—	168	96	1,239	2,463	250	3,952	1,702	2002	9/3/2002	2 - 37
OG	Omaha, NE	1,202	1,778	120	—	217	147	1,202	1,995	267	3,464	1,418	2002	10/7/2002	2 - 37
OG	Bloomington, IN	947	1,747	150	—	419	94	947	2,166	244	3,357	1,479	2002	11/18/2002	2 - 37
OG	Lithonia, GA	1,403	1,872	174	—	306	122	1,403	2,178	296	3,877	1,496	2002	11/18/2002	2 - 37
OG	Fayetteville, AR	849	1,845	160	—	138	79	849	1,983	239	3,071	1,388	2002	12/11/2002	2 - 37
OG	Rochester, MN	829	1,889	192	—	146	140	829	2,035	332	3,196	1,466	2002	12/16/2002	2 - 37
OG	Los Angeles, CA	1,701	2,558	202	—	170	70	1,701	2,728	272	4,701	1,794	2003	3/24/2003	2 - 38
OG	Dayton, OH	677	1,675	172	—	210	72	677	1,885	244	2,806	1,288	2003	5/1/2003	2 - 38
OG	Newport News, VA	796	1,989	172	—	88	63	796	2,077	235	3,108	1,413	2003	5/5/2003	2 - 38
OG	Albuquerque, NM	771	1,716	179	—	131	104	771	1,847	283	2,901	1,280	2003	5/19/2003	2 - 38
OG	Denton, TX	869	1,946	177	—	182	94	869	2,128	271	3,268	1,512	2003	6/9/2003	2 - 38
OG	Duluth, MN	886	2,043	173	—	123	58	886	2,166	231	3,283	1,429	2003	11/10/2003	2 - 38
OG	Fort Gratiot, MI	604	2,246	186	—	132	57	604	2,378	243	3,225	1,535	2003	11/17/2003	2 - 38
OG	Lynchburg, VA	771	2,304	125	—	103	54	771	2,407	179	3,357	1,466	2004	2/16/2004	2 - 39
OG	Visalia, CA	1,151	1,830	151	—	133	46	1,151	1,963	197	3,311	1,221	2004	3/15/2004	2 - 39
OG	Anderson, SC	903	1,841	133	226	181	111	1,129	2,022	244	3,395	1,368	2004	3/29/2004	2 - 39
OG	Lake Charles, LA	806	2,070	161	—	174	87	806	2,244	248	3,298	1,495	2004	4/5/2004	2 - 39
OG	Tucson, AZ	1,019	2,073	104	—	121	135	1,019	2,194	239	3,452	1,371	2004	9/20/2004	2 - 39
OG	College Station, TX	581	2,236	173	—	42	44	581	2,278	217	3,076	1,454	2005	1/24/2005	2 - 40
OG	Tupelo, MS	823	2,102	193	—	127	82	823	2,229	275	3,327	1,445	2005	1/31/2005	2 - 40
OG	Jackson, TN	874	1,964	151	—	175	36	874	2,139	187	3,200	1,310	2005	2/7/2005	2 - 40
OG	Houma, LA	736	2,190	150	—	185	148	736	2,375	298	3,409	1,516	2005	2/14/2005	2 - 40
OG	Oklahoma City, OK	925	2,053	158	—	128	43	925	2,181	201	3,307	1,369	2005	3/14/2005	2 - 40
OG	Columbia, SC	1,119	2,175	161	—	110	85	1,119	2,285	246	3,650	1,411	2005	4/5/2005	2 - 40
OG	Newnan, GA	829	2,239	157	—	152	55	829	2,391	212	3,432	1,429	2005	5/23/2005	2 - 40

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(Dollars in thousands)

		Initial Cost to Company			Cost Capitalized Since Acquisition			Gross Carrying Value (2)							
Restaurant Property (1)	Location	Land	Buildings and Improvements	Equipment	Land	Building and Improvements	Equipment	Land	Building and Improvements	Equipment	Total	Accumulated Depreciation	Construction Date	Acquisition Date	Life on which Depreciation in latest Statement of Income is Computed
OG	Owensboro, KY	762	2,134	173	—	70	57	762	2,204	230	3,196	1,435	2005	5/23/2005	2 - 40
OG	San Antonio, TX	932	2,582	191	—	190	103	932	2,772	294	3,998	1,655	2005	6/27/2005	2 - 40
OG	Mesa, AZ	598	1,844	132	—	110	129	598	1,954	261	2,813	1,229	2005	10/3/2005	2 - 40
OG	Garland, TX	903	2,271	156	—	115	94	903	2,386	250	3,539	1,486	2005	10/31/2005	2 - 40
OG	Southaven, MS	1,048	2,209	158	—	117	50	1,048	2,326	208	3,582	1,347	2005	11/21/2005	2 - 40
OG	Yuma, AZ	842	2,037	160	—	62	87	842	2,099	247	3,188	1,245	2005	12/5/2005	2 - 40
OG	Oakdale, MN	956	2,355	185	—	30	35	956	2,385	220	3,561	1,408	2005	12/5/2005	2 - 40
OG	Tarentum, PA	1,119	2,482	148	—	179	47	1,119	2,661	195	3,975	1,455	2006	2/20/2006	2 - 41
OG	Texarkana, TX	871	2,279	151	—	90	87	871	2,369	238	3,478	1,414	2006	3/27/2006	2 - 41
OG	Florence, SC	—	1,817	169	1,503	119	84	1,503	1,936	253	3,692	1,191	2006	8/21/2006	2 - 41
OG	Dothan, AL	850	2,242	131	—	62	92	850	2,304	223	3,377	1,301	2006	8/28/2006	2 - 41
OG	San Angelo, TX	360	2,020	157	—	74	104	360	2,094	261	2,715	1,277	2006	9/11/2006	2 - 41
OG	New Braunfels, TX	1,049	2,162	147	—	32	83	1,049	2,194	230	3,473	1,244	2006	9/25/2006	2 - 41
OG	Grove City, OH	1,200	2,271	140	—	63	55	1,200	2,334	195	3,729	1,299	2006	9/25/2006	2 - 41
OG	Hot Springs, AR	797	2,415	186	—	84	73	797	2,499	259	3,555	1,361	2006	10/23/2006	2 - 41
OG	West Wichita, KS	1,227	1,801	154	—	84	86	1,227	1,885	240	3,352	1,056	2006	11/6/2006	2 - 41
OG	Opelika, AL	878	2,255	154	—	54	43	878	2,309	197	3,384	1,273	2006	11/13/2006	2 - 41
OG	Sioux City, IA	1,304	2,114	137	—	89	99	1,304	2,203	236	3,743	1,247	2006	12/11/2006	2 - 41
OG	Victoria, TX	782	2,327	240	—	39	30	782	2,366	270	3,418	1,388	2007	1/15/2007	2 - 42
OG	Pueblo, CO	770	2,330	212	—	51	76	770	2,381	288	3,439	1,385	2007	2/5/2007	2 - 42
OG	Phoenix, AZ	753	2,153	246	—	97	72	753	2,250	318	3,321	1,336	2007	4/23/2007	2 - 42
OG	Detroit, MI	1,400	2,956	234	—	81	87	1,400	3,037	321	4,758	1,555	2007	5/21/2007	2 - 42
OG	Mount Juliet, TN	873	2,294	212	—	76	47	873	2,370	259	3,502	1,312	2007	10/22/2007	2 - 42
OG	Jacksonville, NC	1,174	2,287	239	—	32	81	1,174	2,319	320	3,813	1,338	2007	11/19/2007	2 - 42
OG	Columbus, OH	995	2,286	184	—	61	27	995	2,347	211	3,553	1,216	2007	12/17/2007	2 - 42
OG	Triadelphia, WV	970	2,342	225	—	58	76	970	2,400	301	3,671	1,347	2007	12/17/2007	2 - 42
OG	Reynoldsburg, OH	1,208	2,183	242	—	48	37	1,208	2,231	279	3,718	1,218	2008	4/21/2008	2 - 43
OG	Cincinnati, OH	1,072	2,170	236	—	57	43	1,072	2,227	279	3,578	1,243	2008	4/28/2008	2 - 43
OG	Florence, KY	1,007	2,099	155	—	52	88	1,007	2,151	243	3,401	1,191	2008	8/4/2008	2 - 43
OG	Bismarck, ND	1,156	2,319	263	—	31	38	1,156	2,350	301	3,807	1,257	2008	11/24/2008	2 - 43
OG	Spring Hill, TN	1,295	2,269	228	—	29	45	1,295	2,298	273	3,866	1,143	2009	2/16/2009	2 - 44
OG	San Antonio, TX	1,359	2,492	230	—	23	33	1,359	2,515	263	4,137	1,189	2009	3/30/2009	2 - 44
OG	Broken Arrow, OK	1,461	2,261	231	—	73	57	1,461	2,334	288	4,083	1,138	2009	5/25/2009	2 - 44
OG	Michigan City, IN	762	2,646	238	—	17	39	762	2,663	277	3,702	1,261	2009	7/13/2009	2 - 44

FOUR CORNERS PROPERTY TRUST, INC.
SCHEDULE III
SCHEDULE OF REAL ESTATE ASSETS AND ACCUMULATED DEPRECIATION
DECEMBER 31, 2019
(Dollars in thousands)

		Initial Cost to Company			Cost Capitalized Since Acquisition			Gross Carrying Value (2)							
Restaurant Property (1)	Location	Land	Buildings and Improvements	Equipment	Land	Building and Improvements	Equipment	Land	Building and Improvements	Equipment	Total	Accumulated Depreciation	Construction Date	Acquisition Date	Life on which Depreciation in latest Statement of Income is Computed
OG	Bossier City, LA	1,006	2,405	264	—	51	32	1,006	2,456	296	3,758	1,167	2009	7/27/2009	2 - 44
OG	Richmond, KY	1,054	1,974	236	—	14	32	1,054	1,988	268	3,310	990	2009	9/14/2009	2 - 44
OG	Jacksonville, FL	1,006	2,001	263	—	21	30	1,006	2,022	293	3,321	1,010	2009	10/5/2009	2 - 44
OG	Manhattan, KS	791	2,253	237	—	33	69	791	2,286	306	3,383	1,082	2010	4/26/2010	2 - 45
OG	Kingsport, TN	1,071	1,840	282	—	11	22	1,071	1,851	304	3,226	872	2010	5/3/2010	2 - 45
OG	Las Cruces, NM	839	2,201	297	—	15	34	839	2,216	331	3,386	1,040	2010	5/10/2010	2 - 45
OG	Morehead City, NC	853	1,864	315	—	62	23	853	1,926	338	3,117	950	2010	7/19/2010	2 - 45
OG	Pleasant Prairie, WI	1,101	2,134	303	—	36	—	1,101	2,170	303	3,574	977	2010	9/27/2010	2 - 45
OG	Wilson, NC	528	1,948	268	—	24	29	528	1,972	297	2,797	929	2010	10/11/2010	2 - 45
OG	Council Bluffs, IA	955	2,051	254	—	4	32	955	2,055	286	3,296	923	2010	10/25/2010	2 - 45
OG	Louisville, KY	—	2,072	266	904	12	38	904	2,084	304	3,292	985	2010	11/1/2010	2 - 45
OG	Ankeny, IA	704	2,218	248	—	9	17	704	2,227	265	3,196	934	2011	1/10/2011	2 - 46
OG	Queen Creek, AZ	875	2,377	307	—	30	(1)	875	2,407	306	3,588	938	2011	1/10/2011	2 - 46
OG	Gainesville, GA	985	1,915	274	—	—	5	985	1,915	279	3,179	802	2011	6/20/2011	2 - 46
OG	Niagara Falls, NY	1,057	2,187	327	—	38	15	1,057	2,225	342	3,624	927	2011	9/19/2011	2 - 46
OG	Cleveland, TN	962	1,941	324	—	14	6	962	1,955	330	3,247	839	2011	11/28/2011	2 - 46
OG	Chicago, IL	942	2,626	337	—	(484)	—	942	2,142	337	3,421	933	2012	3/26/2012	2 - 47
OG	Katy, TX	1,602	2,170	285	—	—	5	1,602	2,170	290	4,062	825	2012	4/9/2012	2 - 47
OG	Beckley, WV	1,013	2,105	314	—	25	1	1,013	2,130	315	3,458	754	2012	10/1/2012	2 - 47
OG	Columbus, OH	954	2,236	324	—	4	—	954	2,240	324	3,518	714	2013	3/18/2013	2 - 48
OG	Oklahoma City, OK	1,204	2,370	403	—	(221)	—	1,204	2,149	403	3,756	761	2013	4/29/2013	2 - 48
OG	Utica, NY	908	2,728	362	—	(470)	—	908	2,258	362	3,528	745	2013	8/12/2013	2 - 48
OG	Bloomingdale, IL	1,601	—	—	—	—	—	1,601	—	—	1,601	—	1986	1/12/2018	—
OG	El Paso, TX	1,833	—	—	—	—	—	1,833	—	—	1,833	—	1990	6/29/2018	—
OG	Manchester, CT	1,669	—	—	—	—	—	1,669	—	—	1,669	—	1993	7/27/2018	—
OG	Tracy, CA	1,313	—	—	—	—	—	1,313	—	—	1,313	—	2003	11/20/2018	—
OG	Grand Junction, CO	1,480	—	—	—	—	—	1,480	—	—	1,480	—	2002	1/18/2019	—
OG	Logan, UT	1,505	—	—	—	—	—	1,505	—	—	1,505	—	2003	5/1/2019	—
OG	Watertown, NY	1,722	—	—	—	—	—	1,722	—	—	1,722	—	2010	12/6/2019	—
OG	Coralville, IA	1,811	—	—	—	—	—	1,811	—	—	1,811	—	2001	12/26/2019	—

FOUR CORNERS PROPERTY TRUST, INC.
SCHEDULE III
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DECEMBER 31, 2019
(Dollars in thousands)

		Initial Cost to Company			Cost Capitalized Since Acquisition			Gross Carrying Value (2)							
Restaurant Property (1)	Location	Land	Buildings and Improvements	Equipment	Land	Building and Improvements	Equipment	Land	Building and Improvements	Equipment	Total	Accumulated Depreciation	Construction Date	Acquisition Date	Life on which Depreciation in latest Statement of Income is Computed
OS	Grand Junction, CO	947	—	—	—	—	—	947	—	—	947	—	1999	1/18/2019	—
OS	Sante Fe, NM	1,074	2,914	—	—	—	—	1,074	2,914	—	3,988	53	2018	1/23/2019	14 - 54
OS	Mentor, OH	1,576	—	—	—	—	—	1,576	—	—	1,576	—	2018	9/27/2019	—
OS	Camp Hill, PA	1,288	—	—	—	—	—	1,288	—	—	1,288	—	2020	12/30/2019	—
OSG/SS/JJ	San Antonio, TX	6,941	4,049	—	—	—	—	6,941	4,049	—	10,990	—	1970	12/24/2019	14 - 54
PB	Beavercreek, OH	851	—	—	—	—	—	851	—	—	851	—	2000	6/29/2018	—
PB	Carpentersville, IL	326	514	—	—	—	—	326	514	—	840	28	1992	11/20/2018	5 - 30
PB	Carbondale, IL	534	1,633	—	—	—	—	534	1,633	—	2,167	31	2004	5/31/2019	10 - 40
PE	Cedar Rapids, IA	1,252	—	—	—	—	—	1,252	—	—	1,252	—	2016	1/12/2018	—
PH	Joliet, IL	173	890	—	—	—	—	173	890	—	1,063	75	1970	7/18/2016	5 - 45
PH	Morris, IL	248	533	—	—	—	—	248	533	—	781	72	1972	7/18/2016	5 - 40
PH	Yorkville, IL	200	581	—	—	—	—	200	581	—	781	72	1976	7/18/2016	5 - 40
PH	Lowell, IN	258	611	—	—	—	—	258	611	—	869	80	1978	7/18/2016	5 - 40
PH	Schereville, IN	243	942	—	—	—	—	243	942	—	1,185	100	1975	7/18/2016	5 - 40
PH	Portage, IN	330	1,016	—	—	—	—	330	1,016	—	1,346	117	2002	7/18/2016	5 - 40
PLK	Kingsport, TN	496	1,221	—	—	—	—	496	1,221	—	1,717	51	2013	4/30/2018	11 - 51
PLK	Morristown, TN	552	1,167	—	—	—	—	552	1,167	—	1,719	53	2014	6/15/2018	11 - 51
PLK/USC/GC	Moline, IL	1,298	1,396	—	—	—	—	1,298	1,396	—	2,694	3	2017	12/10/2019	14 - 54
PNCB	Beavercreek, OH	1,537	—	—	—	—	—	1,537	—	—	1,537	—	1994	10/18/2019	—
PNCB	Muskegon, MI	1,373	—	—	—	—	—	1,373	—	—	1,373	—	1970	12/5/2019	—
PTO	Ft. Wayne, IN	3,829	—	—	—	—	—	3,829	—	—	3,829	—	2019	12/24/2019	—
RDI	Greenwood, IN	653	—	—	—	—	—	653	—	—	653	—	1989	10/31/2018	—
RL	Canton, GA	761	2,323	—	—	—	—	761	2,323	—	3,084	130	1999	11/2/2017	10 - 50
RL	Grandville, MI	1,119	2,462	—	—	—	—	1,119	2,462	—	3,581	154	2001	11/2/2017	10 - 50
RL	Cincinnati, OH	1,394	2,348	—	—	—	—	1,394	2,348	—	3,742	151	1975	11/2/2017	10 - 45
RL	Toledo, OH	1,355	2,514	—	—	—	—	1,355	2,514	—	3,869	159	1974	11/2/2017	10 - 45
RL	Erie, PA	978	2,948	—	—	—	—	978	2,948	—	3,926	180	1987	11/2/2017	10 - 45
RL	Cedar Rapids, IA	654	—	—	—	—	—	654	—	—	654	—	1997	1/12/2018	—
RL	Uniontown, PA	1,682	—	—	—	—	—	1,682	—	—	1,682	—	1992	5/29/2018	—
RL	Louisville, KY	1,188	2,087	—	—	—	—	1,188	2,087	—	3,275	67	1991	12/17/2018	5 - 40
RL	Grand Forks, ND	1,357	2,435	—	—	—	—	1,357	2,435	—	3,792	74	1992	12/17/2018	10 - 45
RL	Talleyville, DE	1,222	3,402	—	—	—	—	1,222	3,402	—	4,624	94	1991	12/17/2018	10 - 45
RL	Southaven, MS	1,967	2,521	—	—	—	—	1,967	2,521	—	4,488	75	2005	12/17/2018	10 - 50

FOUR CORNERS PROPERTY TRUST, INC.
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DECEMBER 31, 2019
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		Initial Cost to Company			Cost Capitalized Since Acquisition			Gross Carrying Value (2)							
Restaurant Property (1)	Location	Land	Buildings and Improvements	Equipment	Land	Building and Improvements	Equipment	Land	Building and Improvements	Equipment	Total	Accumulated Depreciation	Construction Date	Acquisition Date	Life on which Depreciation in latest Statement of Income is Computed
RL	St. Cloud, MN	1,490	3,665	—	—	—	—	1,490	3,665	—	5,155	95	1990	12/17/2018	10 - 45
RL	Columbus, IN	1,220	1,575	—	—	—	—	1,220	1,575	—	2,795	55	1991	12/17/2018	5 -40
RL	Grand Junction, CO	751	—	—	—	—	—	751	—	—	751	—	1993	1/18/2019	—
RL	Louisville, KY	764	1,420	—	—	—	—	764	1,420	—	2,184	37	1991	6/6/2019	10 - 30
RL	Grand Forks, ND	1,970	2,203	—	—	—	—	1,970	2,203	—	4,174	57	1992	6/6/2019	10 - 30
RL	Talleyville, DE	1,337	1,418	—	—	—	—	1,337	1,418	—	2,755	41	1991	6/6/2019	10 - 30
RL	Southaven, MS	936	2,119	—	—	—	—	936	2,119	—	3,055	34	2005	6/6/2019	5 - 40
RL	St. Cloud, MN	1,813	2,675	—	—	—	—	1,813	2,675	—	4,488	48	1990	6/6/2019	5 - 45
RL	Sioux City, IA	806	—	—	—	—	—	806	—	—	806	—	1990	6/28/2019	—
RL	Coralville, IA	2,078	—	—	—	—	—	2,078	—	—	2,078	—	2001	12/26/2019	—
S52	Naples, FL	2,912	3,619	447	—	7	37	2,912	3,626	484	7,022	1,448	2011	10/10/2011	2 - 46
S52	Jacksonville, FL	2,216	2,729	416	—	6	3	2,216	2,735	419	5,370	1,148	2011	10/24/2011	2 - 46
SDI	Tracy, CA	979	—	—	—	—	—	979	—	—	979	—	2004	11/20/2018	—
SNS	Peru, IL	560	813	—	—	—	—	560	813	—	1,373	108	1996	11/9/2016	5 - 40
SNS	Vero Beach, FL	435	930	—	—	—	—	435	930	—	1,365	105	1998	11/9/2016	10 - 40
SNS	Indianapolis, IN	571	1,050	—	—	—	—	571	1,050	—	1,621	105	1989	1/12/2017	10 -40
SNS	Carmel, IN	887	—	—	—	—	—	887	—	—	887	—	1992	12/30/2019	—
STB	Beavercreek, OH	582	710	—	—	—	—	582	710	—	1,292	50	2014	1/12/2018	11 - 51
STB	Orland Park (Chicago), IL	954	847	—	—	—	—	954	847	—	1,801	55	1993	6/29/2018	5 - 30
STB	Hagerstown, MD	755	1,620	—	—	—	—	755	1,620	—	2,375	55	2014	10/11/2018	11 - 51
STB	Decatur, AL	473	627	—	—	—	—	473	627	—	1,100	18	2007	10/30/2018	25 - 45
STB/VZW/ATI	Huntington, IN	1,927	1,158	—	—	—	—	1,927	1,158	—	3,085	2	2019	11/28/2019	14 - 54
TB	Newburgh, IN	139	1,069	—	—	—	—	139	1,069	—	1,208	80	1994	11/15/2016	14 - 53
TB	Anniston, AL	200	611	—	—	—	—	200	611	—	811	57	2000	1/12/2017	8 - 48
TB	Columbia, SC	1,161	1,086	—	—	—	—	1,161	1,086	—	2,247	110	2009	1/13/2017	12 - 50
TB	Gas City, IN	503	951	—	—	—	—	503	951	—	1,454	83	1999	7/26/2017	5 - 40
TB	Logansport, IN	447	1,261	—	—	—	—	447	1,261	—	1,708	82	1990	7/26/2017	10 - 50
TB	Manchester, CT	1,393	—	—	—	—	—	1,393	—	—	1,393	—	2013	7/27/2018	—
TB	Greenwood, IN	540	—	—	—	—	—	540	—	—	540	—	2007	10/31/2018	—
TB	Grand Junction, CO	886	—	—	—	—	—	886	—	—	886	—	1996	1/18/2019	—
TB	Clovis. NM	307	—	—	—	—	—	307	—	—	307	—	1995	11/21/2019	—
TB	Southaven, MS	935	—	—	—	—	—	935	—	—	935	—	2006	12/20/2019	—
TR	Fort Gratiot, MI	1,248	—	—	—	—	—	1,248	—	—	1,248	—	2007	11/20/2018	—

FOUR CORNERS PROPERTY TRUST, INC.
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		Initial Cost to Company			Cost Capitalized Since Acquisition			Gross Carrying Value (2)							
Restaurant Property (1)	Location	Land	Buildings and Improvements	Equipment	Land	Building and Improvements	Equipment	Land	Building and Improvements	Equipment	Total	Accumulated Depreciation	Construction Date	Acquisition Date	Life on which Depreciation in latest Statement of Income is Computed
TR	Sierra Vista, AZ	1,305	—	—	—	—	—	1,305	—	—	1,305	—	2007	11/20/2018	—
TR	Logan, UT	1,272	—	—	—	—	—	1,272	—	—	1,272	—	2009	5/1/2019	—
TR	La Crosse, WI	1,352	—	—	—	—	—	1,352	—	—	1,352	—	2012	7/25/2019	—
TR	Florence, SC	1,860	—	—	—	—	—	1,860	—	—	1,860	—	2019	12/30/2019	—
WC	Carmel, IN	625	—	—	—	—	—	625	—	—	625	—	1992	12/30/2019	—
WEN	Odessa, TX	822	1,327	—	—	—	—	822	1,327	—	2,149	147	1995	8/2/2016	10 - 45
WEN	Wheat Ridge, CO	453	467	—	—	—	—	453	467	—	920	69	1978	11/9/2016	5 - 40
WEN	Warren, MI	323	946	—	—	—	—	323	946	—	1,269	98	2003	11/9/2016	10 - 40
WEN	Grand Junction, CO	1,113	—	—	—	—	—	1,113	—	—	1,113	—	1994	1/18/2019	—
WEN	Clayton, OH	814	1,097	—	—	—	—	814	1,097	—	1,911	23	2004	6/26/2019	5 - 40
WEN	Warwick, RI	1,343	—	—	—	—	—	1,343	—	—	1,343	—	1999	12/24/2019	—
WFG	San Antonio, TX	—	—	8	2,790	2,069	69	2,790	2,069	77	4,936	523	2008	11/14/2011	2 - 43
ZAX	Snellville, GA	859	1,168	—	—	—	—	859	1,168	—	2,027	110	2003	11/9/2016	10 - 45
		$665,130	$897,588	$48,022	$25,444	$244,687	$86,862	$690,575	$1,142,275	$134,884	$1,967,734	$635,630			

(1) ADB refers to the Androscoggin Bank® properties.

APB refers to the Applebee's® properties.

ARB refers to the Arby’s® properties.

ATI refers to the ATI Physical Therapy® properties.

BB refers to the Bahama Breeze® properties.

BE refers to the Bob Evans® properties.

BJS refers to the BJ's Restaurants and Brewhouse® properties.

BK refers to the Burger King® properties.

BWW refers to the Buffalo Wild Wings® properties.

CB refers to the Citibank® properties.

CFA refers to the Chick-fil-A® properties.

CGR refers to the Chili's Grill & Bar® properties.

CJ refers to the Carl's Jr.® properties.

CRB refers to the Carrabba's Italian Grill® properties.

CSK refers to the Cheddar's Scratch Kitchen® properties.

DEN refers to the Denny’s® properties.

DQ refers to the Dairy Queen® properties.

DT/MP refers to the Del Taco® and MOD Pizza® properties.

FAZ refers to the Fazoli’s® properties.

GC refers to the Great Clips® properties.

HAR refers to the Hardee’s® properties.

HIE refers to the Holiday Inn Express® properties.

IHOP refers to the IHOP® properties.

JJ refers to the Jared® properties.

KFC refers to the KFC® properties.

KK refers to the Krystal® properties.

KRYS refers to the Krispy Kreme® properties.

LH refers to the LongHorn Steakhouse® properties.

MCA refers to the McAlister’s Deli® properties.

MCD refers to the the McDonald's® properties.

MVS refers to the the Mavis Discount Tires® properties.

OG refers to the Olive Garden® properties.

OS refers to the Outback Steakhouse® properties.

OSG refers to the Orvis® properties.

PB refers to the Panera Bread® properties.

PE refers to the Panda Express® properties.

PH refers to the the Pizza Hut® properties.

PLK refers to the Popeyes Louisiana Kitchen® properties.

PNCB refers to the PNC Bank® properties.

PTO refers to the Portillo's® properties.

RDI refers to the Rally's Drive-in® properties.

RL refers to the Red Lobster® properties.

RT refers to the Ruby Teusday® properties.

S52 refers to the Seasons 52® properties.

SDI refers to the Sonic Drive-In® properties.

SS refers to the Steak N' Shake® properties.

SNS refers to the Shake Shack® properties.

STB refers to the Starbucks® properties.

TB refers to the Taco Bell® properties.

TR refers to the Texas Roadhouse® properties.

USC refers to the U.S. Cellular® properties.

VZW refers to the Verizon Wireless® properties.

WC refers to the White Castle® properties.

WEN refers to the Wendy's® properties.

WFG refers to the Wildfish Seafood Grille® properties.

ZAX refers to the Zaxby's® properties.

SCHEDULE III

REAL ESTATE ASSETS AND ACCUMULATED DEPRECIATION

(Dollars in thousands)

	December 31, 2019	December 31, 2018
Carrying Costs		
Balance - beginning of period	$ 1,805,281	$ 1,564,955
Additions placed in service	164,499	253,035
Dispositions	(2,046)	(12,709)
Balance - end of year	$ 1,967,734	$ 1,805,281
Accumulated Depreciation		
Balance - beginning of year	$ (614,584)	$ (598,846)
Depreciation expense	(23,092)	(21,256)
Dispositions	2,046	5,518
Balance - end of year	$ (635,630)	$ (614,584)

INDEX TO EXHIBITS

Exhibit Number	Description
3.1	Articles of Amendment and Restatement of Four Corners Property Trust, Inc. (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on October 27, 2015).
3.2	Amended and Restated Bylaws of Four Corners Property Trust, Inc. (incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K filed on October 27, 2015).
4.1	Specimen Stock Certificate of Four Corners Property Trust, Inc. (incorporated by reference to Exhibit 4.1 to the Company Registration Statement on Form 10/A filed on October 5, 2015).
4.2*	Description of Securities Registered Pursuant to Section 12 of the Exchange Act
10.1	Amended and Restated Agreement of Limited Partnership of Four Corners Operating Partnership, L.P., dated November 7, 2016 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on November 10, 2016).
10.2	Employment Agreement dated as of November 27, 2018, by and between Four Corners Property Trust, Inc. and William Lenehan (incorporated by reference to exhibit 10.1 to the Company's Current Report on Form 8-K filed on November 28, 2018).
10.3	Employment Agreement dated as of November 27, 2018, by and between Four Corners Property Trust, Inc. and Gerald Morgan (incorporated by reference to exhibit 10.2 to the Company's Current Report on Form 8-K filed on November 28, 2018).
10.4	Employment Agreement dated as of November 27, 2018, by and between Four Corners Property Trust, Inc. and James Brat (incorporated by reference to exhibit 10.3 to the Company's Current Report on Form 8-K filed on November 28, 2018).
10.5	Tax Matters Agreement, dated as of November 9, 2015, by and between Darden Restaurants, Inc. and Four Corners Property Trust, Inc. (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on November 10, 2015).
10.6	Amended and Restated Revolving Credit and Term Loan Agreement, dated as of October 2, 2017, among Four Corners Operating Partnership, LP, Four Corners Property Trust, Inc., the lenders party thereto and JPMorgan Chase Bank, N.A., as Administrative Agent (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on October 2, 2017).
10.7	Amendment No. 1 to Amended and Restated Revolving Credit and Term Loan, dated as of January 30, 2018, among Four Corners Operating Partnership, LP, Four Corners Property Trust, Inc., the lenders party thereto and JPMorgan Chase Bank, N.A., as Administrative Agent (incorporated by reference to Exhibit 10.7 to the Company's Annual Report on Form 10-K for the year ended December 31, 2017).
10.8	Amendment No. 2 to Amended and Restated Revolving Credit and Term Loan Agreement, dated December 13, 2018, among Four Corners Operating Partnership, LP, Four Corners Property Trust, Inc., certain lenders party thereto, and JPMorgan Chase Bank, N.A., as administrative agent (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on December 13, 2018).
10.9	Amendment No. 3 to Amended and Restated Revolving Credit and Term Loan Agreement, dated March 22, 2019, among Four Corners Operating Partnership, LP, Four Corners Property Trust, Inc., certain lenders party thereto, and JPMorgan Chase Bank, N.A., as administrative agent (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed on April 25, 2019).
10.10	Amended and Restated Parent Guaranty, dated October 2, 2017, by Four Corners Property Trust, Inc. and Four Corners GP, LLC, for the benefit of JP Morgan Chase Bank, N.A., as Administrative Agent (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on October 2, 2017).
10.11	Four Corners Property Trust, Inc. 2015 Omnibus Incentive Plan† (incorporated by reference to Exhibit 10.5 to the Company's Current Report on Form 8-K filed on November 10, 2015).

10.12	Amendment No. 1 to the Four Corners Property Trust, Inc. 2015 Omnibus Incentive Plan† (incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed December 24, 2015).
10.13	Form of Lease (incorporated by reference to Exhibit 10.1 to the Company's Registration Statement on Form 10/A filed on October 5, 2015).
10.14	Form of Guaranty by Darden Restaurants, Inc. in respect of certain Leases (incorporated by reference to Exhibit 10.2 to the Company's Registration Statement on Form 10/A filed on October 5, 2015).
10.15	Form of Franchise Agreement (incorporated by reference to Exhibit 10.11 to the Company's Registration Statement on Form 10/A filed on October 5, 2015).
10.16	Form of Restricted Stock Unit Award Agreement for Non-Employee Directors (incorporated by reference to Exhibit 10.14 to the Company's Annual Report on Form 10-K for the year ended December 31, 2017).
10.17	Form of FY 2015 Restricted Stock Unit Award Agreement (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on December 24, 2015).
10.18	Amendment to Form of FY 2015 Restricted Stock Unit Award Agreement (incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2016).
10.19	Form of Performance-based Restricted Stock Award Agreement (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on February 9, 2016).
10.20	Amendment to Form of Performance-based Restricted Stock Award Agreement (incorporated by reference to Exhibit 10.5 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2016).
10.21	Form of Restricted Stock Award Agreement (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on February 9, 2016).
10.22	Amendment to Restricted Stock Award Agreement (incorporated by reference to Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2016).
10.23	Note Purchase Agreement, dated April 19, 2017, among Four Corners Operating Partnership, LP, Four Corners Property Trust, Inc. and the purchasers party thereto (incorporated be reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on April 20, 2017).
10.24*	Form of FY 2020 Performance Restricted Stock Unit Award Agreement
10.25*	Form of FY 2020 Restricted Stock Unit Award Agreement
10.26*	Second Amendment to Form of Restricted Stock Award Agreement
10.27*	Second Amendment to Form of Restricted Stock Unit Award Agreement
21.1*	List of Subsidiaries of Four Corners Property Trust, Inc.
23.1*	Consent of Independent Accountants
31 (a)*	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31 (b)*	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32 (a)*	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32 (b)*	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
99.1	Form of Lease (incorporated by reference to Exhibit 99.1 to the Company's Annual Report on Form 10-K for the year ended December 31, 2015).
101.INS*	XBRL Instance Document
101.SCH*	XBRL Taxonomy Extension Schema Document

101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Filed herewith.

† Denotes a management contract or compensatory plan, contract or arrangement.

SIGNATURE

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

FOUR CORNERS PROPERTY TRUST, INC.

Dated: February 26, 2020

By: /s/ William H. Lenehan
President and Chief Executive Officer

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

Signature	Title	Date
/S/ WILLIAM H. LENEHAN **William H. Lenehan**	Director and Chief Executive Officer *(Principal Executive Officer)*	February 26, 2020
/S/ GERALD R. MORGAN **Gerald R. Morgan**	Chief Financial Officer *(Principal Financial Officer)*	February 26, 2020
/S/ NICCOLE M. STEWART **Niccole M. Stewart**	Chief Accounting Officer *(Principal Accounting Officer)*	February 26, 2020
/S/ JOHN S. MOODY **John S. Moody**	Director and Chairman of the Board of Directors	February 26, 2020
/S/ DOUGLAS B. HANSEN **Douglas B. Hansen**	Director	February 26, 2020
/S/ ERIC HIRSCHHORN **Eric Hirschhorn**	Director	February 26, 2020
/S/ CHARLES L. JEMLEY **Charles L. Jemley**	Director	February 26, 2020
/S/ MARRAN H. OGILVIE **Marran H. Ogilvie**	Director	February 26, 2020
/S/ PAUL E. SZUREK **Paul E. Szurek**	Director	February 26, 2020

Exhibit 4.2

DESCRIPTION OF REGISTRANT'S SECURITIES REGISTERED PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934

The following is a brief description of the securities of Four Corners Property Trust, Inc. registered pursuant to Section 12 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). This description of the terms of our stock does not purport to be complete and is subject to and qualified in its entirety by reference to the applicable provisions of Maryland General Corporation Law ("MGCL"), and the full text of our charter and bylaws, copies of which have been filed as exhibits to this Annual Report on Form 10-K. As used in this "Description of Registrant's Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934," references to the "Company," "we," "our" or "us" refer solely to Four Corners Property Trust, Inc. and not to any of its subsidiaries, unless otherwise expressly stated or the context otherwise requires.

General

Our charter ("our charter") provides that we may issue up to 500,000,000 shares of common stock, par value $0.0001 per share ("common stock"), and 25,000,000 shares of preferred stock, par value $0.0001 per share ("preferred stock"). Our charter authorizes our board of directors, without any action by our stockholders, to amend our charter from time to time to increase or decrease the 525,000,000 aggregate number of authorized shares of common stock or preferred stock or the number of shares of stock of any class or series that we have authority to issue.

As of December 31, 2019, 70,020,660 shares of common stock and no shares of preferred stock were outstanding.

Under Maryland law, stockholders generally are not personally liable for our debts or obligations solely as a result of their status as stockholders.

Description of Common Stock

Voting Rights

Subject to the provisions of our charter regarding the restrictions on transfer and ownership of shares of our common stock and except as may otherwise be specified in the terms of any class or series of common stock, each outstanding share of common stock entitles the holder to one vote on all matters submitted to a vote of stockholders, including the election of directors, and, except as provided with respect to any other class or series of capital stock, the holders of shares of common stock vote together as a single class and possess exclusive voting power. Nominees for director in an election in which the number of nominees is equal to the number of open board seats are elected by a majority of the votes cast. If the number of nominees in an election exceeds the number of open board seats, directors are elected by a plurality vote, as provided in our bylaws. A majority of the votes cast by stockholders is sufficient to approve any other matter, unless a different vote is required by our bylaws, rule, regulation or statute, or by our charter.

Under the MGCL, a Maryland corporation generally cannot dissolve, amend its charter, merge, sell all or substantially all of its assets, engage in a statutory share exchange or engage in similar transactions outside the ordinary course of business unless declared advisable by a majority of its board of directors and approved by the affirmative vote of stockholders holding at least two-thirds of the shares entitled to vote on the matter unless a lesser percentage (but not less than a majority of all the votes entitled to be cast on the matter) is set forth in the corporation's charter. Our charter provides that these actions may be taken if declared advisable by a majority of our board of directors and approved by the vote of stockholders holding at least a majority of the votes entitled to be cast on the matter. However, Maryland law permits a corporation to transfer all or substantially all of its assets without the approval of the stockholders of the corporation to one or more persons if all of the equity interests of the person or persons are owned, directly or indirectly, by the corporation. In addition, because operating assets may be held by a corporation's subsidiaries, as in our situation, these subsidiaries may be able to transfer all or substantially all of such assets without a vote of our stockholders.

Dividends, Distributions, Liquidation and Other Rights

Subject to the preferential rights of any other class or series of our stock and to the provisions of our charter regarding the restrictions on transfer of shares of stock, holders of shares of common stock are entitled to receive dividends on such shares of common stock if, as and when authorized by our board of directors and declared by us out of assets legally available therefor. Such holders also are entitled to share ratably in the assets of our company legally available for distribution to our stockholders in the event of our liquidation, dissolution or winding up after payment or establishment of reserves for all of our debts and liabilities and any shares with preferential rights thereto.

Holders of shares of common stock have no preference, conversion, exchange, sinking fund or redemption rights, have no preemptive rights to subscribe for any securities of our company and generally have no appraisal rights. Subject to the preferential rights of any other class or series of our stock and to the provisions of our charter regarding the restrictions on transfer of shares of stock, shares of common stock have equal dividend, liquidation and other rights.

Restrictions on Ownership and Transfer

Holders of common stock will be subject to the ownership and transfer restrictions set forth in our charter. See "Restrictions on Ownership and Transfer" below.

Certain Provisions of Maryland Law and Our Charter and Bylaws

For a description of certain provisions of Maryland law and our charter and bylaws that may affect the rights and restrictions related to our common stock, see "Certain Provisions of Maryland Law and Our Charter and Bylaws" below.

Exchange Listing

Our common stock is listed on the NYSE under the symbol "FCPT."

Transfer Agent and Registrar

The transfer agent and registrar for our shares of common stock is Wells Fargo Bank, N.A.

Description of Preferred Stock

As of December 31, 2019 and the date hereof, we have no outstanding shares of preferred stock.

Subject to the limitations prescribed by Maryland law and our charter and bylaws, our charter authorizes our board of directors to classify or reclassify and issue one or more classes or series of preferred stock without stockholder approval. Our board of directors may determine the relative preferences, conversion and other rights, voting powers, restrictions and limitations as to dividends or other distributions, qualifications or terms or conditions of redemption of each class or series of preferred stock so issued, which may be more beneficial than the rights, preferences and privileges attributable to our common stock. The issuance of preferred stock could have the effect of delaying, deterring or preventing a transaction or a change in control that might involve a premium price for holders of our securities or otherwise might be in their best interest. The preferred stock will, when issued in exchange for the consideration therefor, be fully paid and nonassessable and will not have, or be subject to, any preemptive or similar rights.

Holders of preferred stock will be subject to the ownership and transfer restrictions set forth in our charter. See "Restrictions on Ownership and Transfer" below. For a description of certain provisions of Maryland law and our charter and bylaws that may affect the rights and restrictions related to our preferred stock, see "Certain Provisions of Maryland Law and Our Charter and Bylaws" below.

Power to Reclassify Our Unissued Shares of Stock

Our charter authorizes our board of directors to classify and reclassify any unissued shares of common or preferred stock into other classes or series of shares of stock and to establish the number of shares in each class or series and to set the preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends or other distributions, qualifications or terms or conditions of redemption for each such class or series. As a result, our board of directors could authorize the issuance of shares of preferred stock that have priority over the shares of common stock with respect to dividends, distributions and rights upon liquidation, and our board of directors could authorize the issuance of shares of common stock or preferred stock with terms and conditions that could have the effect of delaying, deterring or preventing a transaction or a change in control that might involve a premium price for holders of shares of our common stock or otherwise might be in their best interest. As of December 31, 2019, no shares of preferred stock are outstanding, and we do not have present plans to issue any shares of preferred stock.

Power to Increase or Decrease Authorized Shares of Stock and Issue Additional Shares of Common and Preferred Stock

We believe that the power of our board of directors, without prior stockholder approval (subject to certain exceptions), to amend our charter to increase or decrease the number of authorized shares of stock, to issue additional authorized but unissued shares of common stock or preferred stock and to classify or reclassify unissued shares of common stock or preferred stock and thereafter to cause us to issue such classified or reclassified shares of stock will provide us with increased flexibility in structuring possible future financings and acquisitions and in meeting other needs that might arise. The additional classes or series will be available for issuance without further action by our stockholders, unless such action is required by applicable law or the rules of any stock exchange or automated quotation system on which our securities may be listed or traded. Although our board of directors does not currently intend to do so, it could authorize us to issue a class or series that could, depending upon the terms of the particular class or series, delay, defer or prevent a transaction or a change in control of our company that might involve a premium price for holders of our securities or otherwise be in the best interest of our stockholders.

Restrictions on Ownership and Transfer

In order to qualify as a REIT under the Internal Revenue Code of 1986, as amended (the "Code"), our stock must be beneficially owned by 100 or more persons during at least 335 days of a taxable year of twelve months or during a proportionate part of a shorter taxable year. Also, not more than 50% of the value of our outstanding stock (after taking into account any options to acquire shares) may be owned, directly or indirectly, or through attribution, by five or fewer individuals (as defined in the Code to include certain entities) during the last half of a taxable year.

Our charter contains restrictions on the ownership and transfer of our stock that are intended to, among other purposes, assist us in complying with these requirements. Our charter provides that, subject to the exceptions described below, no person may own, or be deemed to own by virtue of the attribution provisions of the Code, more than 9.8% in value of the aggregate of our outstanding stock, referred to as the "Aggregate Stock Ownership Limit," or more than 9.8% (in value or in number of shares, whichever is more restrictive) of the aggregate of our outstanding common stock, referred to as the "Common Stock Ownership Limit." The Aggregate Stock Ownership Limit and the Common Stock Ownership Limit are referred to collectively as the "Ownership Limits."

The charter further provides that (a) no person may beneficially or constructively own shares that would result in the Company's being "closely held" under Section 856(h) of the Code or otherwise cause us to fail to qualify as a REIT (including, but not limited to, (i) beneficial or constructive ownership that would result in us owning (actually or constructively) an interest in a tenant that is described in Section 856(d)(2)(B) of the Code if the income derived by us (either directly or indirectly through one or more partnerships or limited liability companies) from such tenant would cause us to fail to satisfy any of the gross income requirements of Section 856(c) of the Code), or (ii) as a result of any "eligible independent contractor" that operates a "qualified health care property" or a "qualified lodging facility", as such terms are defined in the Code, on behalf of a taxable REIT subsidiary failing to qualify as such), (b) no person may beneficially or constructively own shares to the extent that such ownership could result in us failing to qualify as a "domestically controlled qualified investment entity" within the meaning of the Code, and (c) any transfer of shares that, if effective, would result in stock being beneficially owned by fewer than 100 persons will be void ab initio. Any person who acquires or attempts or intends to acquire beneficial or constructive ownership of stock that will or may violate any of the foregoing restrictions on transferability and ownership, or any person who would have owned shares that resulted in a transfer of shares to the charitable trust (as described below), is required to give notice immediately to us or, in the case of a proposed or attempted transaction, provide us at least

15 days prior notice, and provide us with such other information as we may request in order to determine the effect of such transfer, if any, on our status as a REIT.

The board of directors, in its sole discretion, may exempt a proposed transferee from the Ownership Limits, which transferee is referred to in this "Description of Registrant's Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934," as an "Excepted Holder." However, the board of directors may not grant such an exemption to any person if such exemption would result in Four Corners Property Trust, Inc. being "closely held" within the meaning of Section 856(h) of the Code or otherwise would result in us failing to qualify as a REIT. Also, in order to be considered by the board of directors as an Excepted Holder, a person must not own, directly or indirectly, an interest in one of our tenants (or a tenant of any entity owned or controlled by us) that would cause us to own, directly or indirectly, more than a 9.9% interest in such a tenant (other than a TRS). This restriction is designed to ensure that rents from a tenant will qualify as "rents from real property" in satisfying the gross income tests applicable to REITs under the Code. The person seeking an exemption must represent to the satisfaction of the board of directors that it will not violate the two foregoing restrictions. The person also must agree that any violation or attempted violation of any of the foregoing restrictions will result in the automatic transfer of the shares causing such violation to the charitable trust. The board of directors may require a ruling from the Internal Revenue Service (the "IRS") or an opinion of counsel, in either case in form and substance satisfactory to the board of directors, in its sole discretion, in order to determine or ensure our status as a REIT. The board of directors may impose such conditions or restrictions as it deems appropriate in connection with granting such an exemption.

In connection with granting a waiver of the Ownership Limits or creating an excepted holder limit or at any other time, the board of directors may from time to time increase or decrease the Ownership Limits, unless, after giving effect to such decrease or increase, we would be "closely held" under Section 856(h) of the Code or otherwise fail to qualify as a REIT. A reduced ownership limit will not apply to any person or entity whose percentage ownership of our common stock or our shares of all classes and series of stock, as applicable, is, at the effective time of such reduction, in excess of such decreased ownership limit until such time as such person's or entity's percentage ownership of our common stock or our shares of all classes and series of stock, as applicable, equals or falls below the decreased ownership limit, but any further acquisition of our common stock or shares of all classes or series of stock, as applicable, will violate the decreased ownership limit.

Our charter provides that, if any transfer of shares would result in shares being owned by fewer than 100 persons, such transfer will be null and void and the intended transferee will acquire no rights in such shares. In addition, our charter provides that, if any transfer of shares occurs which, if effective, would result in any person beneficially or constructively owning shares in excess or in violation of the other transfer or ownership limitations described above (a "Prohibited Owner"), then that number of shares the beneficial or constructive ownership of which otherwise would cause such person to violate such limitations (rounded up to the nearest whole share) will be automatically transferred to a trust for the exclusive benefit of one or more charitable beneficiaries (the "Charitable Beneficiary"), and the Prohibited Owner will not acquire any rights in such shares. Such automatic transfer will be deemed to be effective as of the close of business on the business day prior to the date of such violative transfer. Shares held in the charitable trust will be issued and outstanding shares. Our charter provides that the Prohibited Owner will not benefit economically from ownership of any shares held in the charitable trust, will have no rights to dividends and will not possess any rights to vote or other rights attributable to the shares held in the charitable trust. Our charter provides that the trustee of the charitable trust (the "Charitable Trustee") will have all voting rights and rights to dividends or other distributions with respect to shares held in the charitable trust, which rights will be exercised for the exclusive benefit of the Charitable Beneficiary. Any dividend or other distribution paid prior to our discovery that shares have been transferred to the Charitable Trustee will be paid by the recipient of such dividend or other distribution to the Charitable Trustee upon demand, and any dividend or other distribution authorized but unpaid will be paid when due to the Charitable Trustee. Any dividend or other distribution so paid to the Charitable Trustee will be held in trust for the Charitable Beneficiary. Subject to Maryland law, effective as of the date that such shares have been transferred to the charitable trust, our charter provides that the Charitable Trustee will have the authority (at the Charitable Trustee's sole discretion) (a) to rescind as void any vote cast by a Prohibited Owner prior to our discovery that such shares have been transferred to the charitable trust and (b) to recast such vote in accordance with the desires of the Charitable Trustee acting for the benefit of the Charitable Beneficiary. However, our charter provides that if we have already taken irreversible corporate action, then the Charitable Trustee will not have the authority to rescind and recast such vote.

Within 20 days of receiving notice from us that shares have been transferred to the charitable trust, our charter provides that the Charitable Trustee must sell the shares held in the charitable trust to a person, designated by the Charitable Trustee, whose ownership of the shares will not violate the ownership limitations set forth in the charter. Upon such sale, our charter provides that the interest of the Charitable Beneficiary in the shares sold will terminate and the Charitable Trustee must distribute the net proceeds of the sale to the Prohibited Owner and to the Charitable Beneficiary as follows. The Prohibited Owner will receive the lesser of (a) the price paid by the Prohibited Owner for the shares or, if the Prohibited Owner did not give value for the shares in connection with the event causing the shares to be held in the charitable trust (e.g., a gift, devise or other such transaction), the Market Price (as defined in our charter) of such shares on the day of the event causing the shares to be held in the charitable trust and (b) the price per share received by the Charitable Trustee from the sale or other disposition of the shares held in the charitable trust. Any net sale proceeds in excess of the amount payable to the Prohibited Owner will be paid immediately to the Charitable Beneficiary. If, prior to our discovery that shares have been transferred to the charitable trust, such shares are sold by a Prohibited Owner, then our charter provides that (a) such shares will be deemed to have been sold on behalf of the charitable trust and (b) to the extent that the Prohibited Owner received an amount for such shares that exceeds the amount that such Prohibited Owner was entitled to receive pursuant to the aforementioned requirement, such excess will be paid to the Charitable Trustee upon demand.

In addition, our charter provides that shares held in the charitable trust will be deemed to have been offered for sale to us, or our designee, at a price per share equal to the lesser of (a) the price per share in the transaction that resulted in such transfer to the charitable trust (or, in the case of a devise or gift, the Market Price at the time of such devise or gift) and (b) the Market Price on the date that we, or our designee, accepts such offer. We will have the right to accept such offer until the Charitable Trustee has sold the shares held in the charitable trust. Upon such a sale to us, our charter provides that the interest of the Charitable Beneficiary in the shares sold will terminate and the Charitable Trustee will distribute the net proceeds of the sale to the Prohibited Owner.

All certificates evidencing our shares will bear a legend referring to the restrictions described above. Instead of a legend, the certificate may state that we will issue a full statement of certain restrictions on ownership and transferability to a stockholder on request and without charge.

Every owner of more than 5% (or such lower percentage as required by the Code or the regulations promulgated thereunder) in number or value of all classes or series of stock, including common stock, will be required to give written notice to us within 30 days after the end of each taxable year stating the name and address of such owner, the number of shares of each class and series of stock that the owner beneficially owns and a description of the manner in which such shares are held. Each such owner must provide to us such additional information as we may request in order to determine the effect, if any, of such beneficial ownership on our status as a REIT and to ensure compliance with the Ownership Limits. In addition, each stockholder will, upon demand, be required to provide to us such information as we may request, in good faith, in order to determine our status as a REIT and to comply with the requirements of any taxing authority or governmental authority or to determine such compliance and to ensure compliance with the Ownership Limits.

The foregoing restrictions on transferability and ownership will not apply if the board of directors determines that it is no longer in our best interests to attempt to qualify, or to continue to qualify, as a REIT.

The ownership limitations contained in the charter could delay, defer or prevent a transaction or a change in control of us that might involve a premium price for our common shares or otherwise be in the best interest of our stockholders.

Certain Provisions of Maryland Law and Our Charter and Bylaws

Our Board of Directors

Our charter and bylaws provide that the number of directors of our company may be established by our board of directors, but may not be fewer than the minimum number required under Maryland law nor more than 15 directors. Our charter and bylaws provide that any vacancy that results from an increase in the number of directors may be filled by a majority of the board of directors and any other vacancy may be filled by a majority of the board of directors, even if the remaining directors do not constitute a quorum. Any individual elected to fill such vacancy will serve until the next annual meeting of stockholders and until a successor is duly elected and qualified.

Pursuant to our bylaws, each of our directors is elected by our stockholders to serve until the next annual meeting of stockholders and until his or her successor is duly elected and qualifies under Maryland law. Holders of shares of our common stock will have no right to cumulative voting in the election of directors. Nominees for director in an election in which the number of nominees is equal to the number of open board seats are elected by a majority of the votes cast. If the number of nominees in an election exceeds the number of open board seats, directors are elected by a plurality vote, as provided in our bylaws.

Removal of Directors

Our charter provides that, subject to the rights of holders of one or more classes or series of preferred stock to elect or remove one or more directors, a director may be removed from office at any time, with or without cause by the affirmative vote of the holders of at least a majority of the voting power of our then outstanding capital stock entitled to be cast generally in the election of directors.

Business Combinations

Our charter provides that the Maryland Business Combination Act will not apply to any business combination between us and any person. This charter provision can be amended only upon the recommendation of our board of directors and with the approval of the holders of at least a majority in voting power of our outstanding stock entitled to vote on such matter. If it were not for this election, under the MGCL, certain "business combinations" between us and any interested stockholder or affiliate of an interested stockholder would be prohibited for five years after the most recent date on which the interested stockholder becomes an interested stockholder. These business combinations include a merger, consolidation, share exchange or, in circumstances specified in the statute, an asset transfer or issuance or reclassification of equity securities.

After the five-year prohibition, any business combination between the Maryland corporation and an interested stockholder generally must be recommended by the board of directors of the corporation and approved by the affirmative vote of a supermajority of stockholders.

Control Share Acquisitions

Our charter provides that the Maryland Control Share Acquisition Act will not apply to any acquisition by any person of any shares of our capital stock. This charter provision can be amended only upon the recommendation of our board of directors and with the approval of the holders of at least a majority in voting power of our outstanding stock entitled to vote on such matter. If it were not for this exemption, Maryland law would provide that holders of issued and outstanding shares of our stock acquired in a control share acquisition have no voting rights with respect to such shares except to the extent approved by a vote of two-thirds of the votes entitled to be cast on the matter. Shares owned by the acquiror, by officers or by employees who are directors of the corporation are excluded from shares entitled to vote on the matter.

Subtitle 8

Our charter provides that we are prohibited from electing to be subject to the "unsolicited takeover" provisions of Subtitle 8 of Title 3 of the MGCL. Such provisions permit a Maryland corporation with (i) a class of equity securities registered under the Exchange Act and (ii) at least three independent directors to elect to be subject, by provision in its charter or bylaws or by a resolution of its board of directors (notwithstanding any contrary provision in its charter or bylaws), to any or all of five provisions:

- a classified board;
- a two-thirds vote requirement for removing a director;
- a requirement that the number of directors be fixed only by vote of the directors;
- a requirement that a vacancy on the board be filled only by the affirmative vote of a majority of the remaining directors in office and such director shall hold office for the remainder of the full term of the class of directors in which the vacancy occurred and until a successor is elected and qualified; and

- a majority requirement for the calling of a special meeting of stockholders.

This charter provision may be rescinded or amended only upon the recommendation of our board of directors and with the approval of the holders of at least a majority in voting power of our outstanding stock entitled to vote on such matter.

Amendment of Our Charter and Bylaws and Approval of Extraordinary Transactions

Under Maryland law, a Maryland corporation generally cannot amend its charter, merge, consolidate, sell all or substantially all of its assets, engage in a statutory share exchange or dissolve unless the action is advised by the board of directors and approved by the affirmative vote of stockholders entitled to cast at least two-thirds of the votes entitled to be cast on the matter. However, a Maryland corporation may provide in its charter for approval of these actions by a lesser percentage of stockholders, but not less than a majority of all of the votes entitled to be cast on the matter. Our charter provides that the affirmative vote of the holders of at least a majority in voting power of our outstanding stock entitled to vote on such matters will be required to approve all charter amendments or the other extraordinary actions listed above. However, Maryland law permits a Maryland corporation to transfer all or substantially all of its assets without the approval of the stockholders of the corporation to one or more persons if all of the equity interests of the person or persons are owned, directly or indirectly, by the corporation.

Our charter requires the affirmative vote of the holders of at least a majority in voting power of our outstanding stock to amend any provision of the charter other than those amendments permitted to be made without stockholder vote by law or specific provision of the charter. Accordingly, at least a majority in voting power of our outstanding stock entitled to vote on such matters is required in order to amend provisions in our charter relating to restrictions on transfer and ownership of our stock, our election to opt-out of the Maryland Business Combination Act, the Maryland Control Share Acquisition Act and Subtitle 8, amendment of our bylaws by the stockholders, the procedure for calling special meetings of stockholders and the stockholder action voting requirements described above.

Our board of directors has the authority, without any action by our stockholders, to amend our charter from time to time to increase or decrease the aggregate number of shares of stock or the number of shares of stock of any class or series that we have authority to issue, including by effecting a reverse stock split.

Our charter and bylaws provide that our bylaws may be altered, amended or repealed, in whole or in part, or new bylaws may be adopted by the stockholders or by the board of directors. All such amendments must be approved by either the affirmative vote of a majority in voting power of our outstanding stock entitled to vote thereon or by a majority of the entire board of directors then in office, as applicable.

Meetings of Stockholders

Under our bylaws, annual meetings of stockholders are to be held each year at a date and time as determined by our board of directors. Special meetings of stockholders may be called only by a majority of the directors then in office, by the chairman of our board of directors, our president or our chief executive officer. Additionally, subject to the provisions of our bylaws, special meetings of the stockholders shall be called by our secretary upon the written request of stockholders entitled to cast not less than ten percent of the votes entitled to be cast at such meeting. Only matters set forth in the notice of the special meeting may be considered and acted upon at such a meeting. Maryland law and our bylaws provide that any action required or permitted to be taken at a meeting of stockholders may be taken without a meeting by unanimous consent, if that consent sets forth that action and is given in writing or by electronic transmission by each stockholder entitled to vote on the matter.

Advance Notice of Director Nominations and New Business

Our bylaws provide that, at any annual meeting of stockholders, proposals of business to be considered by stockholders may be made only (1) pursuant to our notice of the meeting, (2) by or at the direction of the board of directors or (3) by a stockholder who was a stockholder of record at the time of provision of notice and on the record date for the meeting, is entitled to vote at the meeting in the election of directors or on such other proposed business and who has complied with the advance notice procedures of our bylaws. The stockholder generally must provide

notice to the secretary not less than 90 days nor more than 120 days prior to the first anniversary of the date of preceding year's annual meeting.

Only the business specified in our notice of meeting may be brought before any special meeting of stockholders. Our bylaws provide that nominations of individuals for election to our board of directors at a meeting of stockholders may be made only (1) by or at the direction of the board of directors or (2) by any stockholder of record at the time of provision of the notice and on the record date for the meeting, who is entitled to vote at the meeting in the election of each individual so nominated and who has complied with the advance notice provisions set forth in our bylaws. Such stockholder will be entitled to nominate one or more individuals, as the case may be, for election as a director if the stockholder's notice, containing the information required by our bylaws, is delivered to the secretary (i) in the case of an annual meeting, not less than 90 days nor more than 120 days prior to the anniversary of our preceding year's annual meeting; provided that in the case of the first annual meeting or if the date of the annual meeting is changed by more than twenty-five days from such anniversary date, notice must be received not later than the close of business on the tenth day following the day on which public announcement of the date of such meeting is first made, or (ii) in the case of a special meeting, not later than the close of business on the tenth (10th) day following the day on which notice of the date of the special meeting was mailed or public disclosure of the date of the special meeting was made, whichever first occurs.

The purpose of requiring stockholders to give advance notice of nominations and other proposals is to afford our board of directors the opportunity to consider the qualifications of the proposed nominees or the advisability of the other proposals and, to the extent considered necessary by our board of directors, to inform stockholders and make recommendations regarding the nominations or other proposals. The advance notice procedures also permit a more orderly procedure for conducting stockholder meetings.

Indemnification and Limitation of Directors' and Officers' Liability

Maryland law permits a Maryland corporation to include in its charter a provision that limits the liability of its directors and officers to the corporation and its stockholders for money damages, except for liability resulting from (1) actual receipt of an improper benefit or profit in money, property or services or (2) active or deliberate dishonesty that is established by a final judgment and that is material to the cause of action. Our charter contains a provision that limits, to the maximum extent permitted by Maryland law, the liability of our directors, but not our officers, to us and our stockholders for money damages.

Maryland law requires a Maryland corporation (unless otherwise provided in its charter, which our charter does not) to indemnify a director or officer who has been successful, on the merits or otherwise, in the defense of any proceeding to which he or she is made or threatened to be made a party by reason of his or her service in that capacity. Maryland law permits a Maryland corporation to indemnify its present and former directors and officers, among others, against judgments, penalties, fines, settlements and reasonable expenses actually incurred by them in connection with any proceeding to which they may be made or threatened to be made a party by reason of their service in that capacity unless it is established that:

- the act or omission of the director or officer was material to the matter giving rise to the proceeding and (1) was committed in bad faith or (2) was the result of active and deliberate dishonesty;
- the director or officer actually received an improper personal benefit in money, property or services; or
- in the case of any criminal proceeding, the director or officer had reasonable cause to believe that the act or omission was unlawful.

Under the MGCL, we may not indemnify a director or officer in a suit by us or in our right in which the director or officer was adjudged liable to us or in a suit in which the director or officer was adjudged liable on the basis that personal benefit was improperly received. A court may order indemnification if it determines that the director or officer is fairly and reasonably entitled to indemnification, even though the director or officer did not meet the prescribed standard of conduct or was adjudged liable on the basis that personal benefit was improperly received. However, indemnification for an adverse judgment in a suit by the corporation or in its right, or for a judgment of liability on the basis that personal benefit was improperly received, will be limited to expenses.

In addition, Maryland law permits a Maryland corporation to advance reasonable expenses to a director or officer upon receipt of (1) a written affirmation by the director or officer of his or her good faith belief that he or she has met the standard of conduct necessary for indemnification and (2) a written undertaking by him or her, or on his or her behalf, to repay the amount paid or reimbursed if it is ultimately determined that the standard of conduct was not met.

Our charter and bylaws require that we indemnify our directors and officers (including any person who is or was a director or officer of ours serving at our request as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise) to the fullest extent authorized by Maryland law, in effect from time to time. Such right to indemnification continues as to our former directors or officers and also inures to the benefit of the heirs, executors and personal and legal representatives of our directors and officers. We are not obligated to indemnify any director or officer (or his or her heirs, executors or personal or legal representatives) or advance expenses in connection with a proceeding (or part thereof) initiated by director or officer unless such proceeding (or part thereof) was authorized or consented to by the Board of Directors, except for proceedings to enforce rights to indemnification. Our directors and officers also have a right to be advanced by us any expenses incurred in defending or otherwise participating in any proceeding in advance of its final disposition upon our receipt of an undertaking by or on behalf of the director or officer receiving advancement to repay the amount advanced if it shall ultimately be determined that such person is not entitled to be indemnified by us under our charter and a written affirmation by the director or officer of the director's or officer's good faith belief that the standard necessary for indemnification has been met. Our charter and bylaws also provide that we may, to the extent authorized from time to time by our board of directors, provide rights to indemnification and to the advancement of expenses to employees and agents of ours similar to those conferred in our charter and bylaws to our directors and officers and to such further extent as shall be permitted by applicable Maryland law.

In respect to our obligations to provide indemnification to directors and officers for liability arising under the Securities Act of 1933, as amended (the "Securities Act"), we have been informed that, in the opinion of the SEC, this indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

We maintain insurance on behalf of our directors and officers, insuring them against liabilities that they may incur in such capacities or arising from this status.

Anti-takeover Effect of Certain Provisions of Maryland Law and Our Charter and Bylaws

The restrictions on transfer and ownership of our stock set forth in our charter will prohibit any person from acquiring more than 9.8% in value or in number, whichever is more restrictive, of the outstanding shares of our common stock or more than 9.8% in value of the aggregate of the outstanding shares of all classes and series of our stock, without the prior consent of our board of directors. Because our board of directors will be able to approve exceptions to the ownership limits, the ownership limits will not interfere with a merger or other business combination approved by our board of directors. See "Restrictions on Ownership and Transfer."

The provisions described above, along with other provisions of the MGCL and our charter and bylaws discussed above and the advance notice provisions and the procedures that stockholders will be required to follow to request a special meeting, alone or in combination, could have the effect of delaying, deferring or preventing a proxy contest, tender offer, merger or other change in control of us that might involve a premium price for our securities or otherwise be in the best interest of our securityholders, and could increase the difficulty of consummating any offer.

REIT Qualification

Our charter provides that our board of directors may revoke or otherwise terminate our REIT election, without approval of our stockholders, if it determines that it is no longer in our best interests to attempt to qualify, or to continue to qualify, as a REIT.

FOUR CORNERS PROPERTY TRUST, INC.
2015 OMNIBUS INCENTIVE PLAN

FY [ ] PERFORMANCE-BASED RESTRICTED STOCK UNIT AWARD AGREEMENT
(United States)

This Performance-Based Restricted Stock Unit Award Agreement (the "Agreement") is between Four Corners Property Trust, Inc., a Maryland corporation (the "Company" or "Corporation"), and you, a person notified by the Company, and identified in the Company's records, as the recipient of an Award of Performance-Based Restricted Stock Units ("PRSUs") during the Company's fiscal year [ ]. This Agreement is effective as of the Grant Date communicated to you and set forth in the Company's records.

The Company wishes to award to you a number of PRSUs, subject to certain restrictions as provided in this Agreement, in order to carry out the purpose of the Company's 2015 Omnibus Incentive Plan (the "Plan").

Accordingly, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Company and you hereby agree as follows:

1. Award of PRSUs.

(a) The Company hereby grants to you, effective as of the Grant Date, an Award of PRSUs for that number of PRSUs communicated to you and set forth in the Company's records (the "Target PRSUs"), on the terms and conditions set forth in such communications, this Agreement and the Plan. Each PRSU represents the right to receive, on the vesting date or dates set forth in Sections 3 and 4 hereof, one share of Stock.

(b) The Company hereby grants to you an award of Dividend Equivalent Rights with respect to each Target PRSU granted pursuant to this Agreement for all dividends and distributions in cash, Stock or other property which are paid to all or substantially all holders of the outstanding shares of Stock and that have a record date between the Grant Date and the date when the Target PRSU is distributed or paid to you or is forfeited or expires. The Dividend Equivalent Rights award for each Target PRSU shall be equal to the amount of cash and the Fair Market Value of Stock or other property which is paid as a dividend or distribution on one share of Stock. All such Dividend Equivalent Rights shall be credited to you and shall be deemed to be reinvested in additional PRSUs as of the date of payment of any such dividend or distribution based on the Fair Market Value of a share of Stock on such date. Each additional PRSU which results from such deemed reinvestment of Dividend Equivalent Rights granted hereunder shall be subject to the same vesting, distribution or payment, adjustment and other provisions which apply to the underlying Target PRSU to which such additional PRSU relates. Dividends and other distributions shall only be paid with respect to the Additional PRSUs (as defined below) beginning on the date of issuance of the Additional PRSUs (if any).

2. Rights with Respect to the Target PRSUs and Dividend Equivalent Rights.

The Target PRSUs and Dividend Equivalent Rights granted hereunder do not and shall not give you any of the rights and privileges of a shareholder of Stock. Your rights with respect to the Target PRSUs and Dividend Equivalent Rights shall remain forfeitable at all times prior to the date or dates on which such rights become vested, and the restrictions with respect to the Target PRSUs and Dividend Equivalent Rights lapse, in accordance with Sections 3 or 4 hereof.

3. Vesting.

(a) You shall vest in the number of Target PRSUs, if any, determined by the Committee following the end of the period commencing on <<DATE>> (the "Commencement Date") and ending on <<DATE>> (the "Performance Period") based on the level of achievement of the applicable performance goals approved by the Committee, communicated to you and set forth in the Company's records, subject to your continued employment with the Company or an Affiliate through the end of the Performance Period. The number of PRSUs that may become vested shall range from zero to two hundred percent (200%) of the Target PRSUs, based on the level of achievement of the applicable performance goals during the Performance Period, as determined by the Committee. If more than 100% of the Target PRSUs become vested, as determined by the Committee, then such number of additional PRSUs (the "Additional PRSUs") and the Target PRSUs, (collectively, the "Final PRSUs") shall be deemed to be vested on the date on which the Committee certifies the level of achievement of the applicable performance goals (the "Certification Date"). Any Target PRSUs and Dividend Equivalent Rights that do not vest pursuant to the terms of Sections 3 or 4 hereof shall be immediately and irrevocably forfeited as of the Certification Date or the date of your termination of employment, as applicable.

(b) The Committee administering the Plan shall have the authority to make any determinations regarding questions arising from the application of the provisions of this Section 3, which determination shall be final, conclusive and binding on you and the Company.

4. Early Vesting; Forfeiture.

If you cease to be employed by the Company or an Affiliate prior to the vesting of the Target PRSUs pursuant to Section 3(a) hereof, your rights to all of the unvested Target PRSUs, including your right to become vested in any Additional PRSUs, and Dividend Equivalent Rights shall be immediately and irrevocably forfeited, except that:

(a) Except as provided in Section 4(b) hereof, if, after the first anniversary of the Grant Date, the Company terminates your employment for any reason other than Cause, death or Disability (as defined below), or you terminate your employment for Good Reason (as defined below), then you shall become vested in the number of Final PRSUs and Dividend Equivalent Rights, if any, determined by the Committee following the end of the Performance Period based on the level of achievement of the applicable performance goals during the Performance Period, in each case on a pro rata basis, determined based on the number of full months of employment completed from the Commencement Date to the date of your termination of employment, divided by the number of full months during the Performance Period.

(b) If, within two years after the date of the consummation of a Change in Control that occurs after the Grant Date, the Company terminates your employment for any reason other than for Cause, death or Disability, or you terminate employment for Good Reason, you shall

become immediately and unconditionally vested in the number of Final PRSUs and Dividend Equivalent Rights, if any, determined by the Committee based on the level of achievement of the applicable performance goals, provided that such determination shall be made by the Committee based on the actual level of performance through the date of the Change in Control.

(c) If you die prior to the vesting of the Target PRSUs pursuant to Section 3(a) hereof, you shall become immediately and unconditionally vested in one hundred percent (100%) of the Target PRSUs and Dividend Equivalent Rights granted hereunder as of the date of your death and you shall not be eligible to become vested in any Additional PRSUs. No transfer by will or the Applicable Laws of descent and distribution of any Target PRSUs or Dividend Equivalent Rights which vest by reason of your death shall be effective to bind the Company unless the Committee administering the Plan shall have been furnished with written notice of such transfer and a copy of the will or such other evidence as the Committee may deem necessary to establish the validity of the transfer.

(d) If you become Disabled (as defined below) prior to the vesting of the Target PRSUs pursuant to Section 3(a) hereof, you shall become immediately and unconditionally vested in one hundred percent (100%) of the Target PRSUs and Dividend Equivalent Rights as of the date on which the Committee administering the Plan makes the determination that you are Disabled and you shall not be eligible to become vested in any Additional PRSUs. For purposes of this Agreement, "Disabled" or "Disability" means you have a disability due to illness or injury which is expected to be permanent in nature and which prevents you from performing the material duties required by your regular occupation, all as determined by the Committee administering the Plan.

(e) For purposes of this Agreement, "Good Reason" means:

(i) without your express written consent, (a) the assignment to you of any duties inconsistent in any substantial respect with your position, authority or responsibilities as in effect during the 90-day period immediately preceding the date of the consummation of a Change in Control or (b) any other substantial adverse change in such position (including titles), authority or responsibilities; or

(ii) a material reduction in your base salary, target annual bonus opportunity, long-term incentive opportunity or aggregate employee benefits as in effect immediately prior to the date of the consummation of a Change in Control, other than (a) an inadvertent failure remedied by the Company promptly after receipt of notice thereof given by you or (b) with respect to aggregate employee benefits only, any such failure resulting from an across-the-board reduction in employee benefits applicable to all similarly situated employees of the Company generally.

You shall only have Good Reason if (A) you have provided notice of termination to the Company of any of the foregoing conditions within ninety (90) days of the initial existence of the condition, (B) the Company has been given at least thirty (30) days following receipt of such notice to cure such condition, and (C) if such condition is not cured within such thirty (30) day period, you actually terminate employment within sixty (60) days after the notice of termination. Your mental or physical incapacity following the occurrence of an event described above in clauses (i) or (ii) shall not affect your ability to terminate employment for Good Reason and your death following delivery of a notice of termination for Good Reason shall not affect your estate's

entitlement to vesting and/or settlement of the PRSUs or Dividend Equivalent Rights as provided hereunder upon a termination of employment for Good Reason.

If, following the end of the Performance Period and prior to the Certification Date, the Company terminates your employment for Cause, your rights to all of the unvested Target PRSUs and Dividend Equivalent Rights shall be immediately and irrevocably forfeited and your eligibility to become vested in any Additional PRSUs shall be immediately and irrevocably forfeited.

5. Restriction on Transfer.

Except as contemplated by Section 4(c) hereof, none of the Target PRSUs or Dividend Equivalent Rights may be sold, assigned, transferred, pledged, attached or otherwise encumbered, and no attempt to transfer the Target PRSUs or Dividend Equivalent Rights, whether voluntary or involuntary, by operation of law or otherwise, shall vest the transferee with any interest or right in or with respect to the Target PRSUs or Dividend Equivalent Rights.

6. Financial Restatements.

This Section 6 only applies to you if at any time you were or are designated as an executive officer of the Company.

Notwithstanding the provisions of Sections 3, 4 and 7 of this Agreement, if (a) the Company is required to restate its financial statements due to fraud and (b) the Committee administering the Plan determines that you have knowingly participated in such fraud, then the Committee may, in its sole and absolute discretion, at any time within two years following such restatement, require you to, and you shall immediately upon notice of such Committee determination, return to the Company any shares of Stock received by you or your personal representative from the payment of the Final PRSUs or Dividend Equivalent Rights pursuant to Section 7 of this Agreement and pay to the Company in cash the amount of any proceeds received by you or your personal representative from the disposition or transfer of, and any dividends and other distributions of cash or property received by you or your personal representative with respect to, any shares of Stock received by you or your personal representative from the payment of the PRSUs or Dividend Equivalent Rights pursuant to Section 7 of this Agreement, in each case during the period commencing two years before the beginning of the restated financial period and ending on the date of such Committee determination. In addition, all of your rights to Final PRSUs or Dividend Equivalent Rights that are not vested on the date that the Committee makes such determination shall be immediately and irrevocably forfeited. Notwithstanding anything to the contrary in this Section 6, the Committee shall have the authority and discretion to make any determination regarding the specific implementation of this Section 6 with respect to you.

7. Settlement of Final PRSUs and Dividend Equivalent Rights.

No shares of Stock shall be issued to you (or your beneficiary or, if none, your estate in the event of your death) prior to the date on which the applicable PRSUs vest, in accordance with the terms and conditions communicated to you and set forth in the Company's records. After any Final PRSUs vest pursuant to Sections 3 or 4 hereof, the Company shall promptly, but no later than 30 days following the applicable vesting date, cause to be issued in your name one share of Stock for each Final PRSU (including additional RSUs which resulted from such deemed reinvestment of Dividend Equivalent Rights) in each case less any applicable withholding taxes; provided,

however, that any distribution to any "specified employee" as determined in accordance with procedures adopted by the Company that reflect the requirements of Code Section 409A(a)(2)(B)(i) (and any applicable guidance thereunder) on account of a separation from service shall be made as soon as practicable after the first day of the seventh month following such separation from service (or, if earlier, the date of the specified employee's death). The Company will not deliver any fractional share of Stock but will pay, in lieu thereof, the Fair Market Value of such fractional share of Stock.

8. Adjustments.

In the event that the Committee administering the Plan shall determine that any dividend or other distribution (whether in the form of cash, shares of Stock, other securities or other property), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase or exchange of shares or other securities of the Company, issuance of warrants or other rights to purchase shares or other securities of the Company or other similar corporate transaction or event affects the Stock such that an adjustment of the Target PRSUs (including additional RSUs which resulted from such deemed reinvestment of Dividend Equivalent Rights) is determined by the Committee administering the Plan to be appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under this Agreement, then the Committee shall, in such manner as it may deem equitable, in its sole discretion, adjust any or all of the number and type of shares subject to the Target PRSUs (including additional RSUs which resulted from such deemed reinvestment of Dividend Equivalent Rights).

9. Taxes.

(a) You acknowledge that you will consult with your personal tax advisor regarding the income tax consequences of the grant of the Target PRSUs and Dividend Equivalent Rights, the vesting of the Final PRSUs and Dividend Equivalent Rights and the receipt of shares of Stock upon the vesting of the Final PRSUs and Dividend Equivalent Rights, and any other matters related to this Agreement. In order to comply with all applicable federal, state, local or foreign income tax laws or regulations, the Company may take such action as it deems appropriate to ensure that all applicable federal, state, local or foreign payroll, withholding, income or other taxes, which are your sole and absolute responsibility, are withheld or collected from you.

(b) In accordance with the terms of the Plan, and such rules as may be adopted by the Committee administering the Plan, you may elect to satisfy any applicable tax withholding obligations arising from the vesting of the Final PRSUs and Dividend Equivalent Rights and the corresponding receipt of shares of Stock and cash payments by (i) delivering cash (including check, draft, money order or wire transfer made payable to the order of the Company), (ii) having the Company withhold a portion of the shares of Stock or cash otherwise to be delivered having a Fair Market Value equal to the amount of such taxes, or (iii) delivering to the Company shares of Stock having a Fair Market Value equal to the amount of such taxes. The Company will not deliver any fractional share of Stock but will pay, in lieu thereof, the Fair Market Value of such fractional share of Stock. Your election must be made on or before the date that the amount of tax to be withheld is determined. The maximum number of shares of Stock that may be withheld to satisfy any applicable tax withholding obligations arising from the vesting and settlement of

the Final PRSUs and Dividend Equivalent Rights may not exceed such number of shares of Stock having a Fair Market Value equal to the minimum statutory amount required by the Company to be withheld and paid to any federal, state, or local taxing authority with respect to such vesting and settlement of the Final PRSUs and Dividend Equivalent Rights, or such greater amount as may be permitted under applicable accounting standards.

10. Restrictive Covenants.

(a) Non-Disclosure.

(i) During the course of your employment, before and after the execution of this Agreement, and as consideration for the restrictive covenants entered into by you herein, you have received and will continue to receive some or all of the Company's various Trade Secrets (as defined under Applicable Law) and confidential or proprietary information, which includes the following whether in physical or electronic form: (1) data and compilations of data related to Business Opportunities (as defined below), (2) computer software, hardware, network and internet technology utilized, modified or enhanced by the Company or by you in furtherance of your duties with the Company; (3) compilations of data concerning Company products, services, customers, and end users including but not limited to compilations concerning projected sales, new project timelines, inventory reports, sales, and cost and expense reports; (4) compilations of information about the Company's employees and independent contracting consultants; (5) the Company's financial information, including, without limitation, amounts charged to customers and amounts charged to the Company by its vendors, suppliers, and service providers; (6) proposals submitted to the Company's customers, potential customers, wholesalers, distributors, vendors, suppliers and service providers; (7) the Company's marketing strategies and compilations of marketing data; (8) compilations of data or information concerning, and communications and agreements with, vendors, suppliers and licensors to the Company and other sources of technology, products, services or components used in the Company's business; (9) the Company's research and development records and data; and (10) any summary, extract or analysis of such information together with information that has been received or disclosed to the Company by any third party as to which the Company has an obligation to treat as confidential (collectively, "Confidential Information"). "Business Opportunities" means all ideas, concepts or information received or developed (in whatever form) by you concerning any business, transaction or potential transaction that constitutes or may constitute an opportunity for the Company to earn a fee or income, specifically including those relationships that were initiated, nourished or developed at the Company's expense. Confidential Information does not include data or information: (1) which has been voluntarily disclosed to the public by the Company, except where such public disclosure has been made by you without authorization from the Company; (2) which has been independently developed and disclosed by others; or (3) which has otherwise entered the public domain through lawful means.

(ii) All Confidential Information, Trade Secrets, and all physical and electronic embodiments thereof are confidential and are and will remain the sole and exclusive property of the Company. During the term of your employment with the Company and for a period of five (5) years following the termination of your employment with the Company for any reason, with or without cause, and upon the initiative of either you or the Company, you agree that you shall protect any such Confidential Information and Trade Secrets and shall not, except in connection with the performance of your remaining duties for the Company, use, disclose or otherwise copy, reproduce, distribute or otherwise disseminate any such Confidential Information or Trade Secrets, or any physical or electronic embodiments thereof, to any third party; provided, however, that you may make disclosures required by a valid order or subpoena issued by a court or administrative agency of competent jurisdiction, in which event you will promptly notify the Company of such order or subpoena to provide the Company an opportunity to protect its interests.

(iii) Upon request by the Company and, in any event, upon termination of your employment with the Company for any reason, you will promptly deliver to the Company (within twenty-four (24) hours) all property belonging to the Company, including but without limitation, all Confidential Information, Trade Secrets and all electronic and physical embodiments thereof, all Company files, customer lists, management reports, memoranda, research, Company forms, financial data and reports and other documents (including but not limited to all such data and documents in electronic form) supplied to or created by you in connection with your employment with the Company (including all copies of the foregoing) in your possession or control, and all of the Company's equipment and other materials in your possession or control. You agree to allow the Company, at its request, to verify return of Company property and documents and information and/or permanent deletion of the same, through inspection of personal computers, personal storage media, third party websites, third party e-mail systems, personal digital assistant devices, cell phones and/or social networking sites on which Company information was stored during your employment with the Company.

(iv) Nothing contained herein shall be in derogation or a limitation of the rights of the Company to enforce its rights or your duties under the Applicable Law relating to Trade Secrets.

(b) Non-Competition. You agree that, while employed by the Company and for a period of twenty-four (24) months following the termination of your employment with the Company for any reason, with or without cause, whether upon the initiative of either you or the Company (the "Restricted Period"), you will not provide or perform the same or substantially similar services, that you provided to the Company, on behalf of any Direct Competitor (as defined below), directly (i.e., as an officer or employee) or indirectly (i.e., as an independent contractor, consultant, advisor, board member, agent, shareholder, investor, joint venturer, or partner), anywhere within the United States of America (the "Territory"). "Direct Competitor" means any individual, partnership, corporation, limited liability company, association, or other group, however organized, who competes with the Company in the business of owning,

acquiring and leasing restaurant and retail properties.

(i) If you are a resident of California and subject to its laws, the restrictions set forth in this Section 10(b) above shall not apply to you.

(ii) Nothing in this provision shall divest you from the right to acquire as a passive investor (with no involvement in the operations or management of the business) up to 1% of any class of securities which is: (x) issued by any Direct Competitor, and (y) publicly traded on a national securities exchange or over-the- counter market.

(c) Non-Solicitation. You agree that you shall not at any time during your employment with the Company and during the Restricted Period, on behalf of yourself or any other Person, directly or by assisting others, solicit, induce, encourage or cause any of the Company's vendors, suppliers, licensees, or other Persons with whom the Company has a contractual relationship and with whom you have had Material Contact (as defined below) during the last two years of your employment with the Company, to cease doing business with the Company or to do business with a Direct Competitor. "Material Contact" means contact between you and a Person: (1) with whom or which you dealt on behalf of the Company; (2) whose dealings with the Company were coordinated or supervised by you; (3) about whom you obtained Confidential Information in the ordinary course of business as a result of your association with the Company; or (4) who receives products or services authorized by the Company, the sale or provision of which results or resulted in compensation, commission, or earnings for you within two years prior to the date of the termination of your employment with the Company.

(d) Non-Recruitment. You agree that during the course of your employment with the Company and during the Restricted Period, you will not, on behalf of yourself or any other Person, directly or by assisting others, solicit, induce, persuade, or encourage, or attempt to solicit, induce, persuade, or encourage, any individual employed by the Company, with whom you have worked, to terminate such employee's position with the Company, whether or not such employee is a full-time or temporary employee of the Company and whether or not such employment is pursuant to a written agreement, for a determined period, or at will. The provisions of this Section 10(d) shall only apply to those individuals employed by the Company at the time of solicitation or attempted solicitation. If you are a resident of California and subject to its laws, the restrictions set forth in Section 10(c) above and this Section 10(d) shall be limited to apply only where you use or disclose Confidential Information or Trade Secrets when engaging in the restricted activities.

(e) Acknowledgements. You acknowledge that the Company is in the business of owning, acquiring and leasing restaurant and retail properties on a nationwide basis and that the Company makes substantial investments and has established substantial goodwill associated with its business, supplier relationships and marketing programs throughout the United States. You therefore acknowledge that the Territory in which the Company's Business is conducted is, at the very least, throughout the United States. You further acknowledge and agree that it is fair and reasonable for the Company to take steps to protect its Confidential Information, Trade Secrets, goodwill, business relationships, employees, economic advantages, and/or other legitimate business interests from the risk of misappropriation of or harm to its Confidential Information, Trade Secrets, goodwill, business relationships, employees, economic advantages, and/or other legitimate business interests. You acknowledge that the consideration, including this Agreement, continued employment, specialized training, and the Confidential Information

and Trade Secrets provided to you, gives rise to the Company's interest in restraining you from competing with the Company and that any limitations as to time, geographic scope and scope of activity to be restrained are reasonable and do not impose a greater restraint than is necessary to protect Company's Confidential Information, Trade Secrets, good will, business relationships, employees, economic advantages, and/or other legitimate business interests, and will not prevent you from earning a livelihood.

(f) Survival of Covenants. The provisions and restrictive covenants in this Section 10 of this Agreement shall survive the expiration or termination of this Agreement for any reason. You agree not to challenge the enforceability or scope of the provisions and restrictive covenants in this Section 10. You further agree to notify all future persons, or businesses, with which you become affiliated or employed by, of the provisions and restrictions set forth in this Section 10, prior to the commencement of any such affiliation or employment.

(g) Injunctive Relief. You acknowledge that if you breach or threaten to breach any of the provisions of this Agreement, your actions will cause irreparable harm and damage to the Company which cannot be compensated by damages alone. Accordingly, if you breach or threaten to breach any of the provisions of this Agreement, the Company shall be entitled to injunctive relief, in addition to any other rights or remedies the Company may have. You hereby waive the requirement for a bond by the Company as a condition to seeking injunctive relief. The existence of any claim or cause of action by you against the Company, whether predicated on this Agreement or otherwise, shall not constitute a defense to the enforcement by the Company of your agreements under this Agreement.

(h) Forfeiture. In the event that you violate the terms of this Section 10, you understand and agree that in addition to the Company's rights to obtain injunctive relief and damages for such violation, any and all rights to the Award under this Agreement, whether vested or unvested, shall be forfeited and extinguished.

11. General Provisions.

(a) Interpretations. This Agreement is subject in all respects to the terms of the Plan. A copy of the Plan is available upon your request. Terms used herein which are defined in the Plan shall have the respective meanings given to such terms in the Plan, unless otherwise defined herein. In the event that any provision of this Agreement is inconsistent with the terms of the Plan, the terms of the Plan shall govern. Any question of administration or interpretation arising under this Agreement shall be determined by the Committee administering the Plan, and such determination shall be final, conclusive and binding upon all parties in interest. To the extent that any Award granted by the Company is subject to Code Section 409A, such Award shall be subject to terms and conditions that comply with the requirements of Code Section 409A to avoid adverse tax consequences under Code Section 409A.

(b) No Right to Employment. Nothing in this Agreement or the Plan shall be construed as giving you the right to be retained as an employee of the Company or any Affiliate. In addition, the Company or an Affiliate may at any time dismiss you from employment, free from any liability or any claim under this Agreement, unless otherwise expressly provided in this Agreement.

(c) Reservation of Shares. The Company shall at all times prior to the vesting of the PRSUs and the Dividend Equivalent Rights reserve and keep available such number of

shares of Stock as will be sufficient to satisfy the requirements of this Agreement.

(d) Securities Matters. The Company shall not be required to deliver any shares of Stock until the requirements of any federal or state securities or other laws, rules or regulations (including the rules of any securities exchange) as may be determined by the Company to be applicable are satisfied.

(e) Headings. Headings are given to the sections and subsections of this Agreement solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of this Agreement or any provision hereof.

(f) Arbitration. Except for injunctive relief as set forth herein, the parties agree that any dispute between the parties regarding this Agreement shall be submitted to binding arbitration in Baltimore, Maryland.

(g) Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of Maryland (without giving effect to the conflict of law principles thereof). Subject to Section 11(f) hereof, you agree that the state and federal courts of Maryland shall have jurisdiction over any litigation between you and the Company regarding this Agreement, and you expressly submit to the exclusive jurisdiction and venue of the federal and state courts sitting in Baltimore County, Maryland.

(h) Notices. You should send all written notices regarding this Agreement or the Plan to the Company at the following address:

Four Corners Property Trust, Inc.
591 Redwood Highway
Suite 1150
Mill Valley, CA 94941
Attention: General Counsel

(i) Award Agreement and Related Documents. This Agreement shall have no force or effect unless you have been notified by the Company, and identified in the Company's records, as the recipient of a PRSU grant. YOU MUST REVIEW AND ACKNOWLEDGE ACCEPTANCE OF THE TERMS OF THIS AGREEMENT, INCLUDING SPECIFICALLY THE RESTRICTIVE COVENANTS, BY EXECUTING THIS AGREEMENT ELECTRONICALLY VIA YOUR ESTABLISHED ACCOUNT ON THE PLAN MANAGEMENT CORPORATION WEBSITE WITHIN 60 DAYS OF THE DATE OF GRANT; PROVIDED, HOWEVER, THAT THE COMMITTEE MAY, AT ITS DISCRETION, EXTEND THIS DATE. FAILURE TO ACCEPT THE REFERENCED TERMS AND TO EXECUTE THIS AGREEMENT ELECTRONICALLY WILL PRECLUDE YOU FROM RECEIVING YOUR PRSU GRANT. In connection with your PRSU grant and this Agreement, the following additional documents were made available to you electronically, and paper copies are available on request directed to the Company's Compensation Department: (i) the Plan; and (ii) a Prospectus relating to the Plan.

FOUR CORNERS PROPERTY TRUST, INC.
2015 OMNIBUS INCENTIVE PLAN

FY [___] RESTRICTED STOCK UNIT AWARD AGREEMENT
(United States)

This Restricted Stock Unit Award Agreement (the "Agreement") is between Four Corners Property Trust, Inc., a Maryland corporation (the "Company" or "Corporation"), and you, a person notified by the Company, and identified in the Company's records, as the recipient of an Award of Restricted Stock Units during the Company's fiscal year [___]. This Agreement is effective as of the Grant Date communicated to you and set forth in the Company's records.

The Company wishes to award to you a number of Restricted Stock Units, subject to certain restrictions as provided in this Agreement, in order to carry out the purpose of the Company's 2015 Omnibus Incentive Plan (the "Plan").

Accordingly, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Company and you hereby agree as follows:

1. Award of Restricted Stock Units.

(a) The Company hereby grants to you, effective as of the Grant Date, an Award of Restricted Stock Units for that number of Restricted Stock Units communicated to you and set forth in the Company's records (the "RSUs"), on the terms and conditions set forth in such communications, this Agreement and the Plan. Each RSU represents the right to receive, on the vesting date or dates set forth in Sections 3 and 4 hereof, one share of Stock.

(b) The Company hereby grants to you an award of Dividend Equivalent Rights with respect to each RSU granted pursuant to this Agreement for all dividends and distributions in cash, Stock or other property which are paid to all or substantially all holders of the outstanding shares of Stock and that have a record date between the Grant Date and the date when the RSU is distributed or paid to you or is forfeited or expires. The Dividend Equivalent Rights award for each RSU shall be equal to the amount of cash and the Fair Market Value of Stock or other property which is paid as a dividend or distribution on one share of Stock. All such Dividend Equivalent Rights shall be credited to you and shall be deemed to be reinvested in additional RSUs as of the date of payment of any such dividend or distribution based on the Fair Market Value of a share of Stock on such date. Each additional RSU which results from such deemed reinvestment of Dividend Equivalent Rights granted hereunder shall be subject to the same vesting, distribution or payment, adjustment and other provisions which apply to the underlying RSU to which such additional RSU relates.

2. Rights with Respect to the RSUs and Dividend Equivalent Rights.

The RSUs and Dividend Equivalent Rights granted hereunder do not and shall not give you any of the rights and privileges of a shareholder of Stock. Your rights with respect to the RSUs

and Dividend Equivalent Rights shall remain forfeitable at all times prior to the date or dates on which such rights become vested, and the restrictions with respect to the RSUs and Dividend Equivalent Rights lapse, in accordance with Sections 3 or 4 hereof.

3. Vesting.

Subject to the terms and conditions of this Agreement, the RSUs shall vest, and the restrictions with respect to the RSUs shall lapse, 100% on the [ ] anniversary of the Grant Date if you remain continuously employed by the Company or an Affiliate until the vesting date. Each additional RSU which results from deemed reinvestments of Dividend Equivalent Rights pursuant to Section 1(b) hereof shall vest whenever the underlying RSU to which such additional RSU relates vests.

4. Early Vesting; Forfeiture.

If you cease to be employed by the Company or an Affiliate prior to the vesting of the RSUs pursuant to Section 3 hereof, your rights to all of the unvested RSUs and Dividend Equivalent Rights shall be immediately and irrevocably forfeited, except that:

(a) If, within two years after the date of the consummation of a Change in Control that occurs after the Grant Date, the Company terminates your employment for any reason other than for Cause, death or Disability, or you terminate employment for Good Reason, you shall become immediately and unconditionally vested in all RSUs and Dividend Equivalent Rights and the restrictions with respect to all of the RSUs and Dividend Equivalent Rights shall lapse.

(b) If you die prior to the vesting of the RSUs pursuant to Section 3 hereof, you shall become immediately and unconditionally vested in all RSUs and Dividend Equivalent Rights and the restrictions with respect to all RSUs and Dividend Equivalent Rights shall lapse on the date of your death. No transfer by will or the Applicable Laws of descent and distribution of any RSUs or Dividend Equivalent Rights which vest by reason of your death shall be effective to bind the Company unless the Committee administering the Plan shall have been furnished with written notice of such transfer and a copy of the will or such other evidence as the Committee may deem necessary to establish the validity of the transfer; or

(c) If you become Disabled (as defined below) prior to the vesting of the RSUs pursuant to Section 3 hereof, you shall become immediately and unconditionally vested in all RSUs and Dividend Equivalent Rights and the restrictions with respect to all RSUs and Dividend Equivalent Rights shall lapse on the date on which the Committee administering the Plan makes the determination that you are Disabled. For purposes of this Agreement, "Disabled" or "Disability" means you have a disability due to illness or injury which is expected to be permanent in nature and which prevents you from performing the material duties required by your regular occupation, all as determined by the Committee administering the Plan.

(d) For purposes of this Agreement, "Good Reason" means:

(i) without your express written consent, (a) the assignment to you of any duties inconsistent in any substantial respect with your position, authority or responsibilities as in effect during the 90-day period immediately preceding the date of the consummation of a Change in Control or (b) any other

substantial adverse change in such position (including titles), authority or responsibilities; or

(ii) a material reduction in your base salary, target annual bonus opportunity, long-term incentive opportunity or aggregate employee benefits as in effect immediately prior to the date of the consummation of a Change in Control, other than (a) an inadvertent failure remedied by the Company promptly after receipt of notice thereof given by you or (b) with respect to aggregate employee benefits only, any such failure resulting from an across-the-board reduction in employee benefits applicable to all similarly situated employees of the Company generally.

You shall only have Good Reason if (A) you have provided notice of termination to the Company of any of the foregoing conditions within ninety (90) days of the initial existence of the condition, (B) the Company has been given at least thirty (30) days following receipt of such notice to cure such condition, and (C) if such condition is not cured within such thirty (30) day period, you actually terminate employment within sixty (60) days after the notice of termination. Your mental or physical incapacity following the occurrence of an event described above in clauses (i) or (ii) shall not affect your ability to terminate employment for Good Reason and your death following delivery of a notice of termination for Good Reason shall not affect your estate's entitlement to settlement of the RSUs or Dividend Equivalent Rights as provided hereunder upon a termination of employment for Good Reason.

5. Restriction on Transfer.

Except as contemplated by Section 4(b) hereof, none of the RSUs or Dividend Equivalent Rights may be sold, assigned, transferred, pledged, attached or otherwise encumbered, and no attempt to transfer the RSUs or Dividend Equivalent Rights, whether voluntary or involuntary, by operation of law or otherwise, shall vest the transferee with any interest or right in or with respect to the RSUs or Dividend Equivalent Rights.

6. Financial Restatements.

This Section 6 only applies to you if at any time you were or are designated as an executive officer of the Company.

Notwithstanding the provisions of Sections 3, 4 and 7 of this Agreement, if (a) the Company is required to restate its financial statements due to fraud and (b) the Committee administering the Plan determines that you have knowingly participated in such fraud, then the Committee may, in its sole and absolute discretion, at any time within two years following such restatement, require you to, and you shall immediately upon notice of such Committee determination, return to the Company any shares of Stock received by you or your personal representative from the payment of the RSUs or Dividend Equivalent Rights pursuant to Section 7 of this Agreement and pay to the Company in cash the amount of any proceeds received by you or your personal representative from the disposition or transfer of, and any dividends and other distributions of cash or property received by you or your personal representative with respect to, any shares of Stock received by you or your personal representative from the payment of the RSUs or Dividend Equivalent Rights pursuant to Section 7 of this Agreement, in each case during the period commencing two years before the

beginning of the restated financial period and ending on the date of such Committee determination. In addition, all of your rights to RSUs or Dividend Equivalent Rights that are not vested on the date that the Committee makes such determination shall be immediately and irrevocably forfeited. Notwithstanding anything to the contrary in this Section 6, the Committee shall have the authority and discretion to make any determination regarding the specific implementation of this Section 6 with respect to you.

7. Settlement of RSUs and Dividend Equivalent Rights.

No shares of Stock shall be issued to you (or your beneficiary or, if none, your estate in the event of your death) prior to the date on which the applicable RSUs vest, in accordance with the terms and conditions communicated to you and set forth in the Company's records. After any RSUs vest pursuant to Sections 3 or 4 hereof, the Company shall promptly, but no later than 30 days following the applicable vesting date, cause to be issued in your name one share of Stock for each RSU (including additional RSU which resulted from such deemed reinvestment of Dividend Equivalent Rights), in each case less any applicable withholding taxes; provided, however, that any distribution to any "specified employee" as determined in accordance with procedures adopted by the Company that reflect the requirements of Code Section 409A(a)(2)(B)(i) (and any applicable guidance thereunder) on account of a separation from service shall be made as soon as practicable after the first day of the seventh month following such separation from service (or, if earlier, the date of the specified employee's death). The Company will not deliver any fractional share of Stock but will pay, in lieu thereof, the Fair Market Value of such fractional share of Stock.

8. Adjustments.

In the event that the Committee administering the Plan shall determine that any dividend or other distribution (whether in the form of cash, shares of Stock, other securities or other property), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase or exchange of shares or other securities of the Company, issuance of warrants or other rights to purchase shares or other securities of the Company or other similar corporate transaction or event affects the Stock such that an adjustment of the RSUs is determined by the Committee administering the Plan to be appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under this Agreement, then the Committee shall, in such manner as it may deem equitable, in its sole discretion, adjust any or all of the number and type of shares subject to the RSUs.

9. Taxes.

(a) You acknowledge that you will consult with your personal tax advisor regarding the income tax consequences of the grant of the RSUs and Dividend Equivalent Rights, the vesting of the RSUs and Dividend Equivalent Rights and the receipt of shares of Stock upon the vesting of the RSUs and Dividend Equivalent Rights, and any other matters related to this Agreement. In order to comply with all applicable federal, state, local or foreign income tax laws or regulations, the Company may take such action as it deems appropriate to ensure that all applicable federal, state, local or foreign payroll, withholding, income or other taxes, which are your sole and absolute responsibility, are withheld or collected from you.

(b) In accordance with the terms of the Plan, and such rules as may be adopted by the Committee administering the Plan, you may elect to satisfy any applicable tax withholding obligations arising from the vesting of the RSUs and Dividend Equivalent Rights and the corresponding receipt of shares of Stock and cash payments by (i) delivering cash (including check, draft, money order or wire transfer made payable to the order of the Company), (ii) having the Company withhold a portion of the shares of Stock or cash otherwise to be delivered having a Fair Market Value equal to the amount of such taxes, or (iii) delivering to the Company shares of Stock having a Fair Market Value equal to the amount of such taxes. The Company will not deliver any fractional share of Stock but will pay, in lieu thereof, the Fair Market Value of such fractional share of Stock. Your election must be made on or before the date that the amount of tax to be withheld is determined. The maximum number of shares of Stock that may be withheld to satisfy any applicable tax withholding obligations arising from the vesting and settlement of the RSUs and Dividend Equivalent Rights may not exceed such number of shares of Stock having a Fair Market Value equal to the minimum statutory amount required by the Company to be withheld and paid to any federal, state, or local taxing authority with respect to such vesting and settlement of the RSUs and Dividend Equivalent Rights, or such greater amount as may be permitted under applicable accounting standards.

10. Restrictive Covenants.

(a) Non-Disclosure.

(i) During the course of your employment, before and after the execution of this Agreement, and as consideration for the restrictive covenants entered into by you herein, you have received and will continue to receive some or all of the Company's various Trade Secrets (as defined under Applicable Law) and confidential or proprietary information, which includes the following whether in physical or electronic form: (1) data and compilations of data related to Business Opportunities (as defined below), (2) computer software, hardware, network and internet technology utilized, modified or enhanced by the Company or by you in furtherance of your duties with the Company; (3) compilations of data concerning Company products, services, customers, and end users including but not limited to compilations concerning projected sales, new project timelines, inventory reports, sales, and cost and expense reports; (4) compilations of information about the Company's employees and independent contracting consultants; (5) the Company's financial information, including, without limitation, amounts charged to customers and amounts charged to the Company by its vendors, suppliers, and service providers; (6) proposals submitted to the Company's customers, potential customers, wholesalers, distributors, vendors, suppliers and service providers; (7) the Company's marketing strategies and compilations of marketing data; (8) compilations of data or information concerning, and communications and agreements with, vendors, suppliers and licensors to the Company and other sources of technology, products, services or components used in the Company's business; (9) the Company's research and development records and data; and (10) any summary, extract or analysis of such information together with information that has been received or disclosed to the Company by any third party as to which the Company has an obligation to treat as

confidential (collectively, "Confidential Information"). "Business Opportunities" means all ideas, concepts or information received or developed (in whatever form) by you concerning any business, transaction or potential transaction that constitutes or may constitute an opportunity for the Company to earn a fee or income, specifically including those relationships that were initiated, nourished or developed at the Company's expense. Confidential Information does not include data or information: (1) which has been voluntarily disclosed to the public by the Company, except where such public disclosure has been made by you without authorization from the Company; (2) which has been independently developed and disclosed by others; or (3) which has otherwise entered the public domain through lawful means.

(ii) All Confidential Information, Trade Secrets, and all physical and electronic embodiments thereof are confidential and are and will remain the sole and exclusive property of the Company. During the term of your employment with the Company and for a period of five (5) years following the termination of your employment with the Company for any reason, with or without cause, and upon the initiative of either you or the Company, you agree that you shall protect any such Confidential Information and Trade Secrets and shall not, except in connection with the performance of your remaining duties for the Company, use, disclose or otherwise copy, reproduce, distribute or otherwise disseminate any such Confidential Information or Trade Secrets, or any physical or electronic embodiments thereof, to any third party; provided, however, that you may make disclosures required by a valid order or subpoena issued by a court or administrative agency of competent jurisdiction, in which event you will promptly notify the Company of such order or subpoena to provide the Company an opportunity to protect its interests.

(iii) Upon request by the Company and, in any event, upon termination of your employment with the Company for any reason, you will promptly deliver to the Company (within twenty-four (24) hours) all property belonging to the Company, including but without limitation, all Confidential Information, Trade Secrets and all electronic and physical embodiments thereof, all Company files, customer lists, management reports, memoranda, research, Company forms, financial data and reports and other documents (including but not limited to all such data and documents in electronic form) supplied to or created by you in connection with your employment with the Company (including all copies of the foregoing) in your possession or control, and all of the Company's equipment and other materials in your possession or control. You agree to allow the Company, at its request, to verify return of Company property and documents and information and/or permanent deletion of the same, through inspection of personal computers, personal storage media, third party websites, third party e-mail systems, personal digital assistant devices, cell phones and/or social networking sites on which Company information was stored during your employment with the Company.

(iv) Nothing contained herein shall be in derogation or a limitation of the rights of the Company to enforce its rights or your duties under the

Applicable Law relating to Trade Secrets.

(b) Non-Competition. You agree that, while employed by the Company and for a period of twenty-four (24) months following the termination of your employment with the Company for any reason, with or without cause, whether upon the initiative of either you or the Company (the "Restricted Period"), you will not provide or perform the same or substantially similar services, that you provided to the Company, on behalf of any Direct Competitor (as defined below), directly (i.e., as an officer or employee) or indirectly (i.e., as an independent contractor, consultant, advisor, board member, agent, shareholder, investor, joint venturer, or partner), anywhere within the United States of America (the "Territory"). "Direct Competitor" means any individual, partnership, corporation, limited liability company, association, or other group, however organized, who competes with the Company in the business of owning, acquiring and leasing restaurant and retail properties.

(i) If you are a resident of California and subject to its laws, the restrictions set forth in this Section 10(b) above shall not apply to you.

(ii) Nothing in this provision shall divest you from the right to acquire as a passive investor (with no involvement in the operations or management of the business) up to 1% of any class of securities which is: (x) issued by any Direct Competitor, and (y) publicly traded on a national securities exchange or over-the- counter market.

(c) Non-Solicitation. You agree that you shall not at any time during your employment with the Company and during the Restricted Period, on behalf of yourself or any other Person, directly or by assisting others, solicit, induce, encourage or cause any of the Company's vendors, suppliers, licensees, or other Persons with whom the Company has a contractual relationship and with whom you have had Material Contact (as defined below) during the last two years of your employment with the Company, to cease doing business with the Company or to do business with a Direct Competitor. "Material Contact" means contact between you and a Person: (1) with whom or which you dealt on behalf of the Company; (2) whose dealings with the Company were coordinated or supervised by you; (3) about whom you obtained Confidential Information in the ordinary course of business as a result of your association with the Company; or (4) who receives products or services authorized by the Company, the sale or provision of which results or resulted in compensation, commission, or earnings for you within two years prior to the date of the termination of your employment with the Company.

(d) Non-Recruitment. You agree that during the course of your employment with the Company and during the Restricted Period, you will not, on behalf of yourself or any other Person, directly or by assisting others, solicit, induce, persuade, or encourage, or attempt to solicit, induce, persuade, or encourage, any individual employed by the Company, with whom you have worked, to terminate such employee's position with the Company, whether or not such employee is a full-time or temporary employee of the Company and whether or not such employment is pursuant to a written agreement, for a determined period, or at will. The provisions of this Section 10(d) shall only apply to those individuals employed by the Company at the time of solicitation or attempted solicitation. If you are a resident of California and subject to its laws, the restrictions set forth in Section 10(c) above and this Section 10(d) shall be limited to apply only where you use or disclose Confidential Information or Trade Secrets when engaging in the restricted activities.

(e) Acknowledgements. You acknowledge that the Company is in the business of owning, acquiring and leasing restaurant and retail properties on a nationwide basis and that the Company makes substantial investments and has established substantial goodwill associated with its business, supplier relationships and marketing programs throughout the United States. You therefore acknowledge that the Territory in which the Company's Business is conducted is, at the very least, throughout the United States. You further acknowledge and agree that it is fair and reasonable for the Company to take steps to protect its Confidential Information, Trade Secrets, goodwill, business relationships, employees, economic advantages, and/or other legitimate business interests from the risk of misappropriation of or harm to its Confidential Information, Trade Secrets, goodwill, business relationships, employees, economic advantages, and/or other legitimate business interests. You acknowledge that the consideration, including this Agreement, continued employment, specialized training, and the Confidential Information and Trade Secrets provided to you, gives rise to the Company's interest in restraining you from competing with the Company and that any limitations as to time, geographic scope and scope of activity to be restrained are reasonable and do not impose a greater restraint than is necessary to protect Company's Confidential Information, Trade Secrets, good will, business relationships, employees, economic advantages, and/or other legitimate business interests, and will not prevent you from earning a livelihood.

(f) Survival of Covenants. The provisions and restrictive covenants in this Section 10 of this Agreement shall survive the expiration or termination of this Agreement for any reason. You agree not to challenge the enforceability or scope of the provisions and restrictive covenants in this Section 10. You further agree to notify all future persons, or businesses, with which you become affiliated or employed by, of the provisions and restrictions set forth in this Section 10, prior to the commencement of any such affiliation or employment.

(g) Injunctive Relief. You acknowledge that if you breach or threaten to breach any of the provisions of this Agreement, your actions will cause irreparable harm and damage to the Company which cannot be compensated by damages alone. Accordingly, if you breach or threaten to breach any of the provisions of this Agreement, the Company shall be entitled to injunctive relief, in addition to any other rights or remedies the Company may have. You hereby waive the requirement for a bond by the Company as a condition to seeking injunctive relief. The existence of any claim or cause of action by you against the Company, whether predicated on this Agreement or otherwise, shall not constitute a defense to the enforcement by the Company of your agreements under this Agreement.

(h) Forfeiture. In the event that you violate the terms of this Section 10, you understand and agree that in addition to the Company's rights to obtain injunctive relief and damages for such violation, any and all rights to the Award under this Agreement, whether vested or unvested, shall be forfeited and extinguished.

11. General Provisions.

(a) Interpretations. This Agreement is subject in all respects to the terms of the Plan. A copy of the Plan is available upon your request. Terms used herein which are defined in the Plan shall have the respective meanings given to such terms in the Plan, unless otherwise defined herein. In the event that any provision of this Agreement is inconsistent with the terms of the Plan, the terms of the Plan shall govern. Any question of administration or

interpretation arising under this Agreement shall be determined by the Committee administering the Plan, and such determination shall be final, conclusive and binding upon all parties in interest. To the extent that any Award granted by the Company is subject to Code Section 409A, such Award shall be subject to terms and conditions that comply with the requirements of Code Section 409A to avoid adverse tax consequences under Code Section 409A.

(b) No Right to Employment. Nothing in this Agreement or the Plan shall be construed as giving you the right to be retained as an employee of the Company or any Affiliate. In addition, the Company or an Affiliate may at any time dismiss you from employment, free from any liability or any claim under this Agreement, unless otherwise expressly provided in this Agreement.

(c) Reservation of Shares. The Company shall at all times prior to the vesting of the RSUs and the Dividend Equivalent Rights reserve and keep available such number of shares of Stock as will be sufficient to satisfy the requirements of this Agreement.

(d) Securities Matters. The Company shall not be required to deliver any shares of Stock until the requirements of any federal or state securities or other laws, rules or regulations (including the rules of any securities exchange) as may be determined by the Company to be applicable are satisfied.

(e) Headings. Headings are given to the sections and subsections of this Agreement solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of this Agreement or any provision hereof.

(f) Arbitration. Except for injunctive relief as set forth herein, the parties agree that any dispute between the parties regarding this Agreement shall be submitted to binding arbitration in Baltimore, Maryland.

(g) Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of Maryland (without giving effect to the conflict of law principles thereof). Subject to Section 11(f) hereof, you agree that the state and federal courts of Maryland shall have jurisdiction over any litigation between you and the Company regarding this Agreement, and you expressly submit to the exclusive jurisdiction and venue of the federal and state courts sitting in Baltimore County, Maryland.

(h) Notices. You should send all written notices regarding this Agreement or the Plan to the Company at the following address:

Four Corners Property Trust, Inc.
591 Redwood Highway
Suite 1150
Mill Valley, CA 94941
Attention: General Counsel

(i) Award Agreement and Related Documents. This RSU Award Agreement shall have no force or effect unless you have been notified by the Company, and identified in the Company's records, as the recipient of a RSU Grant. YOU MUST REVIEW AND ACKNOWLEDGE ACCEPTANCE OF THE TERMS OF THIS AGREEMENT,

INCLUDING SPECIFICALLY THE RESTRICTIVE COVENANTS, BY EXECUTING THIS AGREEMENT ELECTRONICALLY VIA YOUR ESTABLISHED ACCOUNT ON THE PLAN MANAGEMENT CORPORATION WEBSITE WITHIN 60 DAYS OF THE DATE OF GRANT; PROVIDED, HOWEVER, THAT THE COMMITTEE MAY, AT ITS DISCRETION, EXTEND THIS DATE. FAILURE TO ACCEPT THE REFERENCED TERMS AND TO EXECUTE THIS AGREEMENT ELECTRONICALLY WILL PRECLUDE YOU FROM RECEIVING YOUR RSU GRANT. In connection with your RSU grant and this Agreement, the following additional documents were made available to you electronically, and paper copies are available on request directed to the Company's Compensation Department: (i) the Plan; and (ii) a Prospectus relating to the Plan.

Second Amendment to Restricted Stock Award Agreement

(United States)

This Amendment to the FY 2015 Restricted Stock Award Agreement, as amended, described herein (this "Amendment") is made as of [_____] by Four Corners Property Trust, Inc., a Maryland corporation (the "Company").

WHEREAS, ________________ (the "Grantee") is an individual who holds a grant of ________________shares of restricted stock (the "Restricted Stock") granted under the Company's 2015 Omnibus Incentive Plan, as amended (the "Plan") and evidenced by a Restricted Stock Award Agreement by and between the Company and the Grantee (the "Restricted stock Agreement") dated __________ __, ____.

WHEREAS, the Company has determined that it is desirable to amend the Restricted Stock Agreement to change certain provisions relating to dividends on such Restricted Stock.

NOW, THEREFORE, for and in consideration of the foregoing and of the mutual covenants and agreement set forth in this Amendment, the Restricted Stock Agreement is hereby amended as follows:

1. Section 1(b) of the Restricted Stock Agreement is hereby deleted in its entirety and replaced with the following:

> "As a condition to receiving the Shares, you hereby agree that all dividends and other distributions paid with respect to the Shares (whether in cash, property or shares of Stock) shall be reinvested in additional shares of Stock. All such dividends or distributions shall be credited to you and reinvested in additional shares of Stock as of the date of payment of any such dividend or distribution based on the Fair Market Value of a share of Stock on such date; provided, however, that if the Shares to which such dividend or distribution relates vest during the period beginning on the record date of such dividend or distribution and ending on the day prior to the applicable payment date, such credit shall be based on the Fair Market Value on date immediately preceding such vesting date. Each additional share of Stock which results from such reinvestment granted hereunder shall be subject to the same vesting, forfeiture, distribution or payment, adjustment and other provisions which apply to the underlying share of Stock relates."

2. Except as expressly provided herein, the terms and conditions of the Restricted Stock Agreement shall remain in full force and effect and shall be binding on the parties hereto.

FOUR CORNERS PROPERTY TRUST, INC.

By: ______________________________

Its: ______________________________

Amendment to FY [ ] Restricted Stock Unit Award Agreement

(United States)

This Amendment to the FY [___] Restricted Stock Unit Award Agreement described herein (this "Amendment") is made as of [_____] by and between Four Corners Property Trust, Inc., a Maryland corporation (the "Company"), and _______________ (the "Grantee"), an individual who holds a grant of restricted stock units granted under the Company's 2015 Omnibus Incentive Plan, as amended (the "Plan").

WHEREAS, the Grantee holds a grant of ________________ restricted stock units (the "Restricted Stock Units") evidenced by a FY [____] Restricted Stock Unit Award Agreement by and between the Company and the Grantee (the "RSU Agreement") dated __________ __, ____.

WHEREAS, the Company and the Grantee have determined that it is desirable and in their best interests to amend the RSU Agreement to change certain provisions relating to dividends on such Restricted Stock Units.

NOW, THEREFORE, for and in consideration of the foregoing and of the mutual covenants and agreement set forth in this Amendment, the parties agree as follows:

1. Section 1(b) of the RSU Agreement is hereby deleted in its entirety and replaced with the following:

"The Company hereby grants to you an award of Dividend Equivalent Rights with respect to each RSU granted pursuant to this Agreement for all dividends and distributions in cash, Stock or other property which are paid to all or substantially all holders of the outstanding shares of Stock and that have a record date between the Grant Date and the date when the RSU is distributed or paid to you or is forfeited or expires. The Dividend Equivalent Rights award for each RSU shall be equal to the amount of cash and the Fair Market Value of Stock or other property which is paid as a dividend or distribution on one share of Stock. All such Dividend Equivalent Rights shall be credited to you and shall be deemed to be reinvested in additional RSUs as of the date of payment of any such dividend or distribution based on the Fair Market Value of a share of Stock on such date. Each additional RSU which results from such deemed reinvestment of Dividend Equivalent Rights granted hereunder shall be subject to the same vesting, distribution or payment, adjustment and other provisions which apply to the underlying RSU to which such additional RSU relates."

2. Except as expressly provided herein, the terms and conditions of the RSU Agreement shall remain in full force and effect and shall be binding on the parties hereto.

[signature page follows]

IN WITNESS WHEREOF, the parties have duly executed and delivered this Amendment, or have caused this Amendment to be duly executed and delivered in their name and on their behalf, as of the day and year first above written.

GRANTEE	FOUR CORNERS PROPERTY TRUST, INC.
______________________________	By: ______________________________
	Its: ______________________________

Exhibit 21.1

Subsidiaries of Four Corners Property Trust, Inc. (a Maryland corporation)

Name of Subsidiary	Jurisdiction of Incorporation/Formation
Four Corners GP, LLC	Delaware
FCPT TRS, LLC	Delaware
FCPT OP Holdings, LP	Delaware
Four Corners Operating Partnership, LP	Delaware
Kerrow Holdings, LLC	Texas
Kerrow Restaurants, LLC	Texas
FCPT Garden Properties, LLC	Delaware
FCPT Hospitality Properties, LLC	Delaware
FCPT International Drive, LLC	Delaware
FCPT Keystone Properties 11, LLC	Delaware
FCPT Keystone Properties, LLC	Delaware
FCPT PA Hospitality Properties 11, LLC	Delaware
FCPT PA Hospitality Properties, LLC	Delaware
FCPT Remington Properties, LLC	Texas
FCPT Restaurant Properties, LLC	Texas
FCPT Sunshine Properties, LLC	Delaware
FCPT SW Properties, LLC	Delaware
FCPT Acquisitions, LLC	Delaware
FCPT Holdings, LLC	Delaware

EXHIBIT 23.1

Consent of Independent Registered Public Accounting Firm

The Board of Directors
Four Corners Property Trust, Inc.:

We consent to the incorporation by reference in the registration statement (No. 333-234638) on Form S-3ASR of Four Corners Property Trust, Inc. of our reports dated February 26, 2020, with respect to the consolidated balance sheets of Four Corners Property Trust, Inc. as of December 31, 2019 and 2018, the related consolidated statements of income, comprehensive income, changes in equity, and cash flows for each of the years in the three-year period ended December 31, 2019, and the related notes and financial statement schedule III - Real Estate Assets and Accumulated Depreciation (collectively, the consolidated financial statements), and the effectiveness of internal control over financial reporting as of December 31, 2019, which reports appears in the December 31, 2019 annual report on Form 10-K of Four Corners Property Trust, Inc.

Our report covering the December 31, 2019 consolidated financial statements of Four Corners Property Trust, Inc. refers to a change in method of accounting for leases as of January 1, 2019 due to the adoption of Financial Accounting Standards Board Accounting Standards Codification 842, Leases, including effective amendments.

/s/ KPMG LLP

San Francisco, California
February 26, 2020

EXHIBIT 31(a)

CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO SECTION 302 OF THE

SARBANES-OXLEY ACT OF 2002

I, William H. Lenehan, certify that:

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

Date: February 26, 2020

/s/ William H. Lenehan

President and Chief Executive Officer

EXHIBIT 31(b)

CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO SECTION 302 OF THE

SARBANES-OXLEY ACT OF 2002

I, Gerald R. Morgan, certify that:

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

Date: February 26, 2020

/s/ Gerald R. Morgan

Chief Financial Officer

EXHIBIT 32(a)

CERTIFICATION PURSUANT TO

18 U.S.C. SECTION 1350

AS ADOPTED PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Four Corners Property Trust, Inc. ("Company") on Form 10-K for the year ended December 31, 2019, as filed with the Securities and Exchange Commission on the date hereof ("Report"), I, William H. Lenehan, President and Chief Executive Officer of the Company, certify, to my knowledge, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 26, 2020

/s/ William H. Lenehan

President and Chief Executive Officer

This certification accompanies the Form 10-K to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of Four Corners Property Trust, Inc. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Form 10-K), irrespective of any general incorporation language contained in such filing.

EXHIBIT 32(b)

CERTIFICATION PURSUANT TO

18 U.S.C. SECTION 1350

AS ADOPTED PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Four Corners Property Trust, Inc. (“Company”) on Form 10-K for the year ended December 31, 2019, as filed with the Securities and Exchange Commission on the date hereof (“Report”), I, Gerald R. Morgan, Chief Financial Officer of the Company, certify, to my knowledge, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 26, 2020

/s/ Gerald R. Morgan

Chief Financial Officer

This certification accompanies the Form 10-K to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of Four Corners Property Trust, Inc. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Form 10-K), irrespective of any general incorporation language contained in such filing.