UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-K

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

For the fiscal year ended December 31, 2015

OR

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

For the transition period from__________ to__________

Commission file number: 001-33292

CORENERGY INFRASTRUCTURE TRUST, INC.
(Exact name of registrant as specified in its charter)

Maryland	**20-3431375**
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)
1100 Walnut, Ste. 3350 **Kansas City, MO**	**64106**
(Address of Principal Executive Offices)	(Zip Code)

(816) 875-3705
(Registrant's telephone number, including area code)

n/a
(Former name, former address and former fiscal year, if changed since last report)

Title of Each Class	Name of Each Exchange On Which Registered
Common Stock, par value $0.001 per share	**New York Stock Exchange**
7.375% Series A Cumulative Redeemable Preferred Stock	**New York Stock Exchange**

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

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

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

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

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

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

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

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

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

The aggregate market value of common stock held by non-affiliates of the registrant onJune 30, 2015, the last business day of the registrant's most recently completed second fiscal quarter, based on the closing price on that date of $31.60 on the New York Stock Exchange was $375,081,935. Common shares held by each executive officer and director and by each person who owns 10% or more of the outstanding common shares (as determined by information provided to the registrant) have been excluded in that such persons may be deemed to be affiliates. This determination of affiliate status is not necessarily a conclusive determination for other purposes.

As of February 29, 2016, the registrant had 11,951,757 common shares outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's Proxy Statement for its2016 Annual Meeting of Stockholders to be filed not later than 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K are incorporated by reference into Part III of this Form 10-K.

CorEnergy Infrastructure Trust, Inc.

FORM 10-K

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2015

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PART I

GLOSSARY OF DEFINED TERMS

Certain of the defined terms used in this report are set forth below:

Accretion Expense: The expense recognized when adjusting the present value of the GIGS Asset Retirement Obligation for the passage of time

Administrative Agreement: The Administrative Agreement dated December 1, 2011, as amended effective August 7, 2012, between the Company and Corridor

Alerian MLP Index: A float-adjusted, capitalization-weighted index of energy Master Limited Partnerships

Arc Logistics: Arc Logistics Partners LP (NYSE: ARCX)

Arc Terminals: Arc Terminals Holdings LLC, an indirect wholly-owned operating subsidiary of Arc Logistics

ARO: The Asset Retirement Obligation liabilities assumed with the acquisition of GIGS

ASC: Accounting Standards Codification

Bbls: Standard barrel containing 42 U.S. gallons

Bcfe: One billion cubic feet of natural gas equivalent

BOE: Barrel of Oil Equivalents

BOEM: U.S. Federal Bureau of Ocean Management

BSEE: U.S. Federal Bureau of Safety and Environmental Enforcement

Code: the Internal Revenue Code of 1986, as amended

CorEnergy: CorEnergy Infrastructure Trust, Inc. (NYSE: CORR)

CorEnergy BBWS: CorEnergy BBWS, Inc., a wholly-owned subsidiary of CorEnergy

Convertible Notes: the Company's 7.00% Convertible Senior Notes Due 2020

Corridor Bison: Corridor Bison, LLC a wholly-owned subsidiary of CorEnergy

Corridor Private: Corridor Private Holdings, Inc., an indirect wholly-owned subsidiary of CorEnergy

Corridor: Corridor InfraTrust Management, LLC, the Company's external manager pursuant to the Management Agreement

Corridor MoGas: Corridor MoGas, Inc., a wholly-owned subsidiary of CorEnergy and the holding company of MoGas and UPS

CPI: Consumer Price Index

EIP: the Eastern Interconnect Project, which includes 216 miles of 345 kilovolts transmission lines, towers, easement rights, converters and other grid support components that move electricity across New Mexico between Albuquerque and Clovis.

Exchange Act: the Securities Exchange Act of 1934, as amended

EXXI: Energy XXI Ltd (NASDAQ: EXXI)

EXXI Tenant: Energy XXI GIGS Services, LLC, a wholly-owned operating subsidiary of EXXI that is the tenant under Grand Isle Corridor's triple-net lease of the Grand Isle Gathering System

EXXI USA: Energy XXI USA, Inc., a wholly owned subsidiary of EXXI and owner and operator of the Grand Isle Gathering System prior to its acquisition by Grand Isle Corridor

FASB: Financial Accounting Standards Board

FERC: Federal Energy Regulatory Commission

GLOSSARY OF DEFINED TERMS (*Continued from previous page*)

Four Wood Corridor: Four Wood Corridor, LLC, a wholly-owned subsidiary of CorEnergy

Four Wood Energy: Four Wood Energy Partners LLC, a wholly-owned subsidiary of Four Wood Capital Partners LLC

GAAP: U.S. generally accepted accounting principles

GIGS: the Grand Isle Gathering System, owned by Grand Isle Corridor, LP and triple-net leased to a wholly-owned subsidiary of Energy XXI Ltd

GOM: Gulf of Mexico

Grand Isle Corridor: Grand Isle Corridor, LP, an indirect wholly-owned subsidiary of the Company

Grand Isle Gathering System: a subsea midstream pipeline gathering system located in the shallow Gulf of Mexico shelf and storage and onshore processing facilities

Grand Isle Lease Agreement: to be completed

Indenture: collectively, that certain Base Indenture, dated June 29, 2015, as supplemented by the related First Supplemental Indenture, dated as of June 29, 2015, between the Company and Computershare Trust Company, N.A., as Trustee for the Convertible Notes

IRS: U.S. Internal Revenue Service

KeyBank: KeyBank National Association

KeyBank Term Facility: A $70 million secured term credit facility Pinedale LP entered into with KeyBank in December 2012 to finance a portion of our acquisition of the Pinedale LGS, which matures in December 2015 with an option to extend through December 2016.

LDCs: local distribution companies

Leeds Path West: Corridor Leads Path West, Inc., a wholly-owned subsidiary of CorEnergy

Lightfoot: collectively, Lightfoot Capital Partners, LP and Lightfoot Capital Partners GP LLC

Management Agreement: the Management Agreement effective July 1, 2013, as amended effective January 1, 2014, between the Company and Corridor

New Management Agreement: the Management Agreement effective May 1, 2015, between the Company and Corridor

MMBTu: Million British Thermal Units, a measurement of natural gas

MoGas: MoGas Pipeline LLC, an indirect wholly-owned subsidiary of CorEnergy

MoGas Pipeline System: an approximately 263-mile interstate natural gas pipeline system in and around St. Louis and extending into central Missouri, owned and operated by MoGas

MoGas Revolver: a $3 million revolving line of credit facility at the MoGas subsidiary level with Regions Bank

Mowood: Mowood, LLC, an indirect wholly-owned subsidiary of CorEnergy and the holding company of Omega Pipeline Company, LLC

NAREIT: National Association of Real Estate Investment Trusts

NGA: Natural Gas Act of 1938

NGPA: Natural Gas Policy Act of 1978

OCS: the Outer Continental Shelf

Omega: Omega Pipeline Company, LLC, a wholly-owned subsidiary of Mowood, LLC

Omega Pipeline: Omega's natural gas distribution system in south central Missouri

GLOSSARY OF DEFINED TERMS(*Continued from previous page*)

Pinedale LGS: the Pinedale Liquids Gathering system, a system consisting of approximately 150 miles of pipelines and four above-ground central gathering facilities located in the Pinedale Anticline in Wyoming, owned by Pinedale LP and triple-net leased to a wholly-owned subsidiary of Ultra Petroleum

Pinedale Lease Agreement: the December 2012 agreement pursuant to which the Pinedale LGS assets are triple-net leased to a wholly owned subsidiary of Ultra Petroleum

Pinedale LP: Pinedale Corridor, LP

Pinedale GP: the general partner of Pinedale LP

Portland Lease Agreement: the January 2014 agreement pursuant to which the Portland Terminal Facility is triple-net leased to Arc Terminals, a wholly owned subsidiary of Arc Logistics Partners LP

Portland Terminal Facility: a petroleum products terminal located in Portland, Oregon

PNM: Public Service Company of New Mexico, a subsidiary of PNM Resources Inc. (NYSE: PNM)

PNM Lease Agreement: a triple net lease agreement for the Eastern Interconnect Project

Prudential: The Prudential Insurance Company of America

PV-10 Value: The indicated value of a company's oil and gas reserves for disclosure in filings with the SEC. It represents the present value of estimated future oil and gas revenues, net of estimated direct expenses, discounted at an annual discount rate of 10%.

QDI: qualified dividend income

Regions Revolver: the Company's $90 million revolving line of credit facility with Regions Bank

Regions Credit Facility: the Company's $45 million Term Loan, together with the upsized $105 million Regions Revolver and the $3 million MoGas Revolver with Regions Bank

Regions Term Loan: the Company's $45 million term loan with Regions Bank that is part of the Regions Credit Facility

REIT: real estate investment trust

Reverse Stock Split: a 1-for-5 reverse stock split of the outstanding shares of common stock of CorEnergy, effective as of 5:01 PM Eastern time on December 1, 2015

SEC: Securities and Exchange Commission

SWD: SWD Enterprises, LLC, a wholly-owned subsidiary of Four Wood Energy Partners, LLC

Tcfe: One trillion cubic feet of natural gas equivalent

TRS: taxable REIT subsidiary

Ultra Petroleum: Ultra Petroleum Corp. (NYSE: UPL)

Ultra Wyoming: Ultra Wyoming LGS LLC, an indirect wholly-owned subsidiary of Ultra Petroleum

UPS: United Property Systems, LLC, an indirect wholly-owned subsidiary of CorEnergy

VIE: Variable Interest Entity

VantaCore: VantaCore Partners LP

WTI: West Texas Intermediate, grade of crude oil used for benchmarking price

EXPLANATORY NOTE

Where applicable throughout this report, share totals and per-share amounts related to the Company’s common stock have been retroactively adjusted for all periods presented to reflect the impact of the Reverse Stock Split that became effective December 1, 2015. For additional information, see Note 18, Stockholders’ Equity, in the Notes to the Financial Statements included in this report.

ITEM 1. BUSINESS

GENERAL

CorEnergy Infrastructure Trust, Inc. (“CorEnergy”) was organized as a Maryland corporation and commenced operations on December 8, 2005. As used in this report, the terms “we”, “us”, “our” and the “Company” refer to CorEnergy and its subsidiaries. Please refer to the Glossary of Defined Terms presented at the beginning of Part 1 for definitions of additional capitalized terms and abbreviations used in this report. Prior to 2011 we operated as a business development company under the name Tortoise Capital Resources Corporation and invested primarily in securities of privately held and micro-cap public companies operating in the U.S. energy sector. In April 2011, we withdrew our election to be treated as a business development company. We do not plan on making additional investments in securities (other than short-term, highly liquid investments to be held pending acquisition of real property assets) and intend to liquidate our legacy private securities investments in an orderly manner. We have elected REIT status for U.S. federal income tax purposes, commencing with calendar year 2013. Our REIT election, assuming continuing compliance with the then applicable qualification tests, will continue in effect for subsequent taxable years.

COMPANY OVERVIEW

CorEnergy primarily owns assets in the midstream and downstream U.S. energy sectors that perform utility-like functions, such as pipelines, storage terminals, rail terminals and gas and electric transmission and distribution assets. Our objective is to provide shareholders with a stable and growing cash dividend, supported by long-term contracted revenue from operators of our assets, primarily under triple-net participating leases. These leases generate stable cash flows without direct commodity price exposure. We believe our leadership team’s energy and utility expertise provides CorEnergy with a competitive advantage to acquire, own and lease U.S. energy infrastructure assets in a tax-efficient, transparent, investor-friendly REIT. We meet the capital needs of companies in the U.S. energy infrastructure sector because we are a passive, long-term partner using our management's extensive industry knowledge to customize our long-term leases and structured financings. Our leadership team also has extensive insight on the broad universe of assets that may be owned by a REIT and utilizes a disciplined investment philosophy developed through over 26 years of relevant industry experience.

We expect our leases to provide us with contracted base rent, plus participating rent based upon asset-specific criteria. The energy industry commonly employs contracts with participating features, and we provide exposure to both the risk and opportunity of utilization of our assets, which we believe is a hallmark of infrastructure assets of all types. Our participating triple-net leases, and our participating mortgages, require the operator to pay all expenses of the business including maintaining our assets in good working order.

Our assets are primarily mission-critical to our customers, in that utilization of our assets is necessary for the business they seek to conduct and their rental payments are an essential operating expense. For example, our crude oil gathering system assets are necessary to the exploration of upstream crude oil reserves, so the operators' lease of those assets is economically critical to their operations. Some of our assets are subject to rate regulation by FERC or state public utility commissions. In most cases, we believe our assets are essential to the conduct of the business of our customers. Further, energy infrastructure assets are an essential and growing component of the U.S. economy that give us the opportunity to assist the capital expansion plans and meet the capital needs of various midstream and upstream participants.

We intend to distribute substantially all of our cash available for distribution, less prudent reserves, on a quarterly basis. CorEnergy has historically targeted dividend growth of 1-3% annually from existing contracts through inflation escalations and participating rents. The Company is not expecting significant inflation-based or participating rents in 2016. Since qualifying as a REIT in 2013, we have grown our annualized dividend from $2.50 per share to $3.00 per share in 2015. Our management contract includes incentive provisions, aligning our leadership team with our stockholders' interests in raising the dividend only if we believe the rate is sustainable.

2015 Highlights

Highlighted below are key transactions completed during our fiscal year ended December 31, 2015, and transactions completed subsequent to our fiscal year end but prior to the filing of this report:

During the fiscal year ended December 31, 2015

- *Series A Preferred Offering - $54.2 million, net proceeds*
- *Common Equity Offering - $73.3 million, net proceeds*
- *Convertible Debt Issuance - $111.3 million, net proceeds*
- *Grand Isle Gathering System ("GIGS") Acquisition - $259.8 million*
- *EIP Sale - $7.7 million proceeds to the Company*
- *Expanded existing credit facility to $153 million*
- *Pinedale Corridor LP extended its current secured credit facility with KeyBank National Association through March 2016*
- *Completed funding $10 million ARC Terminal construction project*
- *Increased our common stock dividend to $3.00 per share on an annualized basis*

Significant 2016 Developments

January 2016

- *The Department of Defense awarded Omega Pipeline Company, LLC a new, 10-year agreement with very similar terms and conditions as the previous agreements to continue providing natural gas and gas distribution services through January 31, 2026*

February 2016

- *On February 29, 2016, certain subsidiaries of EXXI received waivers and amendments in connection with their first lien credit agreement.*

March 2016

- *On March 1, 2016, UPL and its subsidiaries entered into certain waivers and amendments in connection with their unsecured revolving credit agreement.*

For additional details concerning each of these transactions, see "Recent Transactions" below.

Assets

Most of our REIT qualifying and other energy infrastructure assets have been acquired at various times since June, 2011, while our legacy private equity investments generally have been liquidated in accordance with the plans of those entities. Our business currently consists of the assets summarized below. For additional details concerning our energy infrastructure real property, see "Item 2 - Properties" in this report.

Energy Infrastructure Real Property Investments

- *Grand Isle Gathering System*: a subsea, midstream pipeline system located in the Gulf of Mexico triple-net leased to an affiliate of EXXI, pursuant to the Grand Isle Lease Agreement. The EXXI Tenant's obligations under the lease agreement are guaranteed by EXXI.
- *Pinedale LGS*: a system consisting of approximately 150 miles of pipelines and four above-ground central gathering facilities located in the Pinedale Anticline in Wyoming triple-net leased to a subsidiary of, and guaranteed by, Ultra Petroleum Corp. pursuant to the Pinedale Lease Agreement.

- *Portland Terminal Facility*: a petroleum products terminal located in Portland, Oregon, which is triple-net leased on a long-term basis to Arc Terminals pursuant to the Portland Lease Agreement, and Arc Terminals has authority to operate the Portland Terminal Facility. The Portland Lease Agreement is guaranteed by Arc Logistics.

- *MoGas Pipeline System*: MoGas is the owner and operator of the MoGas Pipeline System, an approximately 263 mile FERC-regulated interstate natural gas pipeline in and around St. Louis and extending into central Missouri.

- *Omega Pipeline*: Omega Pipeline Company, LLC is a natural gas service provider located primarily on the US Army's Fort Leonard Wood military post in south-central Missouri.

Energy Infrastructure Financing Investments

We have provided financing loans to owners and operators of energy infrastructure real property assets, secured by such assets and related equipment, as well as by the outstanding equity of the borrowers. These loans include participating features pursuant to which we may receive additional interest tied to increases in utilization of the underlying facilities, and one also includes an equity enhancement. See the section titled "Asset Portfolio and Related Developments" in Item 7 and Note 6 of the Notes to the Consolidated Financial Statement included in this report for additional information concerning these investments.

Private Equity Investments

Our legacy private equity investments generally have been liquidated in accordance with the plans of those entities. For additional information, see “Private Security Assets” under Item 7 “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in this Form 10-K.

Acquisition Strategies and Due Diligence

We generally rely on our own analysis to determine whether to make an acquisition. In evaluating net lease transactions, we generally consider, among other things, the following aspects of each transaction:

- *Tenant/Borrower Evaluation* - We evaluate each potential tenant or borrower for its creditworthiness, typically considering factors such as management experience, industry position and fundamentals, operating history, and capital structure, as well as other factors that may be relevant to a particular acquisition. We seek opportunities in which we believe the tenant may have a stable or improving credit profile or credit potential that has not been recognized by the market. In evaluating a possible investment, the creditworthiness of a tenant or borrower often will be balanced with the value of the underlying real estate, particularly if the underlying property is specifically suited to the needs of the tenant. Whether a prospective tenant or borrower is creditworthy will be determined by our management team and reviewed by the investment committee, as described below. Creditworthy does not necessarily mean “investment grade.”

- *Important to Tenant/Borrower Operations* - We generally will focus on properties that we believe are essential or important to the ongoing operations of the tenant. We believe that this type of property will provide a relatively low risk of loss in the case of a potential bankruptcy or abandonment scenario since a tenant/borrower is less likely to risk the loss of a critically important lease or property. Additionally we focus on assets which are necessary for the economic production of hydrocarbon resources, and which would remain necessary to any owner of the assets.

- *Diversification* - We attempt to diversify our portfolio to avoid dependence on any one particular tenant, borrower, collateral type, and geographic location within the U.S. or tenant/borrower industry. By diversifying, we seek to reduce the adverse effect of a single under-performing investment or a downturn in any particular asset or geographic region within the U.S.

- *Lease Terms* - Generally, the net leased properties we will acquire will be leased on a full recourse basis to the tenants or their affiliates. In addition, we generally will seek to include a clause in each lease that provides for increases in rent over the term of the lease. These increases are fixed or tied generally to increases in indices such as the CPI. The lease will also generally seek to provide for participation in gross revenues of the tenant at the property, thereby providing exposure to the commercial activity of the tenant, and providing the tenant some flexibility in lease terms. Alternatively, a lease may provide for mandated rental increases on specific dates, and we may adopt other methods in the future.

- *Asset Evaluation* - We review the physical condition of the property and assess the likelihood of replacing the rental payment stream if the tenant defaults. We also generally engage a third party to conduct, or require the seller to conduct a preliminary examination, or Phase 1 assessment, of the site to determine the potential for contamination or similar environmental site assessments in an attempt to identify potential environmental liabilities associated with a property prior to its acquisition.

- *Transaction Provisions to Enhance and Protect Value* - We attempt to include provisions in the leases that we believe may help protect a real property asset from changes in the operating and financial characteristics of a tenant that may affect its ability to satisfy its obligations or reduce the value of the real property asset. Such provisions include requiring our consent to specified tenant activity, requiring the tenant to provide indemnification protections, and requiring the tenant to utilize good operating practices consistent with objective criteria. We seek to enhance the likelihood of a tenant's lease obligations being satisfied through a guaranty of obligations from the tenant's corporate parent or other entity or a letter of credit. In addition, in some circumstances, tenants may retain the right to repurchase the leased property. We expect, in those situations that the option purchase price will generally be the greater of the contract purchase price or the fair market value of the property at the time the option is exercised.

- *Equity Enhancements* - We may attempt to obtain equity enhancements in connection with transactions. These equity enhancements may involve warrants exercisable at a future time to purchase stock of the tenant or borrower or their parent. If warrants are obtained, and become exercisable, and if the value of the stock subsequently exceeds the exercise price of the warrant, equity enhancements can help achieve the goal of increasing investor returns.

- *Other Real Estate Related Assets* -As other opportunities arise, we may also seek to expand the portfolio to include other types of real estate-related investments, in all cases within the energy infrastructure sector, such as:

    - equity investments in real properties that are not long-term net leased to a single-tenant and may include partially leased properties, undeveloped properties and properties subject to short-term net leases, among others;

    - mortgage loans secured by real properties including loans to our taxable REIT subsidiaries;

    - subordinated interests in first mortgage real estate loans, or B-notes;

    - mezzanine loans related to real estate, which are senior to the borrower's equity position but subordinated to other third-party financing; and

    - equity and debt securities (including preferred equity, limited partnership interests, trusts and other higher-yielding structured debt and equity investments) issued by companies that are engaged in real-estate-related businesses as defined by regulations promulgated under the Code, including other REITs.

Use of Taxable REIT Subsidiaries

We operate as a REIT and therefore are generally not subject to U.S. federal income taxes on the income and gains that we distribute to our stockholders, including the income derived through leasing fees and financing revenue from our REIT qualifying investment in energy infrastructure assets. However, even as a REIT, we remain obligated to pay income taxes on earnings from our taxable REIT subsidiaries ("TRSs"). The use of TRSs enables us to own certain assets and engage in certain businesses while maintaining compliance with the REIT qualification requirements under the Code. We may, from time to time, change the election of previously designated TRSs to be treated as qualified REIT subsidiaries ("QRSs"), and may reorganize and transfer certain assets or operations from our TRSs to other subsidiaries, including QRSs.

Regulatory and Environmental Matters

Our energy infrastructure assets and operations, as well as those of our tenants, are subject to numerous federal, state and local laws and regulations concerning the protection of public health and safety, zoning and land use, and pricing and other matters related to certain of our business operations. For a discussion of the current effects and potential future impacts of such regulations on our business and properties, see the discussion presented in Item 1A of this report under the subheading "Risks Related to Our Investments in Real Estate and the U.S. Energy Infrastructure Sector." In particular, for a discussion of the current and potential future effects of compliance with federal, state and local environmental regulations, see the discussion titled "*Costs of complying with governmental laws and regulations, including those relating to environmental matters, may adversely affect our income and the cash available for distribution*" within such section.

Financing Strategies

Consistent with our asset acquisition policies, we use leverage when available on terms we believe are favorable. The amount of leverage that we may employ will depend on our assessment of market conditions and other factors at the time of any proposed borrowing. Although we currently do not anticipate doing so, the amount of total funded debt leverage we employ may exceed 50 percent of our total assets. Secured loans which we obtain, could be recourse or non-recourse to us. A lender on non-recourse mortgage debt generally has recourse only to the property collateralizing such debt and not to any of our other assets, while full recourse financing would give the lender recourse to all of our assets. The use of non-recourse debt, helps us to limit the exposure of all of our assets to any one debt obligation. Lenders may, however, have recourse to our other assets in limited circumstances not related to the repayment of the indebtedness, such as under an environmental indemnity. We may have an unsecured line of credit that can be used in connection with refinancing existing debt and making new acquisitions, as well as to meet other working capital needs. We intend to incur debt which bears interest at fixed rates, or is effectively converted to fixed rates through interest rate caps or swap agreements.

Competition

We compete with public and private funds, commercial and investment banks and commercial financing companies to make the types of investments that we plan to make in the U.S. energy infrastructure sector. Many of our competitors are substantially larger and have considerably greater financial, technical and marketing resources than us. For example, some competitors may have a lower cost of funds and access to funding sources than are available to us. In addition, some of our competitors may have higher risk tolerances or different risk assessments, allowing them to consider a wider variety of investments and establish more relationships than us. These competitive conditions may adversely affect our ability to make investments in the energy infrastructure sector and could adversely affect our distributions to stockholders.

RECENT TRANSACTIONS

Acquisitions

Grand Isle Gathering System. On June 30, 2015, utilizing proceeds from the financing activities described below, we acquired the Grand Isle Gathering System, a subsea, crude oil pipeline system in the Gulf of Mexico. For a further description of the GIGS assets and related information, see Item 2 - Properties, the section titled "Asset Portfolio and Related Developments" in Item 7, and Note 4 of the Notes to Consolidated Financial Statements, respectively, included in this report.

Investment Transactions

Liquidation of Investment in EIP. On April 1, 2015, upon lease termination, we sold our 40 percent undivided interest in the Eastern Interconnect Project (EIP) to the tenant, Public Service Company of New Mexico. Proceeds from the sale totaled approximately $7.7 million. See the section titled "Asset Portfolio and Related Developments" in Item 7 and Note 3 of the Notes to the Consolidated Financial Statements included in this report for additional information concerning this transaction.

Financing Transactions

Preferred Stock Offering. On January 27, 2015, we completed a registered public offering of 2,000,000 depositary shares, each representing 1/100th of a share of the Company's 7.375% Series A Cumulative Redeemable Preferred Stock and, on February 5, 2015, we sold an additional 250,000 depositary shares pursuant to the underwriters' exercise of their over-allotment option. We used the net proceeds from this offering (approximately $54.5 million after underwriting discount) to repay outstanding indebtedness under the Regions Revolver and for general corporate purposes.

Common Stock Offering. On June 23, 2015, we completed a follow-on equity offering of 2,587,500 shares of common stock that generated $73.3 million in proceeds net of underwriting discounts, which were used in the acquisition of GIGS as discussed above.

Convertible Debt Offering. On June 23, 2015 we completed a new issue of convertible debt in an underwritten public offering that generated $111.3 million in proceeds, net of underwriting discounts, which were used in the acquisition of GIGS as discussed above.

Regions Credit Facility. On July 8, 2015, the Company amended and upsized its existing $93 million credit facility with Regions Bank (as lender and administrative agent for the other participating lenders) to provide borrowing commitments of $153 million, consisting of (i) an increase in the Regions Revolver to $105 million, (ii) the existing $3 million MoGas revolver at the subsidiary entity level and (iii) a $45 million term loan at the CorEnergy parent entity level (the "Regions Term Loan" and, collectively with the upsized Regions Revolver and the MoGas Revolver, the "Regions Credit Facility"). Upon closing the Regions Credit Facility, CorEnergy drew $45 million on the Regions Term Loan at the parent level to pay down the balance on the Regions Revolver that had been used in funding the GIGS acquisition, referenced above. The Company now has approximately $95.8 million of available borrowing capacity on the Regions Revolver.

Pinedale Credit Facility. On December 31, 2015, our subsidiary, Pinedale Corridor LP, extended its current secured credit facility with KeyBank National Association through March 2016. With the execution of the agreement, a principal reduction payment of $1.0 million was made, resulting in an outstanding balance of approximately $62.5 million. Through the extension period, Pinedale Corridor LP will make revised monthly principal payments, totaling approximately $4.0 million. Borrowings under the credit facility bear interest on the outstanding principal amount at the LIBOR rate plus 4.25 percent.

MANAGEMENT

Our Manager

We are externally managed by Corridor. Corridor is a real property asset manager with a focus on U.S. energy infrastructure real property assets. Corridor assists us in identifying infrastructure real property assets that can be leased to businesses that make goods, provide services or own assets other than securities, and is generally responsible for our day-to-day operations.

Corridor Team

Each of our officers is an employee of Corridor or one of its affiliates. Corridor is not obligated to dedicate certain of its employees exclusively to us, nor are it or its employees obligated to dedicate any specific portion of its or their time to our business. As described below, we pay a management fee and certain other fees to Corridor, which it uses in part to pay compensation to its officers and employees who, notwithstanding that some of them also are our officers, receive no cash compensation directly from us.

We pay Corridor a management fee based on total assets under management. In aligning our strategy to focus on distributions and distribution growth, Corridor is paid an incentive fee based on increases in distributions to our stockholders. A percentage of the Corridor incentive fee is reinvested in CorEnergy's common stock. Pursuant to a Management Agreement and an Administrative Agreement, Corridor has agreed to use its reasonable best efforts to present us with suitable acquisition opportunities consistent with our investment objectives and policies and is generally responsible, subject to the supervision and review of our Board of Directors, for our day-to-day operations.

Energy Infrastructure Real Property Asset Management

The Corridor team has experience across several segments of the energy sector and is primarily responsible for investigating, analyzing and selecting potential infrastructure asset acquisition opportunities. Acquisitions and transactions are submitted to our Board of Directors for final approval following a recommendation from the management team.

We believe that effective management of our assets is essential to maintain and enhance property values. Important aspects of asset management include restructuring transactions to meet the evolving needs of current tenants, re-leasing properties, refinancing debt, selling properties and knowledge of the bankruptcy process.

We monitor, on an ongoing basis, compliance by tenants with their lease obligations and other factors that could affect the financial performance of any of our properties. Monitoring involves receiving assurances that each tenant has paid real estate taxes, assessments and other expenses relating to the properties it occupies and confirming that appropriate insurance coverage is being maintained by the tenant. We review financial statements of tenants and undertake regular physical inspections of the condition and maintenance of properties. In addition, we periodically analyze each tenant's financial condition and the industry in which each tenant operates.

Private Investment Monitoring

We monitor our private investments to determine progress relative to meeting the Company's business plan and to assess the Company's strategic and tactical courses of action. This monitoring is accomplished by attendance at Board of Directors meetings, ad hoc communications with portfolio company management, the review of periodic operating and financial reports, an analysis of relevant reserve information and capital expenditure plans, and periodic consultations with engineers, geologists, and other experts. The performance of each private portfolio company is also periodically compared to performance of similarly sized companies with comparable assets and businesses to assess performance relative to peers. Corridor's monitoring activities are expected to provide us with information that will enable us to monitor compliance with existing covenants.

Management Agreement

Under our Management Agreement, Corridor (i) presents the Company with suitable acquisition opportunities consistent with the investment policies and objectives of the Company, (ii) is responsible for the day-to-day operations of the Company, and (iii) performs such services and activities relating to the assets and operations of the Company as may be appropriate. The Management Agreement does not have a specific term, and will remain in place unless terminated by the Company or the Manager in the manner permitted pursuant to the agreement.

The terms of the Management Agreement include a quarterly management fee equal to 0.25 percent (1.00 percent annualized) of the value of the Company's Managed Assets as of the end of each quarter. For purposes of the Management Agreement, "Managed Assets" means the total assets of the Company (including any securities receivables, other personal property or real property purchased with or attributable to any borrowed funds) minus (A) the initial invested value of all non-controlling interests, (B) the value of any hedged derivative assets, (C) any prepaid expenses, and (D) all of the accrued liabilities other than (1) deferred taxes and (2) debt entered into for the purpose of leverage. For purposes of the definition of Managed Assets, the Company's securities portfolio will be valued at then-current market value. For purposes of the definition of Managed Assets, other personal property and real property assets will include real and other personal property owned and the assets of the Company invested, directly or indirectly, in equity interests in or loans secured by real estate or personal property (including acquisition related costs and acquisition costs that may be allocated to intangibles or are unallocated), valued at the aggregate historical cost, before reserves for depreciation, amortization, impairment charges or bad debts or other similar noncash reserves.

The Management Agreement includes a quarterly incentive fee of 10 percent of the increase in distributions paid over a threshold distribution equal to $0.625 per share per quarter. The Management Agreement also requires at least half of any incentive fees to be reinvested in the Company's common stock.

During the year ended December 31, 2015, and the first quarter of 2016, the Company and the Manager agreed to the following modifications to the fee arrangements described above:

- in order to ensure equitable application of the quarterly management fee provisions of the Management Agreement to the GIGS acquisition, which closed on June 30, 2015, the Manager waived any incremental management fee due as of the end of the second quarter of 2015 based on the net impact of the GIGS Acquisition as of June 30, 2015;

- in light of the Provision for Loan Loss recorded with respect to the Black Bison Loans as described in Note 6 in the Notes to the Financial Statements included in this report, the Manager voluntarily recommended, and the Company agreed, that effective on and after September 30, 2015, solely for the purpose of computing the value of the Company's Managed Assets in calculating the quarterly management fee described above, the Company's investment in the Black Bison Loans and the Black Bison Warrant will be valued based on their estimated net realizable value (which shall not exceed the amount of the Company's initial investment) as of the end of the quarter for which the Management Fee is to be calculated; and

- in light of the provision for uncollectable interest recorded with respect to Black Bison loans as described in Note 6 in the Notes to Financial Statements included in this report, the Manager voluntarily recommended, and the Company agreed, that the Manager would waive $133,194 of the total $278,619 incentive fee that would otherwise be payable under the provisions described above with respect to dividends paid on the Company's common stock during the year ended December 31, 2015, and accordingly the Manager received an incentive fee of $145,425 for such period.

Administrative Agreement

Under our Administrative Agreement, Corridor, as our administrator, performs (or oversees or arranges for the performance of) the administrative services necessary for our operation, including without limitation providing us with equipment, clerical, bookkeeping and record keeping services. For these services we pay our administrator a fee equal to 0.04 percent of our aggregate average daily Managed Assets, with a minimum annual fee of $30 thousand.

Pursuant to the Management and Administrative Agreements, Corridor furnishes us with office facilities and clerical and administrative services necessary for our operation (other than services provided by our custodian, accounting agent, administrator, dividend and interest paying agent and other service providers). Corridor is authorized to enter into agreements with third parties to provide such services. To the extent we request, Corridor will (i) oversee the performance and payment of the fees of our service providers and make such reports and recommendations to the Board of Directors concerning such matters as the parties deem desirable, (ii) respond to inquiries and otherwise assist such service providers in the preparation and filing of regulatory reports, proxy statements, and stockholder communications, and the preparation of materials and reports for the Board of Directors; (iii) establish and oversee the implementation of borrowing facilities or other forms of leverage authorized by the Board of Directors and (iv) supervise any other aspect of our administration as may be agreed upon by us and Corridor. We have agreed, pursuant to the Management Agreement, to reimburse Corridor for all out-of-pocket expenses incurred in providing the foregoing.

We bear all expenses not specifically assumed by Corridor and incurred in our operations. The compensation and allocable routine overhead expenses of all management professionals of Corridor and its staff, when and to the extent engaged in providing us management services, is provided and paid for by Corridor and not us.

Employees

As we are externally managed, we have no employees at the corporate level. Our subsidiary, Omega, has one part-time and four full-time employees. Our subsidiary MoGas has 17 full-time employees.

AVAILABLE INFORMATION

Our principal executive offices are located at 1100 Walnut Street, Suite 3350, Kansas City, MO 64106. Our telephone number is (816) 875-3705, or toll-free (877) 699-2677, and our Web site is http://corenergy.corridortrust.com. We are required to file reports, proxy statements and other information with the SEC. We will make available free of charge our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and any amendments to those reports on or through our Web site at http://corenergy.corridortrust.com as soon as reasonably practicable after such material is electronically filed with, or furnished to, the SEC. This information may also be obtained, without charge, upon request by calling us at (816) 875-3705 or toll-free at (877) 699-2677. This information will also be available at the SEC's Public Reference Room at 100 F Street, NE, Washington, DC 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC maintains an Internet site that contains reports, proxy and information statements and other information filed by us with the SEC which is available on the SEC's Internet site at www.sec.gov. Please note that any Internet addresses provided in this Form 10-K are for informational purposes only and are not intended to be hyperlinks. Accordingly, no information found and/or provided at such Internet address is intended or deemed to be included by reference herein.

ITEM 1A. RISK FACTORS

There are many risks and uncertainties that can affect our future business, financial performance or share price. Many of these are beyond our control. A description follows of some of the important factors that could have a material negative impact on our future business, operating results, financial condition or share price. This discussion includes a number of forward-looking statements. You should refer to the description of the qualifications and limitations on forward-looking statements in the first paragraph under Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations" of this Form 10-K.

Risks Related to Our Investments in Real Estate and the U.S. Energy Infrastructure Sector

Risks Related to Our Two Largest Investments

The Grand Isle Gathering System and the Pinedale LGS constitute the largest single component of our leased infrastructure real property assets and associated lease revenues and will materially impact the results of our business.

The Grand Isle Gathering System represents approximately 37.6 percent of our total assets as of December 31, 2015, and the lease under the Grand Isle Lease Agreement with the EXXI Tenant represented approximately 28.5 percent of our total revenue for the year ended December 31, 2015. The Pinedale LGS represented approximately 30 percent of our total assets as of December 31, 2015 and the lease payments under the Pinedale Lease Agreement with Ultra Wyoming represented approximately 29 percent of our total revenue for the year ended December 31, 2015.

Accordingly, the financial condition of these tenants and related parent guarantors and the ability and willingness of each to satisfy their obligations under the respective lease agreements and guaranties will have a material impact on our results of operations, ability to service our indebtedness and ability to make distributions. As disclosed in each of their filings with the SEC, EXXI and Ultra Petroleum may experience further deterioration of their businesses, including and without limitation, due to the deterioration of oil, natural gas and other commodity prices. A further weakening of their financial condition may result in the tenants' failure to make timely lease payments or give rise to another default under the lease agreements or a failure by EXXI or Ultra Petroleum to meet their guaranty obligations. In the event of a default by one of these parties, we may experience delays in enforcing our rights as landlord and may incur substantial costs in protecting our investments, and we could be unable to collect future rental payments under our lease agreements or the guaranties.

Each of EXXI, the parent guarantor under the Grand Isle Lease Agreement, and Ultra Petroleum, the parent guarantor under the Pinedale Lease Agreement, have disclosed certain risks related to their businesses in their filings with the SEC. A complete discussion of the risks related to EXXI's business can be found in EXXI's Quarterly Report on Form 10-Q for the quarter ended December 31, 2015, and its Annual Report on Form 10-K for the year ended June 30, 2015. A complete discussion of the risks related to Ultra Petroleum's business can be found in its Annual Report on Form 10-K for the fiscal year ended December 31, 2015. Further updates related to Ultra Petroleum and EXXI may be found in their subsequent reports filed with the SEC.

Additional Risks Related to Our Real Estate and Energy Infrastructure Investments

Our focus on the energy infrastructure sector will subject us to more risks than if we were broadly diversified.

Because we specifically focus on the energy infrastructure sector, investments in our common stock may present more risks than if we were broadly diversified over numerous sectors of the economy. Therefore, a downturn in the U.S. energy infrastructure sector would have a larger impact on our assets and performance than on a company that does not concentrate in one sector of the economy. The energy infrastructure sector can be significantly affected by the supply of and demand for specific products and services; the supply and demand for crude oil, natural gas, and other energy commodities; the price of crude oil, natural gas, and other energy commodities; exploration, production and other capital expenditures; government regulation; world and regional events, politics and economic conditions.

Production declines and volume decreases could be caused by various factors, including decreased access to capital or loss of economic incentive to drill and complete wells, depletion of resources, catastrophic events affecting production, labor difficulties, political events, OPEC actions, environmental proceedings, increased regulations, equipment failures and unexpected maintenance problems, failure to obtain necessary permits, unscheduled outages, unanticipated expenses, inability to successfully carry out new construction or acquisitions, import or export supply and demand disruptions, or increased competition from alternative energy sources.

We are subject to risks involved in single tenant leases.

We intend to focus our acquisition activities on real properties that are triple-net leased to single tenants. Therefore, the financial failure of, or other default by, a single tenant under its lease: (i) is likely to cause a significant reduction in the operating cash flow generated by the property leased to that tenant, (ii) might decrease the value of that property, and (iii) could expose us to 100 percent of all applicable operating costs.

In addition, if we determine that a renewal of a lease with any present or future tenant of any of our energy infrastructure assets is not in the best interests of our stockholders, if a tenant determines it no longer wishes to be the tenant under a lease upon its expiration, if we desire to terminate a lease as a result of a breach of that lease by the tenant or if we lose any tenant as a result of such tenant’s bankruptcy, then in each circumstance we would need to identify a new tenant for the lease. Any new tenant would need to be a qualified and reputable operator of such energy infrastructure assets with the wherewithal and capability of acting as our tenant. There is no assurance that we would be able to identify a tenant that meets these criteria, or that we could enter into a new lease with any such tenant on terms that are as favorable as the lease terms that were in place with the prior tenant.

We may be unable to identify and complete acquisitions of real property assets.

Our ability to identify and complete acquisitions of real property assets on favorable terms and conditions are subject to the following risks:

- we may be unable to acquire a desired asset because of competition from other investors with significant capital, including both publicly traded and non-traded REITs and institutional investment funds;
- competition from other investors may significantly increase the purchase price of a desired real property asset or result in less favorable terms;
- we may not complete the acquisition of a desired real property asset even if we have signed an agreement to acquire such real property asset because such agreements are subject to customary conditions to closing, including completion of due diligence investigations to our satisfaction; and
- we may be unable to finance acquisitions of real property assets on favorable terms or at all.

Net leases may not result in fair market lease rates over time.

We expect a large portion of our future income to come from net leases. Net leases typically have longer lease terms and, thus, there is an increased risk that if market rental rates increase in future years, the rates under our net leases will be less than fair market rental rates during those years. As a result, our income and distributions could be lower than they would otherwise be if we did not engage in net leases. We generally will seek to include a clause in each lease that provides increases in rent over the term of the lease, as well as participating features based on increases in the tenant's utilization of the underlying asset, but there can be no assurance we will be successful in obtaining such a clause.

If a tenant becomes insolvent or declares bankruptcy and such action results in a rejection of the lease, or in the sale-leaseback transaction being challenged as a fraudulent transfer or re-characterized in the lessee company’s bankruptcy proceeding, our business, financial condition and cash flows could be adversely affected.

We enter into sale-leaseback transactions, whereby we purchase an energy infrastructure property and then simultaneously lease the same property back to the seller. If a lessee company becomes insolvent or declares bankruptcy, our business could be adversely affected by one or both of the following:

- A sale-leaseback transaction may be re-characterized as either a financing or a joint venture in a bankruptcy or insolvency proceeding. If the sale-leaseback were re-characterized as a financing, we might not be considered the owner of the subject property, and as a result would have the status of a creditor in relation to the lessee company. In that event, we would no longer have the right to sell or encumber our ownership interest in the property. Instead, we would have a claim against the lessee company for the amounts owed under the lease. Although we believe each of our lease agreements constitutes a true lease that should not be re-characterized, there is no guaranty a court would agree. In the event of re-characterization, our claim under a lease agreement would either be secured or unsecured. We will take steps to create and perfect a security interest in our lease agreement such that our claim would be secured in the event of a re-characterization, but such attempts could be subject to challenge by the debtor or creditors and there is no assurance a court would find our claim to be secured. The lessee company/debtor under this scenario, might have the ability to restructure the terms, interest rate and amortization schedule of its outstanding balance. If approved by the bankruptcy court, we could be bound by the new terms, and prevented from foreclosing any lien on the property. If the sale-leaseback were re-characterized as a joint venture, we and the lessee company could be treated as co-venturers with regard to the property. As a result, we could be held liable, under some circumstances, for debts incurred by the lessee company relating to the property.

- Subject to the re-characterization risk above, the lessee could either assume or reject the lease in a bankruptcy proceeding. Generally, the lessee would be required to make rent payments to us during its bankruptcy until it rejects the lease (for leases that are personal property leases, the lessee need not make rental payments that arise from the petition date until 60 days after the order for relief is entered in the bankruptcy case). If the lessee assumes the lease, the bankruptcy court would not be able to change the rental amount or any other lease provision that could financially impact us. However, if the lessee rejects the lease, the facility would be returned to us, though there may be a delay as a result of the bankruptcy in such return. In that event, if we were able to re-lease the affected facility to a new tenant only on unfavorable terms or after a significant delay, we could lose some or all of the revenue from that facility for an extended period of time. If the lease agreement is rejected, our claim against the lessee and/or parent guarantor could be subject to a statutory cap under section 502(b)(6) of the Bankruptcy Code to the extent the lease agreement is deemed to be a lease for real property rather than a lease for personal property. Such cap generally limits the amount of a claim for lease-based damages in the event of a rejection to the greater of one year's rent or 15 percent of the rent reserved for the remaining lease term, not to exceed 3 years. We believe that any of our lease agreements would be characterized as a real property lease rather than a personal property lease, though a court could hold to the contrary.

Energy infrastructure companies are and will be subject to extensive regulation because of their participation in the energy infrastructure sector, which could adversely impact the business and financial performance of our tenants and the value of our assets.

Companies in the energy infrastructure sector are subject to significant federal, state and local government regulation in virtually every aspect of their operations, including how facilities are constructed, maintained and operated, environmental and safety controls, and the prices they may charge for the products and services they provide. Various governmental authorities have the power to enforce compliance with these regulations and the permits issued under them, and violators are subject to administrative, civil and criminal penalties, including civil fines, injunctions or both. Stricter laws, regulations or enforcement policies could be enacted in the future that likely would increase compliance costs, which could adversely affect the business and financial performance of our tenants in the energy infrastructure sector and the value or quality of our assets.

Costs of complying with governmental laws and regulations, including those relating to environmental matters, may adversely affect our income and the cash available for distribution.

We have invested, and expect to continue to invest, in real property assets, which are subject to laws and regulations relating to the protection of the environment and human health and safety. These laws and regulations generally govern the gathering, storage, handling, and transportation of petroleum and other hazardous substances, the emission and discharge of materials into the environment, including wastewater discharges and air emissions, the operation and removal of underground and aboveground storage tanks, the generation, use, storage, treatment, transportation and disposal of solid and hazardous materials and wastes, and the remediation of any contamination associated with such disposals. We own assets related to the storage and distribution of oil and gas, natural gas and natural gas liquids, and storage and throughput of crude oil, petroleum products and chemicals, which are subject to all of the inherent hazards and risks normally incidental to such assets, such as fires, well site blowouts, cratering and explosions, pipe and other equipment and system failures, uncontrolled flows of oil, gas or well fluids, formations with abnormal pressures, environmental risks and hazards such as gas leaks, oil spills and pipeline ruptures and discharges of toxic gases. Environmental laws and regulations may impose joint and several liability on tenants, owners or operators for the costs to investigate or remediate contaminated properties, regardless of fault or whether the acts causing the contamination were legal. This liability could be substantial. Moreover, if one or more of these hazards occur, there can be no assurance that a response will be adequate to limit or reduce any resulting damage. In addition, the presence of hazardous substances, or the failure to properly remediate these substances, may adversely affect our ability to sell, rent or pledge such property as collateral for future borrowings. We also may be required to comply with various local, state and federal fire, health, life-safety and similar regulations.

State and federal laws in this area are constantly evolving, and some environmental laws and regulations have been amended so as to require compliance with new or more stringent standards as of future dates. Compliance with new or more stringent laws or regulations, or stricter interpretation of existing laws, may impose material environmental liability and/or require material expenditures by us to avoid such liability. Further, our tenant companies' operations, the existing condition of land when we buy it, operations in the vicinity of our properties, such as the presence of underground storage tanks, or activities of unrelated third parties may affect our properties. We intend to monitor these laws and take commercially reasonable steps to protect ourselves from the impact of these laws, including, where deemed necessary, obtaining environmental assessments of properties that we acquire; however, we will not obtain an independent third-party environmental assessment for every property we acquire. In addition, any such assessment that we do obtain may not reveal all environmental liabilities or whether a prior owner of a property created a material environmental condition not known to us.

Failure to comply with applicable environmental, health, and safety laws and regulations may result in the assessment of sanctions, including administrative, civil or criminal fines or penalties, permit revocations, and injunctions limiting or prohibiting some or all of the operations at our facilities. Any material compliance expenditures, fines, or damages we must pay could materially and adversely affect our business, assets or results of operations and, consequently, would reduce our ability to make distributions.

Our operations, as well as those of our tenants, are subject to operational hazards and unforeseen interruptions. If a significant accident or event occurs that results in a business interruption or shutdown for which we or our tenant operators are not adequately insured, such operations and our financial results could be materially adversely affected.

Our assets are subject to many hazards inherent in the transmission of energy products and transmission of related services, including:

- aging infrastructure, mechanical or other performance problems;
- damage to pipelines, facilities and related equipment caused by tornadoes, hurricanes, floods, fires and other natural disasters, explosions and acts of terrorism;
- inadvertent damage from third parties, including from construction, farm and utility equipment;
- leaks of natural gas and other hydrocarbons or losses of natural gas as a result of the malfunction of equipment or facilities;
- operator error;
- environmental hazards, such as natural gas leaks, product and waste spills, pipeline and tank ruptures, and unauthorized discharges of products, wastes and other pollutants into the surface and subsurface environment, resulting in environmental pollution; and explosions.

These risks could result in substantial losses due to personal injury and/or loss of life, severe damage to and destruction of property and equipment and pollution or other environmental damage and may result in curtailment or suspension of our or our tenants' related operations or services. A natural disaster or other hazard affecting the areas in which we or our tenants operate could have a material adverse effect on our operations and the financial results of our business.

Both we and our tenants depend on certain key customers for a significant portion of our respective revenues. The loss of any such key customers could result in a decline in our business.

Both we and our tenants are subject to risks of loss resulting from nonperformance by customers. We depend on certain key customers for a significant portion of our revenues, particularly operating revenues from MoGas. Our tenants are similarly dependent on revenues from key customers to support their operations and ability to make lease payments to us. The loss of all or even a portion of the contracted volumes of such customers, as a result of competition, creditworthiness, inability to negotiate extensions or replacements of contracts or otherwise, could have a material adverse effect on the business, financial condition and results of operations of us or our tenants (as applicable), unless we or they are able to contract for comparable volumes from other customers at favorable rates.

We are exposed to the credit risk of our tenants and customers and our credit risk management may not be adequate to protect against such risk.

We are subject to the risk of loss resulting from nonpayment and/or nonperformance by our tenants and customers. Our credit procedures and policies may not be adequate to fully eliminate such credit risk. If we fail to adequately assess the creditworthiness of existing or future tenants or customers, unanticipated deterioration in their creditworthiness and any resulting increase in nonpayment and/or nonperformance by them and inability to re-market the resulting capacity, or re-lease the underlying assets, could have a material adverse effect on our business, financial condition and results of operations. We may not be able to effectively re-market such capacity, or re-lease such assets, during and after insolvency proceedings involving a tenant or customer.

Our assets and operations, as well as those of our tenants and other investees and customers, can be affected by extreme weather patterns and other natural phenomena.

Our assets and operations, as well as those of our tenants and other investees and customers, can be adversely affected by floods, hurricanes, earthquakes, landslides, tornadoes and other natural phenomena and weather conditions, including extreme or unseasonable temperatures, making it more difficult for us to realize the historic rates of return associated with our assets and operations. These events also could result in significant volatility in the supply of energy and power, which might create fluctuations in commodity prices and earnings of companies in the energy infrastructure sector. A significant disruption in our operations or those of our tenants, investees or customers, or a significant liability for which we or any affected tenant or investee is not fully insured, could have a material adverse effect on our business, results of operations, and financial condition. Moreover, extreme weather events could adversely impact the valuation of our energy infrastructure assets.

The operation of our energy infrastructure assets could be adversely affected if third-party pipelines, railroads or other facilities interconnected to our facilities become partially or fully unavailable.

Our facilities, as well as those of our tenants, may connect to other pipelines, railroads or facilities owned by third parties. Both we and our tenants depend upon third-party pipelines and other facilities that provide delivery options to and from such facilities. For example, MoGas' pipelines interconnect, directly or indirectly, with virtually every major interstate pipeline in the eastern portion of the U.S. and a significant number of intrastate pipelines. Because we do not own these third party facilities, their continuing operation is not within our control. Accordingly, these pipelines and other facilities may become unavailable, or available only at a reduced capacity. If these pipeline connections were to become unavailable to us or our tenants for current or future volumes of products due to repairs, damage, lack of capacity or any other reason, our ability, or the ability of our tenants, to operate efficiently and continue shipping products to end markets could be restricted, thereby reducing revenues. Likewise, if any of these third-party pipelines or facilities becomes unable to transport any products distributed or transported through our or our tenants' facilities, our or our tenants' business, results of operations and financial condition could be adversely affected, which could adversely affect our ability to make cash distributions to our stockholders.

The relative illiquidity of our real property and energy infrastructure asset investments may interfere with our ability to sell our assets when we desire.

Investments in real property and energy infrastructure assets are relatively illiquid compared to other investments. Accordingly, we may not be able to sell such assets when we desire or at prices acceptable to us in response to changes in economic or other conditions. This could substantially reduce the funds available for satisfying our obligations and for distribution to our stockholders.

Additional Risks Related to the Grand Isle Gathering System and Grand Isle Lease Agreement

Requirements imposed by the BOEM and BSEE related to the decommissioning, plugging, and abandonment of offshore facilities could significantly impact our cost of owning the Grand Isle Gathering System, which could have a material adverse impact on our financial condition and ability to make distributions to our stockholders.

The Bureau of Ocean Management (the "BOEM") issued guidance effective October 15, 2010, following the Deepwater Horizon accident, that effectively established a more stringent regimen for the timely decommissioning of what is known as "idle iron"-wells, platforms and pipelines that are no longer producing or serving exploration or support functions related to an operator's lease-in the GOM. This guidance includes decommissioning requirements providing that pipelines, platforms or other facilities, which would include various components of the Grand Isle Gathering System that are no longer useful for operations must be removed within five years of the cessation of operations, or as otherwise specified therein. A higher than normal level of decommissioning activity in the GOM at a time when the Grand Isle Gathering System is decommissioned may result in increased demand for salvage contractors and equipment, which in turn could result in increased estimates of plugging, abandonment and removal costs related to these regulatory asset retirement obligations.

To cover these asset retirement obligations, the BOEM generally requires that OCS lessees, pipeline right-of-way holders and other facility owners demonstrate financial strength and reliability according to regulations or post bonds or other acceptable assurances that such obligations will be satisfied. In addition, in August 2014, the BOEM issued an Advanced Notice of Proposed Rulemaking in which the agency indicated that it was considering increasing the financial assurance requirements for companies operating assets such as the Grand Isle Gathering System on the OCS. Further, the significant reductions in oil and natural gas pricing since the middle of 2014 may also adversely impact the BOEM's financial assurance determinations with respect to operators such as EXXI. The cost of these bonds or assurances can be substantial, and there is no assurance that they can be obtained in all cases. While EXXI historically has satisfied these requirements with respect to its ownership and operation of the Grand Isle Gathering System, and the terms of the Grand Isle Lease Agreement require EXXI to continue to do so, given current commodity prices' effect on EXXI's creditworthiness and the unwillingness of the surety companies to post bonds without the requisite collateral, there is no assurance that EXXI will be able to continue to satisfy the demands for additional collateral for its current bonds or comply with new supplemental bonding requirements. If EXXI were financially unable to satisfy these requirements, Grand Isle Corridor, LP, as the owner of the Grand Isle Gathering System, would be required to do so. There can be no assurance that we would be able to meet any such increased bonding requirements. Under some circumstances, the BOEM may require any of our or our lessee's operations on federal leases, rights-of-way or facilities to be suspended or terminated. Any such suspension or termination could materially adversely affect our financial condition and results of operations. In addition, the

BOEM can require supplemental bonding from operators for decommissioning, plugging, and abandonment liabilities if financial strength and reliability criteria are not met. If EXXI is unable to fund any such supplemental bonding requirements and our subsidiary were required to bear the cost as owner of the Grand Isle Gathering System, such cost could have a material adverse impact on our financial condition and ability to make distributions to our stockholders.

Additional Risks Related to the Pinedale LGS and Pinedale Lease Agreement

We are subject to the risk of Ultra Wyoming transferring its obligations under the Pinedale Lease Agreement.

The terms of the Pinedale Lease Agreement provide that Ultra Wyoming may transfer its rights and obligations under the Pinedale Lease Agreement at any time, subject to certain conditions. We thus bear the risk that Ultra Wyoming will transfer its rights and obligations under the Pinedale Lease Agreement to a third party whose creditworthiness may not be on par with that of Ultra Wyoming, which could inhibit such transferee's ability to make timely lease payments under the Pinedale Lease Agreement or increase the likelihood that a downturn in the business of such transferee could give rise to a default under the Pinedale Lease Agreement. The occurrence of either of these events could have a material adverse impact on our business and financial condition.

The terms of the co-investment in Pinedale LP may limit our ability to take certain actions in the future.

Pinedale GP, our wholly-owned subsidiary, is the general partner of Pinedale LP. Under the Pinedale LP partnership agreement, Pinedale GP is given broad authority to manage the affairs of Pinedale LP and to ensure that Pinedale LP complies with the terms of various agreements to which it is a party, including the Pinedale Lease Agreement and the credit agreement with KeyBank. The Pinedale LP partnership agreement, however, requires the approval of the holder of a majority of a class of limited partner interests (all of which are currently held by Prudential) before certain actions can be taken by Pinedale LP, including granting any consent under the Pinedale Lease Agreement to: extend the term of the Pinedale Lease Agreement; change the methodology of determining the rent; improve the leased property; reduce the present value of rental payments; merge with, or acquire unrelated assets from, a third party; incur debt, or amend the terms of any existing Pinedale LP debt, that would increase that debt above a specified amount; or issue partnership interests with rights superior to those held initially by Prudential. The approval of one or more of the foregoing matters may not be obtained at a time when we believe that an action requiring approval should be taken.

Additional Risks Related to Our Ownership and Operation of MoGas

MoGas' operations are subject to extensive regulation, including those relating to environmental matters, which may adversely affect our income and the cash available for distribution.

In addition to the regulations discussed above pipeline safety regulations discussed below, MoGas' operations are subject to extensive federal, regional, state and local environmental laws and regulations including, for example, the Clean Air Act (CAA), the Clean Water Act, CERCLA, the Resource Conservation and Recovery Act, OPA, OSHA and analogous state laws. These laws and regulations may restrict or impact MoGas' business activities in many ways, including requiring the acquisition of permits or other approvals to conduct regulated activities, restricting the manner in which it disposes of wastes, requiring remedial action to remove or mitigate contamination, requiring capital expenditures to comply with pollution control requirements, and imposing substantial liabilities for pollution resulting from its operations. Failure to comply with these laws and regulations may trigger a variety of administrative, civil and criminal enforcement measures, including the assessment of monetary penalties, the imposition of remedial requirements and the issuance of orders enjoining future operations. MoGas may be unable to recover some or all of the resulting costs through insurance or increased revenues, which could have a material adverse effect on its business, results of operations and financial condition.

MoGas' natural gas transmission operations are subject to regulation by the FERC.

MoGas' business operations are subject to regulation by the FERC, including the types and terms of services MoGas may offer to its customers, construction of new facilities, expansion of current facilities, creation, modification or abandonment of services or facilities, record keeping and relationships with affiliated companies. Compliance with these requirements can be costly and burdensome and FERC action in any of these areas could adversely affect MoGas' ability to compete for business, construct new facilities, expand current facilities, offer new services or recover the full cost of operating its pipelines. This regulatory oversight can result in longer lead times or additional costs to develop and complete any future project than competitors that are not subject to the FERC's regulations.

In addition, the rates MoGas can charge for its natural gas transmission operations are regulated by the FERC pursuant to the Natural Gas Act of 1938 ("NGA") as follows:

- MoGas may only charge rates that have been determined to be just and reasonable by the FERC, subject to a prescribed maximum and minimum, and is prohibited from unduly preferring or unreasonably discriminating against any person with respect to its rates or terms and conditions of service.

- MoGas' existing rates may be challenged in a proceeding before FERC, which may reduce MoGas' rates if it finds the rates are not just and reasonable or are unduly discriminatory. Proposed rate increases may be challenged by protest and allowed to go into effect subject to refund. Even if a rate increase is permitted by the FERC to become effective, the rate increase may not be adequate.

To the extent MoGas' costs increase in an amount greater than its revenues increase, or there is a lag between MoGas' cost increases and its ability to file for and obtain rate increases, MoGas' operating results would be negatively affected.

Should the FERC find that MoGas has failed to comply with all applicable FERC-administered statutes, rules, regulations, and orders, or with the terms of MoGas' tariffs on file with the FERC, MoGas could be subject to substantial penalties and fines. Under the Energy Policy Act of 2005 (“EPAct 2005”), the FERC has civil penalty authority under the NGA and Natural Gas Policy Act of 1978 (“NGPA”) to impose penalties for violations of up to $1.0 million per day for each violation, to revoke existing certificate authority and to order disgorgement of profits associated with any violation.

We cannot give any assurance regarding the likely future regulations under which MoGas will operate its natural gas transmission business or the effect such regulations could have on MoGas' business, financial condition and results of operations.

The revenues of MoGas' business are generated under contracts that are subject to cancellation on an annual basis.

Substantially all of the revenues of MoGas' business are generated under transportation contracts which have an initial term of at least one year and renew automatically on a month-to-month basis, but are subject to cancellation by the customer on 365 days’ notice. If MoGas is unable to succeed in replacing any contracts cancelled by local distribution companies (“LDCs”) or other customers that account for a significant portion of its revenues, or in renegotiating such contracts on terms substantially as favorable as the existing contracts, MoGas could suffer a material reduction in its revenues, financial results and cash flows. The maintenance or replacement of existing contracts with MoGas' customers at rates sufficient to maintain current or projected revenues and cash flows ultimately depends on a number of factors beyond its control, including competition from other pipelines, the proximity of supplies to the markets, and the price of, and demand for, natural gas. In addition, changes in state regulation of LDCs may cause them to exercise their cancellation rights in order to turn back their capacity when the contracts expire. Recently, two key customers have taken steps to negotiate terms other than those to which they first became subject on November 1, 2014 by providing notice of termination to MoGas in accordance with the terms of their contracts.

Pipeline safety integrity programs and repairs may impose significant costs and liabilities on MoGas.

The Federal Office of Pipeline Safety within the U.S. Department of Transportation requires pipeline operators to develop integrity management programs to comprehensively evaluate certain areas along their pipelines and to take additional measures to protect pipeline segments located in “high consequence areas” where a leak or rupture could potentially do the most harm. As an operator, MoGas is required to:

- perform ongoing assessments of pipeline integrity;
- identify and characterize applicable threats to pipeline segments that could impact a high consequence area;
- improve data collection, integration and analysis;
- repair and remediate the pipeline as necessary; and
- implement preventative and mitigating actions.

MoGas is required to maintain pipeline integrity testing programs that are intended to assess pipeline integrity. Any repair, remediation, preventative or mitigating actions could require significant capital and operating expenditures. Should MoGas fail to comply with the Federal Office of Pipeline Safety’s rules and related regulations and orders, it could be subject to significant penalties and fines, which could have a material adverse effect on MoGas' business, results of operations and financial condition.

MoGas competes with other pipelines.

The principal elements of competition among pipelines are availability of capacity, rates, terms of service, access to supplies, flexibility, and reliability of service. Additionally, FERC’s policies promote competition in natural gas markets by increasing the number of natural gas transmission options available to MoGas' customer base. Any current or future pipeline system or other form of transmission that delivers natural gas into the areas that MoGas serves could offer transmission services that are more desirable to shippers than those MoGas provides because of price, location, facilities or other factors. Increased competition could reduce the volumes of product MoGas transports or, in instances where MoGas does not have long-term contracts with fixed rates, could cause MoGas to decrease the transmission rates it can charge its customers. Competition could intensify the negative impact of factors that adversely affect the demand for MoGas' services, such as adverse economic conditions, weather, higher fuel costs and taxes or other regulatory actions that increase the cost, or limit the use, of products MoGas transports.

Risks Related to Our Financing Arrangements

Our indebtedness could have important consequences, including impairing our ability to obtain additional financing or pay future distributions, as well as subjecting us to the risk of foreclosure on any mortgaged properties in the event of non-payment of the related debt.

As of December 31, 2015, we had outstanding consolidated indebtedness of approximately $217.4 million. Our leverage could have important consequences. For example, it could:

- result in the acceleration of a significant amount of debt for non-compliance with the terms of such debt or, if such debt contains cross-default or cross-acceleration provisions, other debt;
- materially impair our ability to borrow undrawn amounts under existing financing arrangements or to obtain additional financing or refinancing on favorable terms or at all;
- require us to dedicate a substantial portion of our cash flow to paying principal and interest on our indebtedness, thereby reducing the cash flow available to fund our business, to pay distributions, including those necessary to maintain REIT qualification, or to use for other purposes;
- increase our vulnerability to economic downturns;
- limit our ability to withstand competitive pressures; or
- reduce our flexibility to respond to changing business and economic conditions.

Further, we expect to mortgage many of our properties to secure payment of indebtedness. If we are unable to meet mortgage payments, such failure could result in the loss of assets due to foreclosure and transfer to the mortgagee or sale on unfavorable terms with a consequent loss of income and asset value. A foreclosure of one or more of our properties could create taxable income without accompanying cash proceeds, and could adversely affect our financial condition, results of operations, cash flow, and ability to service debt and make distributions and the market price of our stock.

We may not be able to refinance the indebtedness that we incurred to fund the acquisition of the Pinedale LGS.

Pinedale LP borrowed $70 million under its credit facility to finance the acquisition of the Pinedale LGS and such indebtedness, as currently extended, will mature March 30, 2016. The outstanding balance on this indebtedness was $62.5 million at December 31, 2015. Pinedale LP may not be able to refinance that indebtedness on its existing terms or at all. If funding is not available when needed, or is available only on unfavorable terms, we may not be able to meet our obligations as they come due. Moreover, without adequate funding, we may be unable to execute our growth strategies, complete future acquisitions, take advantage of other business opportunities or respond to competitive pressures, any of which could have a material adverse effect on our revenues and results of operations.

We face risks associated with our dependence on external sources of capital.

In order to qualify as a REIT, we are required each year to distribute to our stockholders at least 90 percent of our REIT taxable income, and we will be subject to tax on our income to the extent it is not distributed. Because of this distribution requirement, we may not be able to fund all future capital needs from cash retained from operations. As a result, to fund capital needs, we must rely on third-party sources of capital, which we may not be able to obtain on favorable terms, if at all. Our access to third-party sources of capital depends upon a number of factors, including (i) general market conditions; (ii) the market’s perception of our growth potential; (iii) our current and potential future earnings and cash distributions; and (iv) the market price of our capital stock. Additional debt financing may substantially increase our debt-to-total capitalization ratio. Additional equity issuances may dilute the holdings of our current stockholders.

Covenants in our loan documents could limit our flexibility and adversely affect our financial condition.

The terms of our various credit agreements and other indebtedness require us to comply with a number of customary financial and other covenants, such as maintaining debt service coverage and leverage ratios and maintaining insurance coverage. These covenants may limit our flexibility in our operations, and breaches of these covenants could result in defaults under the instruments governing the applicable indebtedness even if we had satisfied our payment obligations. If we were to default under credit agreements or other debt instruments, our financial condition would be adversely affected.

We face risks related to "balloon payments" and refinancings.

Certain of our mortgages will have significant outstanding principal balances on their maturity dates, commonly known as "balloon payments." There can be no assurance that we will be able to refinance the debt on favorable terms or at all. To the extent we cannot refinance this debt on favorable terms or at all, we may be forced to dispose of properties on disadvantageous terms or pay higher interest rates, either of which would have an adverse impact on our financial performance and ability to service debt and make distributions.

Risk Related to Our Convertible Notes

We expect that the trading value of the Convertible Notes will be significantly affected by the price of our common stock, which may be volatile.

The market price of our common stock, as well as the general level of interest rates and our credit quality, will likely significantly affect the market price of the Convertible Notes. This may result in significantly greater volatility in the trading value of the Convertible Notes than would be expected for nonconvertible debt securities we may issue.

We cannot predict whether the price of our common stock or interest rates will rise or fall. Trading prices of our common stock will be influenced by our operating results and prospects and by economic, financial, regulatory and other factors. General market conditions, including the level of, and fluctuations in, the trading prices of stocks generally, could affect the price of our common stock.

Holders who receive shares of our common stock upon the conversion of their Convertible Notes will be subject to the risk of volatile and depressed market prices of our common stock. There can be no assurances that the market price of our common stock will not fall in the future.

The Notes are structurally subordinated to all liabilities of our existing or future subsidiaries.

Holders of the Convertible Notes do not and will not have any claim as a creditor against any of our present or future subsidiaries. Indebtedness and other liabilities of those subsidiaries, including trade payables, whether secured or unsecured, are structurally senior to our obligations to holders of the Convertible Notes. As of December 31, 2015, our consolidated subsidiaries had approximately $62.5 million of indebtedness and other liabilities of the type required to be reflected on a balance sheet in accordance with U.S. generally accepted accounting principles (including trade payables and excluding intercompany obligations). Our subsidiaries expect from time to time to incur additional indebtedness and liabilities.

In the event of a bankruptcy, liquidation, reorganization or other winding up of any of our subsidiaries, such subsidiaries will pay the holders of their debts, holders of any equity interests, including fund investors, and their trade creditors before they will be able to distribute any of their assets to us (except to the extent we have a claim as a creditor of such subsidiary). Any right that we have to receive any assets of any of the subsidiaries upon the bankruptcy, liquidation, reorganization or other winding up of those subsidiaries, and the consequent rights of holders of Convertible Notes to realize proceeds from the sale of any of those subsidiaries' assets, will be effectively structurally subordinated to the claims of those subsidiaries' creditors, including trade creditors and holders of any preferred equity interests of those subsidiaries.

Servicing our debt requires a significant amount of cash, and we may not have sufficient cash flow from our business to pay our substantial debt.

Our ability to make scheduled payments of the principal of, to pay interest on or to refinance our indebtedness, including the Convertible Notes, depends on our future performance, which is subject to economic, financial, competitive and other factors beyond our control. Our business may not continue to generate cash flow from operations in the future sufficient to service our debt and make necessary capital expenditures. If we are unable to generate such cash flow, we may be required to adopt one or more alternatives, such as selling assets, restructuring debt or obtaining additional equity capital on terms that may be onerous or highly dilutive. Our ability to refinance our indebtedness will depend on the capital markets and our financial condition at such time. We may not be able to engage in any of these activities or engage in these activities on desirable terms, which could result in a default on our debt obligations.

Regulatory actions may adversely affect the trading price and liquidity of the Convertible Notes.

Current and future regulatory actions and other events may adversely affect the trading price and liquidity of the Convertible Notes. We expect that many investors in, and potential purchasers of, the Convertible Notes will employ, or seek to employ, a convertible arbitrage strategy with respect to the Convertible Notes. Investors would typically implement such a strategy by selling short the common stock underlying the Convertible Notes and dynamically adjusting their short position while continuing to hold the Convertible Notes. Investors may also implement this type of strategy by entering into swaps on our common stock in lieu of or in addition to short selling the common stock.

The SEC and other regulatory and self-regulatory authorities have implemented various rules and taken certain actions, and may in the future adopt additional rules and take other actions, which may impact those engaging in short selling activity involving equity securities (including our common stock). Such rules and actions include Rule 201 of SEC Regulation SHO, the adoption by the Financial Industry Regulatory Authority, Inc. and the national securities exchanges of a “Limit Up-Limit Down” program, the imposition of market-wide circuit breakers that halt trading of securities for certain periods following specific market declines, and the implementation of certain regulatory reforms required by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. Any governmental or regulatory action that restricts the ability of investors in, or potential purchasers of, the Convertible Notes to effect short sales of our common stock, borrow our common stock or enter into swaps on our common stock could adversely affect the trading price and the liquidity of the Convertible Notes.

We may still incur substantially more debt or take other actions which would intensify the risks discussed above.

We and our subsidiaries may be able to incur substantial additional debt in the future, subject to the restrictions contained in our debt instruments, some of which may be secured debt. We are not restricted under the terms of the Indenture governing the Convertible Notes from incurring additional debt, securing existing or future debt, recapitalizing our debt or taking a number of other actions that are not limited by the terms of the Indenture governing the Convertible Notes that could have the effect of diminishing our ability to make payments on the Convertible Notes when due. Our existing credit facilities restrict our ability to incur additional indebtedness, including secured indebtedness, but we may be able to obtain waivers of such restrictions or may not be subject to such restrictions under the terms of any subsequent indebtedness.

We may not have the ability to raise the funds necessary to repurchase the Convertible Notes, including upon a fundamental change.

Holders of the Convertible Notes have the right to require us to repurchase their Convertible Notes upon the occurrence of certain events constituting a fundamental change, as set forth in the Indenture, at a repurchase price equal to 100 percent of the principal amount of the Convertible Notes to be repurchased, plus accrued and unpaid interest, if any, thereon to (but excluding) the fundamental change purchase date. However, we may not have enough available cash or be able to obtain financing at the time we are required to make repurchases of Convertible Notes surrendered therefor. Our failure to repurchase Convertible Notes at a time when the repurchase is required by the Indenture would constitute a default under the Indenture. A default under the Indenture or the fundamental change itself could also lead to a default under agreements governing our existing or future indebtedness. If the repayment of the related indebtedness were to be accelerated after any applicable notice or grace periods, we may not have sufficient funds to repay the indebtedness and repurchase the Convertible Notes or make cash payments upon conversions thereof. Our ability to repurchase the Convertible Notes may also be limited by law or by regulatory authority.

Future sales of shares of our common stock may depress its market price.

We may, in the future, sell additional shares of our common stock to raise capital. Sales of substantial amounts of additional shares of common stock, shares that may be sold by stockholders, shares of common stock underlying the Convertible Notes and shares issuable upon exercise of outstanding options as well as sales of shares that may be issued in connection with future acquisitions or for other purposes, including to finance our operations and business strategy, or the perception that such sales could occur, may have an adverse effect on prevailing market prices for our common stock and our ability to raise additional capital in the financial markets at a time and price favorable to us. The price of our common stock could also be affected by possible sales of our common stock by investors who view the Convertible Notes as a more attractive means of equity participation in our company and by hedging or arbitrage trading activity that we expect will develop involving our common stock.

Holders of Convertible Notes are not entitled to any rights with respect to our common stock, but are subject to all changes made with respect to them.

Holders of Convertible Notes are not entitled to any rights with respect to our common stock (including, without limitation, voting rights and rights to receive any dividends or other distributions on the common stock) prior to the conversion date with respect to any Convertible Notes they surrender for conversion, but are subject to all changes affecting our common stock. For example, if an amendment is proposed to our certificate of incorporation or bylaws requiring stockholder approval and the record date for determining the stockholders of record entitled to vote on the amendment occurs prior to the conversion date with respect to any Convertible Notes surrendered for conversion, then the holder surrendering such Convertible Notes will not be entitled to vote on the amendment, although such holder will nevertheless be subject to any changes affecting our common stock.

The Convertible Notes are not protected by restrictive covenants.

The Indenture governing the Convertible Notes does not contain any financial or operating covenants or restrictions on the payments of dividends, the incurrence of indebtedness or the issuance or repurchase of securities by us or any of our subsidiaries. The Indenture contains no covenants or other provisions to afford protection to holders of the Convertible Notes in the event of a fundamental change or other corporate transaction involving us except in limited circumstances as set forth in the Indenture. For example, events such as leveraged recapitalizations, refinancings, restructurings or acquisitions initiated by us may not constitute a fundamental change requiring us to repurchase the Convertible Notes. In the event of any such events, the holders of the Convertible Notes would not have the right to require us to repurchase the Convertible Notes, even though each of these transactions could increase the amount of our indebtedness, or otherwise adversely affect our capital structure or any credit ratings, thereby adversely affecting the trading price of the Convertible Notes.

The adjustment to the conversion rate for Convertible Notes converted in connection with a Make Whole Adjustment Event may not adequately compensate the holders for any lost value of their Convertible Notes as a result of such transaction.

If a “Make Whole Adjustment Event” (as defined in the Indenture) occurs, under certain circumstances, we will increase the conversion rate by a number of additional shares of our common stock for Convertible Notes converted in connection with such Make Whole Adjustment Event. The increase in the conversion rate will be determined based on the date on which the specified corporate transaction becomes effective and the price paid (or deemed to be paid) per share of our common stock in such transaction, all as set forth in the Indenture. The adjustment to the conversion rate for Convertible Notes converted in connection with a make whole fundamental change may not adequately compensate the holders for any lost value of their Convertible Notes as a result of such transaction. In addition, if the price of our common stock in the transaction is greater than $45.00 per share or less than $30.00 per share (in each case, subject to adjustment), no additional shares will be added to the conversion rate. Moreover, in no event will the conversion rate per $1,000 principal amount of Convertible Notes as a result of this adjustment exceed 33.3333 shares, subject to adjustments in the same manner as the conversion rate under the terms of the Indenture.

Our obligation to increase the conversion rate upon the occurrence of a make whole fundamental change could be considered a penalty, in which case the enforceability thereof would be subject to general principles of reasonableness and equitable remedies.

The conversion rate of the Convertible Notes may not be adjusted for all dilutive events.

The conversion rate of the Convertible Notes is subject to adjustment for certain events, including, but not limited to, the issuance of certain stock dividends on our common stock, the issuance of certain rights or warrants, subdivisions, combinations, distributions of capital stock, indebtedness, or assets, cash dividends and certain issuer tender or exchange offers. However, the conversion rate will not be adjusted for other events, such as a third-party tender or exchange offer or an issuance of common stock for cash, that may adversely affect the trading price of the Convertible Notes or our common stock. An event that adversely affects the value of the Convertible Notes may occur, and that event may not result in an adjustment to the conversion rate.

Some significant restructuring transactions and significant changes in the composition of our board may not constitute a fundamental change, in which case we would not be obligated to offer to repurchase the Convertible Notes.

Upon the occurrence of a fundamental change, holders of Convertible Notes have the right to require us to repurchase their Convertible Notes. However, the fundamental change provisions of the Indenture do not afford protection to holders of Convertible Notes in the event of other transactions that could adversely affect the Convertible Notes. For example, transactions such as leveraged recapitalizations, refinancings, restructurings, or acquisitions initiated by us may not constitute a fundamental change requiring us to repurchase the Convertible Notes. In the event of any such transaction, the holders would not have the right to require us to repurchase the Convertible Notes, even though each of these transactions could increase the amount of our indebtedness, or otherwise adversely affect our capital structure or any credit ratings, thereby adversely affecting the holders of Convertible Notes.

An active trading market may not develop for the Convertible Notes or, if it develops, may not be maintained or be liquid.

We do not intend to apply to list the Convertible Notes on any securities exchange or to arrange for quotation on any automated dealer quotation system. The underwriters in our public offering of the Convertible Notes may cease their market-making of the Convertible Notes at any time without notice. In addition, the liquidity of the trading market in the Convertible Notes, and the market price quoted for the Convertible Notes, may be adversely affected by changes in the overall market for this type of security and by changes in our financial performance or prospects or in the prospects for companies in our industry generally. As a result, an active trading market may not develop for the Convertible Notes. If an active trading market does not develop or is not maintained, the market price and liquidity of the Convertible Notes may be adversely affected. In that case holders of the Convertible Notes may not be able to sell their Convertible Notes at a particular time or they may not be able to sell their Convertible Notes at a favorable price.

The liquidity of the trading market, if any, and future trading prices of the Convertible Notes will depend on many factors, including, among other things, the market price of our common stock, prevailing interest rates, our financial condition, results of operations, business, prospects and credit quality relative to our competitors, the market for similar securities and the overall securities market. The liquidity of the trading market of the Convertible Notes may be adversely affected by unfavorable changes in any of these factors, some of which are beyond our control and others of which would not affect debt that is not convertible into capital stock. Historically, the market for convertible debt has been subject to disruptions that have caused volatility in prices of securities similar to the Convertible Notes. Market volatility could materially and adversely affect the Convertible Notes, regardless of our financial condition, results of operations, business, prospects or credit quality.

The Convertible Notes are not rated. Any adverse rating of the Convertible Notes may cause their trading price to fall.

We do not intend to seek a rating on the Convertible Notes. However, if a rating service were to rate the Convertible Notes and if such rating service were to lower its rating on the Convertible Notes below the rating initially assigned to the Convertible Notes or otherwise announces its intention to put the Convertible Notes on credit watch or to withdraw the rating, the trading price of the Convertible Notes could decline.

Upon conversion of the Convertible Notes, holders may receive less valuable consideration than expected because the value of our common stock may decline after they exercise their conversion right.

Under the Convertible Notes, a converting holder will be exposed to fluctuations in the value of our common stock during the period from the date such holder surrenders Convertible Notes for conversion until the date we settle our conversion obligation. We will be required to deliver the shares of our common stock, together with cash for any fractional shares, on the third scheduled trading day following the relevant conversion date; and for any conversion that occurs on or after the record date for the payment of interest on the Convertible Notes at the maturity date, we will be required to deliver shares on the maturity date. Accordingly, if the price of our common stock decreases during this period, the value of the shares that the holders receive will be adversely affected and would be less than the conversion value of the Convertible Notes on the conversion date.

Conversion of the Convertible Notes may dilute the ownership interest of existing shareholders, including holders who had previously converted their Convertible Notes.

To the extent we issue shares of our common stock upon conversion of the Convertible Notes, the conversion of some or all of the Convertible Notes will dilute the ownership interests of existing shareholders. Any sales in the public market of shares of our common stock issuable upon such conversion of the Convertible Notes could adversely affect prevailing market prices of our common stock.

Provisions of the Convertible Notes could discourage an acquisition of us by a third party.

Certain provisions of the Indenture and the Convertible Notes could make it more difficult or more expensive for a third party to acquire us. Upon the occurrence of certain transactions constituting a fundamental change under the Indenture, holders of the Convertible Notes will have the right, at their option, to require us to repurchase all or a portion of their Convertible Notes. We may also be required to increase the conversion rate upon conversion or provide for conversion into the acquirer's capital stock in the event of certain fundamental changes. In addition, the Indenture and the Convertible Notes prohibit us from engaging in certain mergers or acquisitions unless, among other things, the surviving entity assumes our obligations under the Convertible Notes and the Indenture.

Holders of the Convertible Notes may be subject to tax if we make or fail to make certain adjustments to the conversion rate of the Convertible Notes even though they do not receive a corresponding cash distribution.

The conversion rate of the Convertible Notes is subject to adjustment in certain circumstances, including the payment of cash dividends. If the conversion rate is adjusted as a result of a distribution that is taxable to our common stockholders, such as a cash dividend, holders of Convertible Notes may be deemed to have received a dividend subject to U.S. federal income tax without the receipt of any cash. In addition, a failure to adjust (or to adjust adequately) the conversion rate after an event that increases the proportionate interest in us could be treated as a deemed taxable dividend to holders of the Convertible Notes. If, pursuant to the terms of the Indenture, a make whole fundamental change occurs on or prior to the maturity date, under some circumstances, we will increase the conversion rate for Convertible Notes converted in connection with the make whole fundamental change. Such increase may also be treated as a distribution subject to U.S. federal income tax as a dividend. For a non-U.S. holder of the Convertible Notes, any deemed dividend may be subject to U.S. federal withholding tax at a 30 percent rate, or such lower rate as may be specified by an applicable treaty, which may be set off against subsequent payments on the Convertible Notes.

Risks Related to Our Preferred Stock

An active trading market for our depositary shares may not be maintained.

Our depositary shares, each of which represents 1/100th of a share of our Series A Preferred Stock, are listed on the NYSE; however, we can provide no assurance that an active trading market on the NYSE for the depositary shares may be maintained. As a result, the ability to transfer or sell the depositary shares and any trading price of the depositary shares could be adversely affected.

The market price of the depositary shares representing interests in our Series A Preferred Stock may be adversely affected by the future incurrence of debt or issuance of preferred stock by the Company.

In the future, we may increase our capital resources by making offerings of debt securities and preferred stock of the Company and other borrowings by the Company. The debt securities, preferred stock (if senior to our Series A Preferred Stock) and borrowings of the Company are senior in right of payment to our Series A Preferred Stock, and all payments (including dividends, principal and interest) and liquidating distributions on such securities and borrowings could limit our ability to pay dividends or make other distributions to the holders of depositary shares representing interests in our Series A Preferred Stock.

Because our decision to issue securities and make borrowings in the future will depend on market conditions and other factors, some of which may be beyond our control, we cannot predict or estimate the amount, timing or nature of our future offerings or borrowings. Thus, holders of the depositary shares representing interests in Series A Preferred Stock bear the risk of our future offerings or borrowings reducing the market price of the depositary shares representing interests in our Series A Preferred Stock.

A holder of depositary shares representing interests in the Series A Preferred Stock has extremely limited voting rights.

The voting rights of a holder of depositary shares are limited. Our common stock is the only class of our securities that carries full voting rights. Voting rights for holders of depositary shares exist primarily with respect to the ability to elect (together with the holders of other series of preferred stock on parity with the Series A Preferred Stock, if any) two additional directors to our board of directors in the event that six quarterly dividends (whether or not declared or consecutive) payable on the Series A Preferred Stock are in arrears, and with respect to voting on amendments to our Charter, including the articles supplementary creating our Series A Preferred Stock (in some cases voting together with the holders of Parity Preferred Stock as a single class) that materially and adversely affect the rights of the holders of depositary shares representing interests in the Series A Preferred Stock or create additional classes or series of our stock that are senior to the Series A Preferred Stock, provided that in any event adequate provision for redemption has not been made. Other than certain limited circumstances, holders of depositary shares do not have any voting rights.

The Change of Control conversion feature of Series A Preferred Stock may not adequately compensate the holders, and the Change of Control conversion and redemption features of the shares of Series A Preferred Stock underlying the depositary shares may make it more difficult for a party to take over the Company or discourage a party from taking over the Company.

Upon the occurrence of a Change of Control (as defined in the Articles Supplementary for Series A Preferred Stock), holders of the depositary shares representing interests in our Series A Preferred Stock will have the right (unless, prior to the Change of Control Conversion Date (as defined in the Articles Supplementary for Series A Preferred Stock), we have provided notice of our election to redeem the depositary shares either pursuant to our optional redemption right or our special optional redemption right) to convert some or all of their depositary shares into shares of our common stock (or equivalent value of Alternative Conversion Consideration). Upon such a conversion, the maximum number of shares of common stock that holders of depositary shares will receive for each depositary share converted will be limited to the Share Cap. These features of the Series A Preferred Stock may have the effect of inhibiting a third party from making an acquisition proposal for the Company or of delaying, deferring or preventing a Change of Control of the Company under circumstances that otherwise could provide the holders of our common stock and Series A Preferred Stock with the opportunity to realize a premium over the then-current market price or that stockholders may otherwise believe is in their best interests.

The market price of the depositary shares could be substantially affected by various factors.

The market price of the depositary shares will depend on many factors, which may change from time to time, including:

- Prevailing interest rates, increases in which may have an adverse effect on the market price of the depositary shares representing interests in our Series A Preferred Stock;
- The market for similar securities issued by other REITs;
- General economic and financial market conditions;
- The financial condition, performance and prospects of us, our tenants and our competitors;
- Any rating assigned by a rating agency to the depositary shares;
- Changes in financial estimates or recommendations by securities analysts with respect to us, our competitors or our industry; and
- Actual or anticipated variations in our quarterly operating results and those of our competitors.

In addition, over the last several years, prices of equity securities in the U.S. trading markets have been experiencing extreme price fluctuations. As a result of these and other factors, investors who purchase the depositary shares in this offering may experience a decrease, which could be substantial and rapid, in the market price of the depositary shares, including decreases unrelated to our financial condition, performance or prospects. Likewise, in the event that the depositary shares become convertible and are converted into shares of our common stock, holders of our common stock issued upon such conversion may experience a similar decrease, which also could be substantial and rapid, in the market price of our common stock.

Risks Related to REIT Qualification and Federal Income Tax Laws

We have elected to be taxed as a REIT for fiscal 2013 and subsequent years, but the IRS may challenge our qualification as a REIT.

We have elected to be a REIT for federal income tax purposes. In order to qualify as a REIT, a substantial percentage of our income must be derived from, and our assets consist of, real estate assets, and, in certain cases, other investment property. We have acquired and managed investments which satisfy the REIT tests. Whether a particular investment is considered a real estate asset for such purposes depends upon the facts and circumstances of the investment. Due to the factual nature of the determination, the IRS may challenge whether any particular investment will qualify as a real estate asset or realize income which satisfies the REIT income tests. In determining whether an investment is a real property asset, we will look at the Code and the IRS's interpretation of the Code in regulations, published rulings, private letter rulings and other guidance. In the case of a private letter ruling issued to another taxpayer, we would not be able to bind the IRS to the holding of such ruling. If the IRS successfully challenges our qualification as a REIT we may not be able to achieve our objectives and the value of our stock may decline. As a REIT, our distributions from earnings and profits will be treated as ordinary income and a return of capital, and generally will not qualify as qualified dividend income ("QDI").

Fluctuations in the fair market value of the assets that we own and that are owned by our TRS may adversely affect our continued qualification as a REIT.

We have to satisfy the asset tests at the end of each quarter. Although fluctuations in the fair market value of our assets should not adversely affect our qualification as a REIT, we must satisfy the asset tests immediately after effecting the REIT acquisition of any asset. Thus, we may be limited in our ability to purchase certain assets depending upon the potential fluctuations in the fair market value of our direct and indirect assets. As fair market value determinations are inherently factual, risks exist as to the fair market determination.

Although we believe that the Grand Isle Gathering System, Pinedale LGS and the Portland Terminal Facility constitute real estate assets under the REIT provisions of the Code. That belief is not binding on the IRS or any court and does not guarantee our qualification as a REIT.

In 2007, 2009 and 2010, the IRS issued three separate private letter rulings that confirmed certain energy infrastructure assets as "real estate assets" within the meaning of Code Section 856(c)(5)(B). In addition, in 2014, the IRS proposed regulations to define real property under the REIT provisions, which provide that interests in real estate include inherently permanent structures such as pipelines and related assets.

The potential qualifying real estate assets in the energy infrastructure sector include electric transmission and distribution systems, pipeline systems, and storage and terminaling systems. We believe that substantially all of the Grand Isle Gathering System, Pinedale LGS and Portland Terminal Facility constitute real estate assets under the REIT provisions consistent with these private letter rulings and the proposed regulations. Although both private letter rulings and the proposed regulations provide insight into the current thinking of the IRS on tax issues, the private letter rulings may only be relied upon by the taxpayer to whom they were issued and are not binding on the IRS with respect to us, the Grand Isle Gathering System, Pinedale LGS or the Portland Terminal Facility, and the proposed regulations have not been finalized. We have not obtained any private letter rulings with respect to the Grand Isle Gathering System, Pinedale LGS or Portland Terminal Facility. If the Grand Isle Gathering System or Pinedale LGS does not constitute a real estate asset for federal income tax purposes, we would likely fail to continue to qualify as a REIT, would prevent us from achieving achieve our business objectives and could cause the value of our stock to decline**.**

We are subject to a corporate level tax on certain built in gains if certain assets are sold during the five year period following our initial election to be taxed as a REIT.

Generally, a REIT is treated as a flow-through entity for federal income tax purposes, as a REIT's income is generally subject to a single level of federal taxation, which is accomplished by the REIT annually distributing at least ninety percent of its REIT taxable income.

However, through 2017, we will be subject to a REIT level federal income tax on any built-in gain recognized during such period on the sale of assets with built-in gain. We do not anticipate incurring any significant built-in gain tax.

Failure to qualify as a REIT would have significant adverse consequences to us and the value of our common stock.

Beginning with our fiscal year ended December 31, 2013, we believe our income and investments have allowed us to meet the income and asset tests necessary for us to qualify for and we have elected to be taxed as a REIT for fiscal 2013, 2014 and 2015. Qualification as a REIT involves the application of highly technical and complex provisions of the Internal Revenue Code as to which there may only be limited judicial and administrative interpretations and involves the determination of facts and circumstances not entirely within our control. Future legislation, new regulations, administrative interpretations or court decisions may significantly change the tax laws or the application of the tax laws with respect to qualification as a REIT for federal income tax purposes or the federal income tax consequences of such qualification. Accordingly, we cannot assure you that we will be organized or will operate to qualify as a REIT for future fiscal years. If, with respect to any taxable year, we fail to qualify as a REIT, we would not be allowed to deduct distributions to stockholders in computing our taxable income. After our initial election and qualification as a REIT, if we later failed to so qualify and we were not entitled to relief under the relevant statutory provisions, we would also be disqualified from treatment as a REIT for four subsequent taxable years. If we fail to qualify as a REIT, corporate-level income tax, including any applicable alternative minimum tax, would apply to our taxable income at regular corporate rates. As a result, the amount available for distribution to holders of equity securities would be reduced for the year or years involved, and we would no longer be required to make distributions. In addition, our failure to qualify as a REIT could impair our ability to expand our business and raise capital, and it could adversely affect the value of our common stock.

The ability of stockholders to control our policies and effect a change of control of our company will be limited by certain provisions of our articles of incorporation and by Maryland law.

Our articles of incorporation authorize our board of directors to amend our charter to increase or decrease the aggregate number of authorized shares of stock, to authorize us to issue additional shares of our common stock or preferred stock and to classify or reclassify unissued shares of our common stock or preferred stock and thereafter to authorize us to issue such classified or reclassified shares of stock. We believe that these provisions in our articles of incorporation 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, as well as the additional authorized shares of common stock, 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 of stock that could, depending upon the terms of the particular class or series, delay, defer or prevent a transaction or a change of control of our company that might involve a premium price for holders of our common stock or that our common stockholders otherwise believe to be in their best interests.

To maintain our qualification as a REIT for U.S. federal income tax purposes, our articles of incorporation include provisions designed to ensure that not more than 50 percent in value of our outstanding stock may be owned, directly or indirectly, by or for five or fewer individuals (as defined in the Internal Revenue Code to include certain entities such as private foundations) at any time during the last half of any taxable year. Our articles generally prohibit any individual (as defined under the Internal Revenue Code to include certain entities) from actually owning or being deemed to own by virtue of the applicable constructive ownership provisions of the Internal Revenue Code, (i) more than 9.8 percent (in value or in number of shares, whichever is more restrictive) of the issued and outstanding shares of our common stock or (ii) more than 9.8 percent in value of the aggregate of the outstanding shares of all classes and series of our stock, in each case, excluding any shares of our stock not treated as outstanding for federal income tax purposes. Subject to the exceptions described below, our articles of incorporation further prohibit any person or entity from actually or constructively owning shares in excess of these limits. We refer to these restrictions as the "ownership limitation provisions." Our articles of incorporation also provide that any transfer of shares of our capital stock which would, if effective, result in our capital stock being beneficially owned by fewer than 100 persons (as determined pursuant to the Internal Revenue Code) shall be void ab initio and the intended transferee shall acquire no rights in such shares. These ownership limitation provisions may prevent or delay a change in control and, as a result, could adversely affect our stockholders' ability to realize a premium for their shares of common stock. However, upon request, our board of directors may waive the ownership limitation provisions with respect to a particular stockholder and establish different ownership limitation provisions for such stockholder. In granting such waiver, our board of directors may also require the stockholder receiving such waiver to make certain representations, warranties and covenants related to our ability to qualify as a REIT.

Ownership limitations in our charter may impair the ability of holders to convert Convertible Notes into our common stock.

In order to assist us in maintaining our qualification as a REIT for U.S. federal income tax purposes, our charter restricts ownership of more than 9.8 percent (in value or in number, whichever is more restrictive) of our outstanding shares of common stock, or 9.8 percent in value of our outstanding capital stock, subject to certain exceptions. Notwithstanding any other provision of the Convertible Notes or the Indenture, no holder of Convertible Notes will be entitled to receive common stock following conversion of such Convertible Notes to the extent that receipt of such common stock would cause such holder (after application of certain constructive ownership rules) to exceed the ownership limit contained in our charter. We will not be able to deliver our common stock, even if we would otherwise choose to do so, to any holder of Convertible Notes if the delivery of our common stock would cause that holder to exceed the ownership limits described above.

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

To qualify as a REIT, we must continually satisfy tests concerning, among other things, the nature and diversification of our assets, the sources of our income and the amounts we distribute to our stockholders. We may be required to liquidate or forgo otherwise attractive investments in order to satisfy the asset and income tests or to qualify under certain statutory relief provisions. We may also be required to make distributions to stockholders at disadvantageous times or when we do not have funds readily available for distribution. As a result, having to comply with the distribution requirement could cause us to sell assets in adverse market conditions, borrow on unfavorable terms or distribute amounts that would otherwise be invested in future acquisitions, capital expenditures or repayment of debt. Accordingly, satisfying the REIT requirements could materially and adversely affect us.

As a REIT, re-characterization of sale-leaseback transactions may cause us to lose our REIT status.

We intend to purchase certain properties and simultaneously lease the same property back to the seller of such properties. While we will use our best efforts to structure any such sale-leaseback transaction so that the lease will be characterized as a "true lease," thereby allowing us to be treated as the owner of the property for U.S. federal income tax purposes, the IRS could challenge such characterization. In the event that any sale-leaseback transaction is recharacterized as a financing transaction or loan for U.S. federal income tax purposes, deductions for depreciation and cost recovery relating to such property would be disallowed. If a sale-leaseback transaction were so recharacterized, we might fail to satisfy the REIT qualification "asset tests" or the "income tests" and, consequently, lose our REIT status effective with the year of re-characterization. Alternatively, the amount of our REIT taxable income could be recalculated which might also cause us to fail to meet the distribution requirement for a taxable year.

As a REIT, we are required to make distributions, other than capital gain distributions, to our stockholders each year in the amount of at least 90 percent of our REIT taxable income in order to deduct distributions to our stockholders. As a result, we will continue to need additional capital to make new investments. If additional funds are unavailable or not available on favorable terms, our ability to make new investments will be impaired.

As a REIT, we are required to distribute at least 90 percent of our REIT taxable income in order to deduct distributions to our stockholders, and as such we may require additional capital to make new investments or carry existing investments. We may acquire additional capital from the issuance of securities senior to our common stock, including additional borrowings or other indebtedness or the issuance of additional securities. We may also acquire additional capital through the issuance of additional equity. However, we may not be able to raise additional capital in the future on favorable terms or at all. Unfavorable economic conditions could increase our funding costs, limit our access to the capital markets or result in a decision by lenders not to extend credit to us. We may issue debt securities, other instruments of indebtedness or preferred stock, and we borrow money from banks or other financial institutions, which we refer to collectively as "senior securities." As a result of issuing senior securities, we will also be exposed to typical risks associated with leverage, including increased risk of loss. If we issue preferred securities which will rank "senior" to our common stock in our capital structure, the holders of such preferred securities may have separate voting rights and other rights, preferences or privileges more favorable than those of our common stock, and the issuance of such preferred securities could have the effect of delaying, deferring or preventing a transaction or a change of control that might involve a premium price for security holders or otherwise be in our best interest.

To the extent our ability to issue debt or other senior securities is constrained, we will depend on issuances of additional common stock to finance new investments. If we raise additional funds by issuing more of our common stock or senior securities convertible into, or exchangeable for, our common stock, the percentage ownership of our stockholders at that time would decrease, and you may experience dilution.

If we acquire C corporations in the future, we may inherit material tax liabilities and other tax attributes from such acquired corporations, and we may be required to distribute earnings and profits.

From time to time we may acquire C corporations or assets of C corporations in transactions in which the basis of the corporations' assets in our hands is determined by reference to the basis of the assets in the hands of the acquired corporations, or carry-over basis transactions.

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

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

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

Risks Related to Our Corporate Structure and Governance

Corridor may serve as a manager to other entities, which may create conflicts of interest not in the best interest of us or our stockholders.

Corridor’s services under the Management Agreement are not exclusive, and, while it currently does not have any contractual arrangement to do so, it is free to furnish the same or similar services to other entities, including businesses that may directly or indirectly compete with us so long as its services to us are not impaired by the provision of such services to others. Corridor and its members may have obligations to other entities, the fulfillment of which might not be in the best interests of us or our stockholders.

We will be dependent upon key personnel of Corridor for our future success.

We have entered into a management agreement with Corridor to provide full management services to us for real property asset investments. We will be dependent on the diligence, expertise and business relationships of the management of Corridor to implement our strategy of acquiring real property assets. The departure of one or more investment professionals of Corridor could have a material adverse effect on our ability to implement this strategy and on the value of our common stock. There can be no assurance that we will be successful in implementing our strategy.

Provisions of the Maryland General Corporation Law and our charter and bylaws could deter takeover attempts and have an adverse impact on the price of our common stock.

The following considerations related to provisions of Maryland General Corporation Law, and of our charter and bylaws, may have the effect of discouraging, delaying or making difficult a change in control of our Company or the removal of our incumbent directors:

- We are subject to the Business Combination Act of the Maryland General Corporation Law (MGCL). However, pursuant to the statute, our Board of Directors has adopted a resolution exempting us from the Maryland Business Combination Act for any business combination between us and any person to the extent that such business combination receives the prior approval of our board.
- Our bylaws exempt from the Maryland Control Share Acquisition Act acquisitions of stock by any person. If we amend our bylaws to repeal the exemption from the Maryland Control Share Acquisition Act, the Maryland Control Share Acquisition Act also may make it more difficult to obtain control of our Company.
- As described above, our charter includes a share ownership limit designed to preserve our status as a REIT, which may have the effect of precluding an acquisition of control of us without the approval of our Board of Directors.
- Under our charter, our Board of Directors is divided into three classes serving staggered terms, which will make it more difficult for a hostile bidder to acquire control of us.
- Our charter also contains a provision whereby we have elected to be subject to the provisions of Title 3, Subtitle 8 of the MGCL relating to the filling of vacancies on our board of directors. Further, through provisions in our charter and bylaws unrelated to Subtitle 8, we (1) require a two-thirds vote for the removal of any director from the board,

which removal must be for cause, (2) vest in the board the exclusive power to fix the number of directors, subject to limitations set forth in our charter and bylaws, and (3) require, unless called by the chairman of our Board of Directors, our chief executive officer, our president or our Board of Directors, the request of stockholders entitled to cast not less than a majority of all votes entitled to be cast on a matter at such meeting to call a special meeting to consider and vote on any matter that may properly be considered at a meeting of stockholders.

- In addition, our Board of Directors may, without stockholder action, authorize the issuance of shares of stock in one or more classes or series, including preferred stock. Our Board of Directors also may, without stockholder action, amend our charter to increase the number of shares of stock of any class or series that we have authority to issue.

The existence of these provisions, among others, may have a negative impact on the price of our common stock and may discourage third party bids for ownership of our Company. These provisions may prevent any premiums being offered to you for our common stock.

Our ability to pay dividends is limited by the requirements of Maryland law.

Our ability to pay dividends on our common stock and Series A Preferred Stock is limited by the laws of Maryland. Under Maryland General Corporation Law, a Maryland corporation may not make a distribution if, after giving effect to the distribution, the corporation would not be able to pay its debts as the debts become due in the usual course of business, or the corporation's total assets would be less than the sum of its total liabilities plus, unless the corporation's charter provides otherwise, the amount that would be needed, if the corporation were dissolved at the time of the distribution, to satisfy the preferential rights upon dissolution of stockholders whose preferential rights are superior to those receiving the distribution. Accordingly, we may not make a distribution on our common stock and the Series A Preferred Stock if, after giving effect to the distribution, we would not be able to pay our debts as they become due in the usual course of business or our total assets would be less than the sum of our total liabilities plus, unless the terms of such class or series provide otherwise, the amount that would be needed to satisfy the preferential rights upon dissolution of the holders of any shares of any class or series of preferred stock then outstanding, if any, with preferences senior to those of our common stock and the Series A Preferred Stock.

Additional Risks to Our Stockholders

Our use of leverage increases the risk of investing in our securities and will increase the costs borne by common stockholders.

Our use of leverage through the issuance of any preferred stock or debt securities, and any additional borrowings or other transactions involving indebtedness (other than for temporary or emergency purposes) are or would be considered "senior securities" and create risks. Leverage may adversely affect common stockholders. If the return on securities acquired with borrowed funds or other leverage proceeds does not exceed the cost of the leverage, the use of leverage could cause us to lose money.

Our issuance of senior securities involves offering expenses and other costs, including interest payments, which are borne indirectly by our common stockholders. Fluctuations in interest rates could increase interest or dividend payments on our senior securities, and could reduce cash available for distribution on common stock. Increased operating costs, including the financing cost associated with any leverage, may reduce our total return to common stockholders.

Rating agency guidelines applicable to any senior securities may impose asset coverage requirements, dividend limitations, voting right requirements (in the case of the senior equity securities), and restrictions on our portfolio composition and our use of certain investment techniques and strategies. The terms of any senior securities or other borrowings may impose additional requirements, restrictions and limitations that are more stringent than those required by a rating agency that rates outstanding senior securities. These requirements may have an adverse effect on us and may affect our ability to pay distributions on common stock and preferred stock. To the extent necessary, we may redeem our senior securities to maintain the required asset coverage. Doing so may require that we liquidate investments at a time when it would not otherwise be desirable to do so.

In addition, lenders from whom we may borrow money or holders of our debt securities may have fixed dollar claims on our assets that are superior to the claims of our stockholders, and we have granted, and may in the future grant, a security interest in our assets in connection with our debt. In the case of a liquidation event, those lenders or note holders would receive proceeds before our stockholders. If the value of our assets increases, then leveraging would cause the book value of our common stock to increase more than it otherwise would have had we not leveraged. Conversely, if the value of our assets decreases, leveraging would cause the book value of our common stock to decline more than it otherwise would have had we not leveraged. Similarly, any increase in our revenue in excess of interest expense on our borrowed funds would cause our net income to increase more than it would without the leverage. Any decrease in our revenue would cause our net income to decline more than it would have had we not borrowed funds and could negatively affect our ability to make distributions on our common stock. Our ability to service any debt that we incur will depend largely on our financial performance and the performance of our investments and will be subject to prevailing economic conditions and competitive pressures.

Sales of our common stock may put pressure on our stock price.

The sale of our common stock (or the perception that such sales may occur) may have an adverse effect on prices in the secondary market for our common stock. An increase in the number of shares of common stock available may put downward pressure on the market price for our common stock and make it more difficult for stockholders to sell their shares. These sales also might make it more difficult for us to sell additional equity securities in the future at a time and price we deem appropriate.

We cannot assure you that we will be able to pay dividends regularly.

Our ability to pay dividends in the future is dependent on our ability to operate profitably and to generate cash from our operations and the operations of our subsidiaries. We cannot guarantee that we will be able to pay dividends on a regular quarterly basis in the future. Furthermore, any new shares of common stock issued will substantially increase the cash required to continue to pay cash dividends at current levels. Any common stock or preferred stock that may in the future be issued to finance acquisitions, upon exercise of stock options or otherwise, would have a similar effect.

Risks Related to Our Investments in Loans

Our loans may be impacted by unfavorable real estate market conditions, which could decrease the value of those loans and the return on your investment.

If we make or invest in mortgage loans, we will be at risk of defaults on those loans caused by many conditions beyond our control, including local and other economic conditions affecting real estate values and interest rate levels. We do not know whether the values of the property securing the loans will remain at the levels existing on the dates of origination of the loans. If the values of the underlying properties drop, our risk will increase because of the lower value of the security associated with such loans.

If our borrowers declare bankruptcy, we may be unable to collect interest and principal payments when due under the loan documents.

Either the borrowers under any loan documents we hold, or any of their affiliates, the guarantors of the borrowers' obligations, could be subject to a bankruptcy proceeding pursuant to Title 11 of the bankruptcy laws of the United States. Such a bankruptcy filing would bar all efforts by us to collect pre-bankruptcy debts from these entities or their properties, unless we receive an enabling order from the bankruptcy court. Post-bankruptcy debts would be paid currently. Such a bankruptcy could delay efforts to collect past due balances under the loan documents, could ultimately preclude full collection of these sums, and could cause a decrease or cessation of principal and interest payments under the loan documents. If any of these events occur, our cash flow and funds available for distributions to our stockholders would be adversely affected.

Delays in liquidating defaulted mortgage loans could reduce our investment returns.

If there are defaults under our loans, we may not be able to repossess and sell under favorable market conditions any energy infrastructure real property securing such loans. The resulting time delay could reduce the value of our investment in the defaulted loans. An action to foreclose on a property securing a loan is regulated by state statutes and regulations and is subject to many of the delays and expenses of any lawsuit brought in connection with the foreclosure if the defendant raises defenses or counterclaims. If there is a default by a mortgagor, these restrictions, among other things, may impede our ability to foreclose on or sell the mortgaged property or to obtain proceeds sufficient to repay all amounts due to us on the loan.

A foreclosure on the energy infrastructure real property and equipment held by a borrower would create additional ownership risks that could adversely impact the return on our investment.

If we should acquire any of the energy infrastructure real property and/or related equity held by a borrower by foreclosure following a default under the loan documents, we will incur additional economic and liability risks as the owner of such assets, including, among other things, insurance costs, costs of maintenance and taxes relating to such property.

In the event of a foreclosure on the energy infrastructure real property assets held by a borrower, we may not be able to sell such assets at a price equal to, or greater than, the loan amount and accrued unpaid interest under the loan documents, which may lead to a decrease in the value of our assets.

Given the specialized nature of the borrowers' assets and the fact they are predominantly employed in support of the borrowers' operations, there can be no assurance that we would be able to find another buyer for these assets if financial distress on the part of a borrower forced us to foreclose on our security interest. Further, even if we were able to sell the assets, such sale may occur at a price less than the amount required to recover our loan balances and accrued unpaid interest under the loan documents, which could adversely impact the value of our assets and our ability to make distributions to our stockholders.

We may experience an impairment in the value of our loan to a borrower related to a deterioration in the credit worthiness of the borrower or a decline in the fair market value of the energy infrastructure real property assets securing the loan.

A deterioration in the credit worthiness of a borrower, due to changing business conditions or otherwise, or a decline in the fair market value of the energy infrastructure real property assets securing any of our loans to a borrower, could require us to recognize an "other-than-temporary" impairment in the value of the promissory note secured by the assets if we were to determine that such loan was in an unrealized loss position and we did not have the ability and intent to hold such asset to maturity or for a period of time sufficient to allow for recovery of the value of the underlying assets. If such a determination were made, we would recognize unrealized losses through earnings and write down the asset value of such loan to a new cost basis, based on the fair value of the assets on the date they are considered to be other-than-temporarily impaired. Such impairment charges reflect non-cash losses at the time of recognition; a subsequent disposition or sale of the loan through foreclosure or otherwise could further affect our future losses or gains, as they would be based on the difference between the sales price received and the adjusted amortized cost of such loan at the time of sale.

If a borrower suffers losses that are not covered by insurance or that are in excess of insurance coverage, we could lose invested capital and anticipated profits.

Material losses may occur in excess of insurance proceeds with respect to the assets held by a borrower, as insurance may not be sufficient to fund the losses. However, there are types of losses, generally of a catastrophic nature, such as losses due to wars, acts of terrorism, earthquakes, floods, tornados, hurricanes, pollution or environmental matters, which are either uninsurable or not economically insurable, or may be insured subject to limitations, such as large deductibles or co-payments. Insurance risks associated with potential terrorist acts could sharply increase the premiums incurred for coverage against property and casualty claims. In these instances, a borrower or its affiliates may be required to provide other financial support, either through financial assurances or self-insurance, to cover potential losses. They may not have adequate, or any, coverage for such losses. See "—*Some losses related to our real property assets, including, among others, losses related to potential terrorist activities, may not be covered by insurance and would adversely impact distributions to stockholders*." If such an event damaged or destroyed the assets held by our borrowers, we could lose both our invested capital and anticipated profits under the loan agreements.

Risks Related to Our Non-Real Estate Investments

Our securities investments in privately-held companies present certain challenges, including availability of information about these companies and illiquidity that may impact our ability to liquidate these investments in a timely and/or advantageous manner.

We currently have securities investments in privately-held companies. Generally, little public information exists about these companies. If we are unable to obtain all material information about these companies, including with respect to operational, regulatory, environmental, litigation and managerial risks, we may not make a fully-informed investment decision, and we may lose some or all of the money invested in these companies. Substantially all of these securities are subject to legal and other restrictions on resale or are otherwise less liquid than publicly traded securities. The illiquidity of these investments may make it difficult for us to sell such investments at advantageous times and prices or in a timely manner. In addition, if we are required to liquidate all or a portion of our private securities investments quickly, we may realize significantly less than the value at which we previously have recorded our investments. We also may face other restrictions on our ability to liquidate an investment in the securities of a portfolio company to the extent that we or one of our affiliates have material non-public information regarding such portfolio company.

All of our securities investments are, and will continue to be, recorded at fair value. Because such valuations are inherently uncertain, our determinations of fair value may differ materially from the values that would have been used if a ready market for these securities existed.

We continue to hold investments that are in the form of securities or loans that are not publicly traded. The fair value of these investments may not be readily determinable. For securities investments that are reported at fair value, we will value these investments quarterly at fair value. We have retained independent valuation firms to provide third-party valuation consulting services. The Audit Committee of our Board of Directors reviews the independent valuation firms' supporting analyses and accepts the valuations. The types of factors that may be considered in fair value pricing of an investment include the nature and realizable value of any collateral, the issuing company's earnings and ability to make payments, the markets in which the issuing company does business, comparison to publicly traded companies, discounted cash flow and other relevant factors. Because such valuations are inherently uncertain, our determinations of fair value may differ materially from the values that would have been used if a ready market for these securities existed. As a result, we may not be able to dispose of our holdings at a price equal to or greater than the determined fair value, which could have a negative impact on our net equity and earnings.

The lack of liquidity in our private securities investments may make it difficult to liquidate these securities at favorable prices, and as a result, we may suffer losses.

We have historically invested in the equity of companies whose securities are not publicly traded, and whose securities may be subject to legal and other restrictions on resale or otherwise be less liquid than publicly-traded securities. As of December 31, 2015, all of our securities investments were invested in illiquid securities. The illiquidity of these investments may make it difficult for us to sell these investments when desired. In addition, we may realize significantly less than the value at which we had previously recorded these investments when we liquidate any of these securities. The illiquidity of these securities investments may make it difficult for us to dispose of them at favorable prices, and, as a result, we may suffer losses.

If we were deemed an investment company under the Investment Company Act of 1940, applicable restrictions could make it impractical for us to continue our business as contemplated and could have a material adverse effect on our business and the price of our securities.

We do not believe that we are an investment company under the 1940 Act. If during the period in which we are liquidating our securities investments in privately-held companies we make an investment in securities, or one of our infrastructure real property asset acquisitions were characterized as an investment in securities, we could be deemed an investment company for purposes of the 1940 Act. If we were to be deemed an investment company, restrictions imposed by the 1940 Act, including limitations on our capital structure, could make it impractical for us to continue our business as contemplated and would have a material adverse effect on our operations and the price of our common stock.

Changes in laws or regulations or in the interpretations of laws or regulations could significantly affect our operations and cost of doing business.

We are subject to federal, state and local laws and regulations and are subject to judicial and administrative decisions that affect our operations, including loan originations, maximum interest rates, fees and other charges, disclosures to equity investees the terms of secured transactions, collection and foreclosure procedures and other trade practices. If these laws, regulations or decisions change, we may have to incur significant expenses in order to comply, or we may have to restrict our operations. In addition, if we do not comply with applicable laws, regulations and decisions, or fail to obtain licenses that may become necessary for the conduct of our business, we may be subject to civil fines and criminal penalties, any of which could have a material adverse effect upon our business, results of operations or financial condition.

Risk Related to Terrorism and Cybersecurity

A terrorist attack, act of cyber-terrorism or armed conflict could harm our business.

Terrorist activities, anti-terrorist efforts and other armed conflicts involving the U.S., whether or not targeted at our assets or those of our tenants, investees or customers, could adversely affect the U.S. and global economies and could prevent us from meeting our financial and other obligations. Both we and our tenants and investees could experience loss of business, delays or defaults in payments from customers or disruptions of supplies and markets if domestic and global utilities or other energy infrastructure companies are direct targets or indirect casualties of an act of terror or war. Additionally, both we and our tenants and other investees rely on financial and operational computer systems to process information critically important for conducting various elements of our respective businesses. Any act of cyber-terrorism or other cyber-attack resulting in a failure of our computer systems, or those of our tenants, customers, suppliers or others with whom we do business, could materially disrupt our ability to operate our respective businesses and could result in a financial loss to the Company and possibly do harm to our reputation. Accordingly, terrorist activities and the threat of potential terrorist activities (including cyber-terrorism) and any resulting economic downturn could adversely affect our business, financial condition and results of operations. Any such events also might result in increased volatility in national and international financial markets, which could limit our access to capital or increase our cost of obtaining capital.

Some losses related to our real property assets, including, among others, losses related to potential terrorist activities, may not be covered by insurance and would adversely impact distributions to stockholders.

Our leases will generally require the tenant companies to carry comprehensive liability and casualty insurance on our properties comparable in amounts and against risks customarily insured against by other companies engaged in similar businesses in the same geographic region as our tenant companies. We believe the required coverage will be of the type, and amount, customarily obtained by an owner of similar properties. However, there are some types of losses, such as catastrophic acts of nature, acts of war or riots, for which we or our tenants cannot obtain insurance at an acceptable cost. If there is an uninsured loss or a loss in excess of insurance limits, we could lose both the revenues generated by the affected property and the capital we have invested in the property if our tenant company fails to pay us the casualty value in excess of such insurance limit, if any, or to indemnify us for such loss. This would in turn reduce the amount of income available for distributions. We would, however, remain obligated to repay any secured indebtedness or other obligations related to the property. Since September 11, 2001, the cost of insurance protection against terrorist acts has risen dramatically. The cost of coverage for acts of terrorism is currently mitigated by the Terrorism Risk Insurance Program Reauthorization Act of 2015 ("TRIPRA"), which extended such program through December 31, 2020. Under TRIPRA, the amount of terrorism-related insurance losses triggering the federal insurance threshold will be raised gradually from its current level of $100 million in 2014 to $200 million in 2020. Additionally, the bill increases insurers' co-payments for losses exceeding their deductibles, in annual steps, from 15% in 2014 to 20% in 2020. Each of these changes may have the effect of increasing the cost to insure against acts of terrorism for property owners, such as the Company, notwithstanding the other provisions of TRIPRA. Further, if TRIPRA is not continued beyond 2020 or is significantly modified, we may incur higher insurance costs and experience greater difficulty in obtaining insurance that covers terrorist-related damages. Our tenants may also have similar difficulties. There can be no assurance our tenant companies will be able to obtain terrorism insurance coverage, or that any coverage they do obtain will adequately protect our properties against loss from terrorist attack.

We face risks associated with security breaches through cyber attacks, cyber intrusions or otherwise, as well as other significant disruptions of our information technology (IT) networks and related systems.

We face risks associated with security breaches, whether through cyber attacks or cyber intrusions over the Internet, malware, computer viruses, attachments to e-mails, persons inside our organization or persons with access to systems inside our organization, and other significant disruptions of our IT networks and related systems. These systems are essential to the operation of our business and our ability to perform day-to-day operations and, in some cases, may be critical to the operations of certain of our tenants. Although we make efforts to maintain the security and integrity of these types of IT networks and related systems, and we have implemented various measures to manage the risk of a security breach or disruption, there can be no assurance that our security efforts and measures will be effective or that attempted security breaches or disruptions would not be successful or damaging. Even the most well protected information, networks, systems and facilities remain potentially vulnerable because the techniques used in such attempted security breaches evolve and generally are not recognized until launched against a target, and in some cases are designed not be detected and, in fact, may not be detected. Accordingly, we may be unable to anticipate these techniques or to implement adequate security barriers or other preventative measures, and thus it is impossible for us to entirely mitigate the risk. These risks have generally increased as the number, intensity and sophistication of attempted attacks and intrusions by computer hackers, foreign governments and cyber terrorists has increased worldwide.

A security breach of other significant disruption involving our IT networks and related systems could disrupt the proper functioning of our networks and systems; result in misstated financial reports, violations of loan covenants and/or missed reporting deadlines; result in our inability to properly monitor our compliance with the rules and regulations regarding our qualification as a REIT; result in the unauthorized access to, and destruction, loss, theft, misappropriation or release of proprietary, confidential, sensitive or otherwise valuable information of ours or others, which others could use to compete against us or for disruptive, destructive or otherwise harmful purposes and outcomes; require significant management attention and resources to remedy any damages that result; subject us to claims for breach of contract, damages, credits, penalties or termination of leases or other agreements; or damage our reputation among our tenants and investors generally.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

Leased Energy Infrastructure Assets

We are primarily focused on acquiring and financing midstream and downstream real estate assets within the U.S. energy infrastructure sector and concurrently entering into long-term triple-net participating leases with energy companies. The following summarizes our investments in energy infrastructure assets that are leased on a triple-net basis to their respective operators as of December 31, 2015:

Asset Name	Owner/Landlord	Tenant	Asset Location	Asset Description	Encumbrances (1)
Grand Isle Gathering System	Grand Isle Corridor, LP	Energy XXI GIGS Services, LLC (2)	Gulf of Mexico / Louisiana	Approximately 153 miles of offshore pipeline with total capacity of 120,000 Bbls/d including a 16-acre onshore terminal and saltwater disposal system	Security for the Company's $150 million revolving credit facility with Regions Bank
Pinedale Liquids Gathering System	Pinedale LP (3)	Ultra Wyoming LGS LLC (4)	The Pinedale Anticline in Wyoming	Approximately 150 miles of pipelines and four central storage facilities	Security for Pinedale LP's $62.5 million secured term credit facility with KeyBank
Portland Terminal Facility	LCP Oregon Holdings, LLC	Arc Terminals Holdings LLC (5)	Portland, OR	A 42-acre rail and marine facility property adjacent to the Willamette River with 84 tanks and total storage capacity of approximately 1,500,000 barrels	Security for the Company's $150 million revolving credit facility with Regions Bank
Eastern Interconnect Project (6)	CorEnergy Infrastructure Trust, Inc.	Public Service Company of New Mexico	New Mexico	216 miles of 345 kilovolts transmission lines, towers, easement rights, converters and other grid support components	

(1) For additional information, see Note 14, Credit Facilities, in the Notes to the Financial Statements included in this report.
(2) Energy XXI GIGS Services, LLC's obligations under the GIGS Lease Agreement are guaranteed by EXXI. For additional information, see "Additional Information Concerning the Grand Isle Gathering System" below.
(3) Prudential funded a portion of the Pinedale LGS acquisition and, as a limited partner, holds 18.95 percent of the economic interest in Pinedale LP. The general partner, our wholly owned subsidiary Pinedale GP, holds the remaining 81.05 percent economic interest.
(4) Ultra Wyoming's obligations under the Pinedale Lease Agreement are guaranteed by Ultra Petroleum and Ultra Petroleum's operating subsidiary, Ultra Resources. For additional information, see "Additional Information Concerning the Pinedale LGS" below.
(5) Arc Terminals is an indirect wholly-owned subsidiary of Arc Logistics, which has guaranteed its obligations under the Portland Lease Agreement. For additional information, see "Additional Information Concerning the Portland Terminal Facility" below.
(6) Prior to April 1, 2015, we owned a 40 percent undivided interest in the EIP transmission assets, which move electricity across New Mexico between Albuquerque and Clovis.

Additional Information Concerning the Grand Isle Gathering System

Grand Isle Corridor, LP acquired the Grand Isle Gathering System from Energy XXI USA, Inc., a wholly owned subsidiary of EXXI, on June 30, 2015. The subsea pipelines forming the majority of the Grand Isle Gathering System and certain other components, such as the buildings and saltwater disposal facilities, have useful lives that extend beyond the initial term of the GIGS Lease Agreement. The Grand Isle Gathering System is critical to EXXI's core operations.

The Grand Isle Gathering System has a current capacity of approximately 120,000 barrels per day. It includes 153 miles of undersea pipeline that transports oil and water primarily from six EXXI fields. Its 16-acre onshore terminal includes four storage tanks, a saltwater disposal facility with three injection wells, and associated pipelines, land, buildings and facilities.

The primary term of the Grand Isle Lease Agreement is 11 years, with an initial renewal term of nine years, subject to certain conditions. During the initial term of the Grand Isle Lease Agreement, the EXXI Tenant is required to make minimum monthly rental payments that are initially $2.6 million in year one, increase to a maximum of $4.2 million in year seven and decline to $3.5 million in year eleven. In addition, the EXXI Tenant will pay variable rent payments based on a ten percent participation above a pre-defined threshold, which will be calculated monthly on the volumes of EXXI oil that flow through the Grand Isle Gathering System, multiplied by the average daily closing price of crude oil for the applicable calendar month. Variable rent is capped at 39 percent of the total rent for each month.

In view of the fact that EXXI leases a substantial portion of the Company's net leased property which is a significant source of revenues and operating income, its financial condition and ability and willingness to satisfy its obligations under its lease with the Company, are expected to have a considerable impact on our results of operation going forward.

EXXI is currently subject to the reporting requirements of the Exchange Act and is required to file with the SEC annual reports containing audited financial statements and quarterly reports containing unaudited financial statements. The audited financial statements and unaudited financial statements of EXXI can be found on the SEC's website at www.sec.gov. The Company makes no representation as to the accuracy or completeness of the audited and unaudited financial statements of Ultra Petroleum, but has no reason to doubt the accuracy or completeness of such information. In addition, EXXI has no duty, contractual or otherwise, to advise the Company of any events that might have occurred subsequent to the date of such financial statements which could affect the significance or accuracy of such information.

Additional Information Concerning the Pinedale LGS

Pinedale LP acquired the Pinedale LGS with associated real property rights in the Pinedale Anticline in Wyoming from an indirect wholly-owned subsidiary of Ultra Petroleum on December 20, 2012. The Prudential Insurance Company of America owns an 18.95 percent economic interest in the Pinedale LGS as a co-investor with us.

The Pinedale LGS consists of more than 150 miles of pipelines and four central storage facilities that are utilized by Ultra Petroleum as a method for the gathering of commingled hydrocarbon stream. The Pinedale LGS has a current capacity of approximately 45,000 barrels per day. This stream is separated into its components of water, condensate and natural gas, for the purpose of subsequently storing, selling or disposing of these separated components. Condensate is a valuable hydrocarbon commodity that is sold by Ultra Petroleum; water is transported to disposal wells or a treatment facility for re-use; and natural gas is sold by Ultra Petroleum or otherwise used by Ultra Petroleum for fueling on-site operational equipment. Ultra Petroleum's non-operating working interest partners in the Pinedale field where the Pinedale LGS is located pay Ultra Petroleum a fee for the use of Ultra Petroleum's LGS. To date, no major operational issues have been reported with respect to the Pinedale LGS. We believe that the Pinedale LGS is critically necessary to support the exploration of reserves for Ultra Petroleum, which reports the rental expense as part of its Lifting and Operating Expenses ("LOE") in the field. According to Ultra Petroleum's Annual Report on Form 10-K for the fiscal year ended December 31, 2015, Ultra operates approximately 87 percent of its operated wells in the Pinedale field.

The underground pipelines constituting the majority of the Pinedale LGS and certain other components, such as the separators, have useful lives that extend beyond the initial term of the Pinedale Lease Agreement. We believe that the Pinedale LGS is capable of being expanded at a relatively low incremental cost by, for example, adding additional separating equipment.

As of December 31, 2015, Ultra Petroleum had an estimated 2.5 Tcfe of proved reserves with a PV-10 value of $1.9 billion. UPL's 2016 capital program remains focused on its core assets in Pinedale with a production forecast of 272.5 Bcfe.

Most of Ultra Petroleum's exploration and development in the Pinedale field takes place on land under the jurisdiction of the Bureau of Land Management ("BLM"). The BLM has the authority to approve or deny oil and gas leases or to impose environmental restrictions on leases where appropriate. The BLM issued the Pinedale Record of Decision ("ROD") in September 2008. Under the ROD, Ultra Petroleum gained year-round access to the Pinedale field for drilling and completion activities in development areas, provided Ultra Petroleum conducts an environmental mitigation effort, which includes the use of a liquids gathering system. This additional access resulted in increased drilling efficiencies and allowed for accelerated development of the field.

During the initial fifteen-year term of the Pinedale Lease Agreement, we will receive a fixed minimum annual rent ("base rent") of $20 million, adjusted annually for changes based on the CPI (subject to a 2 percent annual cap). The annual adjustment for changes in the CPI commenced January 1, 2014 with an increase of 1.53 percent to base rent. On January 1, 2015, the base rent increased by another 1.68 percent. On January 1, 2016, the base rent increased by 0.19 percent to approximately $20.7 million annually. We also are eligible for a variable rent component based on the increase in volumes, if any, of condensate and water that flowed through the Pinedale LGS over a baseline established at inception of the lease, subject to a maximum annual rental payment during the initial fifteen year term of $27.5 million.

In view of the fact that Ultra Petroleum leases a substantial portion of the Company's net leased property, which is a significant source of revenues and operating income, its financial condition and ability and willingness to satisfy its obligations under its lease with the Company are expected to have a considerable impact on our results of operation going forward.

Ultra Petroleum is currently subject to the reporting requirements of the Exchange Act and is required to file with the SEC annual reports containing audited financial statements and quarterly reports containing unaudited financial statements. The audited financial statements and unaudited financial statements of Ultra Petroleum can be found on the SEC's website at www.sec.gov. The Company makes no representation as to the accuracy or completeness of the audited and unaudited financial statements of Ultra Petroleum, but has no reason to doubt the accuracy or completeness of such information. In addition, Ultra Petroleum has no duty, contractual or otherwise, to advise the Company of any events that might have occurred subsequent to the date of such financial statements which could affect the significance or accuracy of such information.

Additional Information Concerning the Portland Terminal Facility

In January 2014, the Company entered into a triple-net lease with Arc Terminals for use of the Portland Terminal Facility, which is guaranteed by Arc Logistics. The Portland Terminal Facility is capable of receiving, storing and delivering crude oil and refined petroleum products. Products are received and delivered via railroad or marine (up to Panamax size vessels). The marine facilities are accessed through a neighboring terminal facility via an owned pipeline. The Portland Terminal Facility offers heating systems, emulsions and an on-site product testing laboratory as ancillary services. Our ownership interest in the Portland Terminal Facility partially secures borrowings under the Company's Regions Credit Facility.

In November 2015, we completed funding of an additional $10 million of terminal-related improvement projects in support of Arc Terminals' commercial strategy to optimize the Portland Terminal Facility and generate stable cash flows, including: (i) upgrade a portion of the existing storage assets; (ii) enhance existing terminal infrastructure; and (iii) develop, design, engineer and construct throughput expansion opportunities.

In view of the fact that this lease represents approximately 10 percent the Company's net leased property which is a significant source of revenues and operating income, its financial condition and ability and willingness to satisfy its obligations under its lease with the Company, are expected to have a considerable impact on the results of operation going forward.

Arc Logistics is currently subject to the reporting requirements of the Exchange Act and is required to file with the SEC annual reports containing audited financial statements and quarterly reports containing unaudited financial statements. The audited financial statements and unaudited financial statements of Arc Logistics can be found on the SEC's web site at www.sec.gov. The Company makes no representation as to the accuracy or completeness of the audited and unaudited financial statements of Arc Logistics but has no reason to doubt the accuracy or completeness of such information. In addition, Arc Logistics has no duty, contractual or otherwise, to advise the Company of any events that might have occurred subsequent to the date of such financial statements which could affect the significance or accuracy of such information. None of the information in the public reports of Arc Logistics that are filed with the SEC is incorporated by reference into, or in any way form, a part of this filing.

Additional Information Concerning the Eastern Interconnect Project

These assets were leased on a triple-net basis through April 1, 2015 to PNM, an independent electric utility company serving approximately 500 thousand customers in New Mexico. PNM is a subsidiary of PNM Resources Inc. (NYSE: PNM). On November 1, 2012, we entered into a purchase agreement with PNM to sell our interest in the EIP upon lease termination on April 1, 2015 for $7.7 million. PNM also accelerated its remaining lease payments to us. Both lease payments due in 2013 were paid upon execution of that purchase agreement on November 1, 2012. The three remaining lease payments which would have been due April 1, 2014, October 1, 2014 and April 1, 2015, were paid in full on January 2, 2014.

Accordingly, for periods prior to its sale on April 1, 2015, the EIP was classified as "leased assets held for sale" in our consolidated financial statements and accompanying notes. We changed our estimated residual value used to calculate depreciation of the EIP which resulted in higher depreciation expense beginning in November of 2012 through the expiration of the lease in April 2015. The incremental depreciation amounts to approximately $393,000 per quarter. Prior to April 1, 2015, our ownership interest in the EIP partially secured borrowings under the Company's Regions Credit Facility.

Please refer to Note 4 of the Notes to the Consolidated Financial Statements included in this annual report on Form 10-K for additional discussion of the PNM Purchase Agreement and its effects on the consolidated financial statements.

Energy Infrastructure Assets Held Through TRSs

MoGas Pipeline System

Our wholly-owned TRS, Corridor MoGas, Inc., owns all of the membership interests of two entities that own and operate the MoGas Pipeline System, which consists of approximately 263 mile interstate natural gas pipeline system in and around St. Louis and extending into central Missouri and certain related real and personal property. The MoGas Pipeline System, which is regulated by FERC, delivers natural gas to both investor-owned and municipal local distribution systems and has eight firm transportation customers. The MoGas Pipeline System receives natural gas at three receipt points and delivers that natural gas at 22 delivery points. Our ownership interest in the MoGas Pipeline System partially secures borrowings under the Company's Regions Credit Facility.

MoGas receives natural gas at three separate receipt points from third party interstate gas pipelines and delivers that gas through 22 different delivery points to investor-owned natural gas distribution companies, municipalities and end users. MoGas has eight firm transportation customers. We provide REIT qualifying intercompany mortgage financing secured by the real property assets of MoGas and UPS which allows for a maximum principal balance of $90 million.

Omega Pipeline (Mowood, LLC)

We indirectly hold 100 percent of the equity interests in Omega through Mowood, a TRS of the Company. Mowood is the holding company of Omega, a natural gas service provider located primarily on the Department of Defense's Fort Leonard Wood military post in south-central Missouri. Omega has a long-term contract with the Department of Defense, which was renewed for an additional 10-year term in January 2016, to provide natural gas and gas distribution assets to Fort Leonard Wood through Omega's approximately 75-mile pipeline distribution system on the post. In addition, Omega provides natural gas marketing services to several customers in the surrounding area. We provide REIT qualifying intercompany mortgage financing secured by Omega's real property assets which allows for a maximum principal balance of $5.3 million. At December 31, 2015, and December 31, 2014, the principal balance outstanding was $5.2 million and $5.3 million, respectively.

Principal Location

Our principal executive office is located at 1100 Walnut Street, Suite 3350, Kansas City, MO 64106.

ITEM 3. LEGAL PROCEEDINGS

We are not currently subject to any material legal proceedings, nor, to our knowledge, is any material legal proceeding threatened against us.

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

Price Range of Common Stock

Since December 3, 2012, the Company's common stock has been traded on the New York Stock Exchange ("NYSE"), under the symbol "CORR". Previously the common stock was traded on the NYSE under the symbol "TTO". The following table sets forth the range of high and low sales prices of our common shares and the distributions declared by us for each fiscal quarter for our two most recent fiscal years:

	Price Range		Cash Distribution per Share
	High	Low	
2014			
First quarter	$ 35.55	$ 32.20	$ 0.6250
Second quarter	$ 38.25	$ 33.35	$ 0.6450
Third quarter	$ 42.05	$ 37.30	$ 0.6500
Fourth quarter	$ 38.55	$ 29.35	$ 0.6500
2015			
First quarter	$ 35.25	$ 31.70	$ 0.6500
Second quarter	$ 35.00	$ 30.35	$ 0.6750
Third quarter	$ 32.65	$ 21.70	$ 0.6750
Fourth quarter	$ 26.45	$ 13.59	$ 0.7500

On December 1, 2015, we completed a 1-for-5 reverse stock split, which was previously approved by our Board of Directors. The last reported price for our common stock as of December 31, 2015, was $14.84 per share, which reflects the reverse stock split. All issued and outstanding common stock and cash distributions per share have been retroactively adjusted to reflect this reverse stock split for all periods presented. As of December 31, 2015, we had 36 stockholders of record.

Distributions

Our portfolio of real property assets, promissory notes, and investment securities generates cash flow to us from which we pay distributions to stockholders. The amount of any distribution is recorded by the Company on the ex-dividend date.

The character of distributions made during the year may differ from their ultimate characterization for federal income tax purposes. Although, there is no assurance that we will continue to make regular distributions, we continue to believe that our investments should support sustainable 2016 distributions on a quarterly basis, and an estimated total 2016 annualized distributions of $3.00 per share.

Stock Repurchase Plan

On December 31, 2015, the Board of Director's authorized a share repurchase program for the Company to buy up to$10 million of its common stock. The Company plans to repurchase shares from time to time through open market transactions, including through block purchases, in privately negotiated transactions or otherwise. The timing, manner, price and amount of any repurchases are to be determined by senior management, depending on market prices and other conditions. Purchases may be made through the program through December 31, 2016. We are not obligated to repurchase any shares of stock under the program and may terminate the program at any time. We did not repurchase any of our common shares during the year ended December 31, 2015.

Federal and State Income Taxation

We have elected to be taxed as a REIT under sections 856 through 860 of the Code and applicable Treasury regulations, which set forth the requirements for qualifying as a REIT, commencing with our taxable year beginning January 1, 2013. We believe that we have been organized and operated in a manner so as to qualify for taxation as a REIT under the Code and we intend to continue to operate in such a manner.

For as long as we qualify for taxation as a REIT, we generally will not be subject to Federal corporate income taxes on net income that we currently distribute to stockholders. This treatment substantially eliminates the "double taxation" (at the corporate and security holder levels) that generally results from investment in a "C" corporation. A "C" corporation is a corporation that generally is required to pay tax at the corporate level. Double taxation means taxation once at the corporate level when income is earned and once again at the stockholder level when the income is distributed.

As long as we qualify as a REIT, distributions made to our taxable U.S. stockholders out of current or accumulated earnings and profits (and not designated as capital gain dividends or retained capital gains) will be taken into account by them as ordinary income, and corporate stockholders will not be eligible for the dividends received deduction as to such amounts. If we received qualified dividend income and designate such portion of our distributions as qualified dividend income in a written notice mailed no later than 60 days after the close of its taxable year, an individual U.S. stockholder may qualify (provided holding period and certain other requirements are met) to treat such portion of the distribution as qualified dividend income, eligible to be taxed as the reduced maximum rate of 20 percent. Distributions in excess of current and accumulated earnings and profits will not be taxable to a stockholder to the extent that they do not exceed the adjusted basis of such stockholder's common stock, but rather will reduce the adjusted basis of such shares as a return of capital. To the extent that such distributions exceed the adjusted basis of a stockholder's common stock, they will be included in income as long-term capital gains (or short-term capital gain if the shares have been held for one year or less), assuming the shares are a capital asset in the hands of the stockholder. Distributions that we properly designate as capital gain dividends will be taxable to stockholders as gains (to the extent they do not exceed our actual net capital gain for the taxable year) from the sale or disposition of a capital asset held for greater than one year. If we designate any portion of a dividend as a capital gain dividend, a U.S. stockholder will receive an Internal Revenue Service Form 1099-Div indicating the amount that will be taxable to the stockholder as a capital gain. As a REIT, we will be subject to corporate level tax on certain built-in gains if such assets are sold during the 10 year period following conversion. Built-in gain assets are assets whose fair market value exceeds the REIT's adjusted tax basis at the time of conversion or the asset was acquired from a C corporation and our initial tax basis in the asset is less than the fair market value of the asset. In addition, a REIT may not have earnings and profits accumulated in a non-REIT year. Thus, upon conversion to a REIT, we paid sufficient dividends in 2013 to distribute all accumulated earnings and profits.

We may, from time to time, own and operate certain properties through C corporation subsidiaries and will treat those subsidiaries as either "qualified REIT subsidiaries," or "taxable REIT subsidiaries." If a REIT owns a corporate subsidiary that is a "qualified REIT subsidiary," the separate existence of that subsidiary generally will be disregarded for Federal income tax purposes. A "taxable REIT subsidiary" is an entity taxable as a corporation in which we own stock and that elected with us to be treated as a taxable REIT subsidiary under Section 856(1) of the Code. A taxable REIT subsidiary is subject to Federal income tax, and state and local income tax where applicable, as a regular "C" corporation.

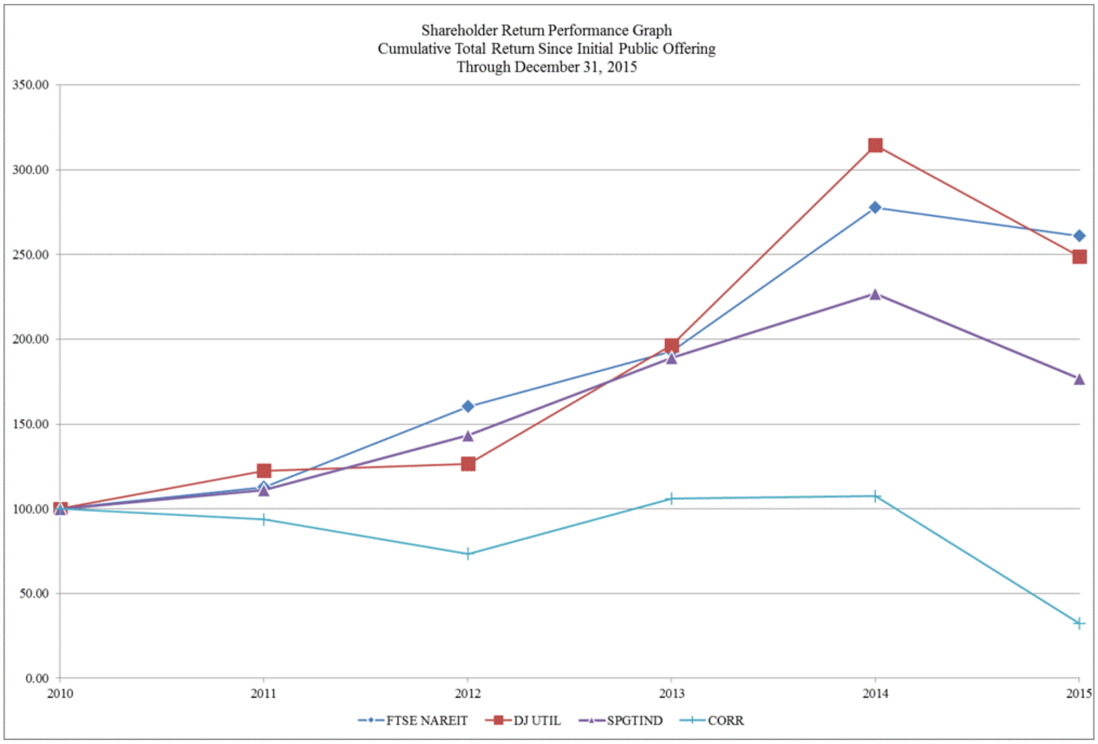
Our tax expense or benefit attributable to the taxable REIT subsidiary is included in the Consolidated Statements of Income. Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.

Recent Sales of Unregistered Securities

We did not sell any securities during the year ended December 31, 2015, that were not registered under the Securities Act of 1933.

Performance Graph

As a result of the Company's withdrawal of its election to be regulated as a BDC and the liquidation of the securities portfolio, the performance comparable group was also revised to reflect a more appropriate set of benchmarks in 2013. As the Company has elected to be treated as a REIT, and has changed its primary focus to the acquisition of real property energy infrastructure assets that are leased back to operating companies such as utilities or other energy operators, it was determined that the FTSE NAREIT All Equity REIT Index ("FTSE NAREIT"), the Dow Jones Utilities Average Index ("DJ UTIL"), and the S&P Global Infrastructure Index ("SPGTIND"), are a more relevant set of indices. The graph assumes that, on December 31, 2010, a $100 investment was made in each of our common stock, the FTSE NAREIT, the DJ UTIL, the SPGTIND, and assumes the reinvestment of all cash dividends. The comparisons in the graph below are based on historical data and are not intended to forecast future performance of our common stock.



Our shares began trading on the NYSE on February 2, 2007.

ITEM 6. SELECTED FINANCIAL DATA

The selected financial data set forth below should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations," and the financial statements and related notes included in this Annual Report on Form 10-K. The Company's consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. See Note 2.B. in the Notes to Consolidated Financial Statements for further disclosure. Financial information presented below for the years ended December 31, 2015, December 31, 2014, December 31, 2013, November 30, 2012, November 30, 2011, and the one-month transition period ended December 31, 2012, has been derived from our financial statements audited by Ernst & Young LLP, our independent registered public accounting firm. The historical data is not necessarily indicative of results to be expected for any future period.

Results of operations for the years ended December 31, 2015, 2014 and 2013, November 30, 2012 and 2011, and the one-month transition period ended December 31, 2012, and the financial position at December 31, 2015, 2014, 2013 and 2012, and November 30, 2012 and 2011 reflect the consolidation of the Company's wholly-owned subsidiary, Mowood, effective, September 21, 2011.

	Year Ended December 31, 2015	Year Ended December 31, 2014	Year Ended December 31, 2013	Year Ended November 30, 2012	Year Ended November 30, 2011	One-Month Transition Period Ended December 31, 2012
Operating Data						
Total revenue	$ 71,288,935	$ 40,308,573	$ 31,286,020	$ 10,573,997	$ 3,225,463	$ 1,726,901
Income (loss) from continuing operations attributable to CorEnergy stockholders	12,319,911	7,013,856	4,502,339	12,348,721	2,922,143	(1,503,396)
Per Share Data						
Income (loss) from continuing operations attributable to CorEnergy stockholders: Basic and Diluted	$ 0.79	$ 1.06	$ 0.93	$ 6.72	$ 1.60	$ (0.50)
Cash dividends declared per common share[3]	$ 2.750	$ 2.570	$ 1.875	$ 2.200	$ 2.050	—
Other Data						
AFFO[1][2]	$ 3.77	$ 2.82	$ 2.62	$ 2.15	N/A	N/A

(1) We believe that net income, as defined by U.S. GAAP, is the most appropriate earnings measurement. However, we consider Adjusted Funds From Operations ("AFFO") to be an appropriate measure of operating performance of an equity REIT. See "Management's Discussion and Analysis of Financial Condition and Results of Operations - FFO/AFFO" included in Item 7 of this Annual Report on Form 10-K for a reconciliation of AFFO to our GAAP earnings.

(2) AFFO was not calculated for the years ended November 30, 2011, and the one-month transition period ended December 31, 2012.

(3) Dividends in 2013 were affected by the change in year end.

(4) All other expenses consists of acquisition expense and professional fees, director's fees, amortization expense, accretion expense, operating expenses from our subsidiary, Omega Pipeline Company, LLC, and other expenses.

	December 31, 2015	December 31, 2014	December 31, 2013	November 30, 2012	November 30, 2011	December 31, 2012
Balance sheet data						
Total assets	$ 678,490,022	$ 443,815,842	$ 283,875,659	$ 111,431,833	$ 94,287,396	$ 293,661,985
Current maturities	66,132,000	3,528,000	2,940,000	—	—	—
Long-term debt	151,243,153	63,532,000	67,060,000	—	2,279,883	70,000,000
CorEnergy equity - Preferred	56,250,000	—	—	—	—	—
CorEnergy equity - Common	361,784,244	310,450,347	177,193,340	98,855,785	90,426,313	180,860,539

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Certain statements included or incorporated by reference in this Annual Report on Form 10-K may be deemed "forward-looking statements" within the meaning of the federal securities laws. In many cases, these forward-looking statements may be identified by the use of words such as "will," "may," "should," "could," "believes," "expects," "anticipates," "estimates," "intends," "projects," "goals," "objectives," "targets," "predicts," "plans," "seeks," or similar expressions. Any forward-looking statement speaks only as of the date on which it is made and is qualified in its entirety by reference to the factors discussed throughout this report.

Although we believe the expectations reflected in any forward-looking statements are based on reasonable assumptions, forward-looking statements are not guarantees of future performance or results and we can give no assurance that these expectations will be attained. Our actual results may differ materially from those indicated by these forward-looking statements due to a variety of known and unknown risks and uncertainties. Such risks and uncertainties include, without limitation, the risk factors discussed in Part I, Item 1A of this report. We disclaim any obligation to update or revise any forward-looking statements to reflect actual results or changes in the factors affecting the forward-looking information.

BUSINESS OBJECTIVE

CorEnergy primarily owns assets in the midstream and downstream U.S. energy sectors that perform utility-like functions, such as pipelines, storage terminals, and transmission and distribution assets. Our objective is to provide stockholders with a stable and growing cash dividend, supported by long-term contracted revenue from operators of our assets, primarily under triple-net participating leases. We believe our leadership team's energy and utility expertise provides CorEnergy with a competitive advantage to own and acquire U.S. energy infrastructure assets in a tax-efficient, transparent REIT.

We also may provide other types of capital, including loans secured by energy infrastructure assets. The assets we own and seek to acquire include pipelines, storage tanks, transmission lines and gathering systems, among others. The assets are primarily mission-critical, in that utilization of the assets is necessary for the business the operators of those assets seek to conduct and their rental payments are an essential operating expense. We acquire assets that will enhance the stability of our dividend through diversification, while offering the potential for long term distribution growth. These sale-leaseback or real property mortgage transactions provide the energy company with a source of capital that is an alternative to sources such as corporate borrowing, bond offerings, or equity offerings.

Basis of Presentation

The consolidated financial statements include CorEnergy Infrastructure Trust, Inc., as of December 31, 2015, and its direct and indirect wholly-owned subsidiaries. All significant intercompany accounts and transactions have been eliminated in consolidation.

RESULTS OF OPERATIONS

We believe the Lease Revenue, Security Distributions, Financing Revenue and Operating Results overview presented below provides investors with information that will assist them in analyzing the operating performance of our leased assets, financing notes receivable, other equity securities and operating entities. As it pertains to other equity securities, the Company believes that net distributions received are indicative of the operating performance of the assets. Accordingly, we have included them in EBITDA, resulting in an adjusted EBITDA metric.

As discussed in Note 4 to the Consolidated Financial Statements included in this Annual Report of Form 10-K, the Company entered into a definitive Purchase Agreement with PNM to sell the Company's interest in the EIP leased asset upon termination of the PNM Lease Agreement on April 1, 2015. The following Results of Operations analysis includes Lease Revenue and Depreciation Expense related to the PNM Lease Agreement and the EIP leased asset.

Following is a comparison of lease revenues, security distributions, financing revenue and operating results, and expenses, for the years ended December 31, 2015, 2014 and 2013:

	For the Years Ended December 31,		
	2015	2014	2013
Lease Revenue, Security Distributions, Financing Revenue, and Operating Results			
Leases:			
Lease revenue	$ 48,086,072	$ 28,223,765	$ 22,552,976
Other Equity Securities:			
Net cash distributions received	1,021,010	1,955,018	1,807,429
Financing:			
Financing revenue	1,697,550	1,077,813	—
Operations:			
Sales revenue	7,160,044	9,708,902	8,733,044
Transportation revenue	14,345,269	1,298,093	—
Cost of sales	(2,819,212)	(7,291,968)	(6,734,665)
Transportation, maintenance and general and administrative	(3,859,785)	(458,872)	—
Operating expenses (excluding depreciation, amortization and ARO accretion)	(749,940)	(840,910)	(924,571)
Net Operations (excluding depreciation, amortization and ARO accretion)	14,076,376	2,415,245	1,073,808
Total Lease Revenue, Security Distributions, Financing Revenue and Operating Results	$ 64,881,008	$ 33,671,841	$ 25,434,213
Expenses	(9,745,704)	(7,872,753)	(5,879,864)
Non-Controlling Interest attributable to Adjusted EBITDA Items	(3,851,973)	(3,815,585)	(3,734,884)
Adjusted EBITDA	$ 51,283,331	$ 21,983,503	$ 15,819,465

Lease Revenue, Security Distributions, Financing Revenue and Operating Results

Our operating performance was derived primarily from leases of real property assets, distributions from our remaining portfolio of equity investments, financing revenue from our loan agreements, and the operating results of our subsidiaries. Total lease revenue, security distributions, financing revenue and operating results generated by our investments for the year ended December 31, 2015, was approximately $64.9 million, compared to $33.7 million and $25.4 million for the years ended December 31, 2014 and 2013, respectively.

Lease revenues for the year ended December 31, 2015, increased $19.9 million compared to the prior-year period. This increase is primarily due to a $20.3 million increase in lease revenues associated with the acquisition of GIGS in June 2015. In addition, base rents for the Portland Terminal Facility increased $1.0 million versus the prior-year period, primarily due to a $755 thousand increase in base rents related to completion of the planned construction projects at the Portland Terminal Facility. Increases in lease revenue for the period also included a $341 thousand increase due to annual CPI escalations pursuant to the Pinedale Lease Agreement. These increases were partially offset by a $1.9 million decline in lease revenues due to the termination of the PNM Lease Agreement on April 1, 2015. Lease revenues for the year ended December 31, 2014 increased $5.7 million compared to the prior-year period due mainly to the addition of the Portland Terminal Facility lease, which was added in January 2014. Additionally, due to an annual CPI escalation in the Pinedale Lease Agreement, the required annual minimum rent for 2014 increased by approximately 1.53 percent, or $306 thousand annually, accounted for the majority of the remaining increase over 2013.

Financing revenues for the year ended December 31, 2015, increased $620 thousand compared to the prior-year period. The increase was primarily attributable to $664 thousand of revenue earned on the loan agreements with SWD Enterprises executed December 2014. The $1.1 million in financing revenues for the year ended December 31, 2014, primarily represents interest earned as a result of new Loan Agreements with Black Bison WS, which were executed in March and July 2014. See Note 6, Financing Notes Receivable, for additional information on the Black Bison financing notes receivable.

For the years ended December 31, 2015 and 2014, the acquisition of MoGas in November 2014 contributed $10.5 million and $839 thousand, respectively, to Net Operations (excluding depreciation and amortization). Transportation revenues totaled $14.3 million for the year ended December 31, 2015, and $1.3 million for the prior-year period while transportation costs, maintenance and general and administrative expenses were approximately $3.9 million and $459 thousand, respectively.

Cash distributions received from our equity securities for the year ended December 31, 2015, were $1.0 million, a $939 thousand decrease versus the prior-year period because we sold our investment in VantaCore during the fourth quarter of 2014. During 2015, the absence of Vantacore's $1.1 million of distributions was slightly offset by increased cash distributions received from our investment in Lightfoot. Cash distributions received from our equity securities for the year ended December 31, 2014 were $1.9 million. The difference of $148 thousand versus the year ended December 31, 2013, is attributable to only receiving three distributions from VantaCore in 2014 and to Lightfoot limiting their 2013 distributions to prepare for their IPO. The Company anticipates 2016 cash distributions from our equity securities to be approximately $1.0 million.

For the years ended December 31, 2015, 2014 and 2013, our subsidiary, Omega, contributed $3.6 million, $1.6 million and $1.1 million, respectively, to Net Operations (excluding depreciation and amortization) from its natural gas operations. Omega's contribution is derived by netting sales revenue, cost of sales, and operating expenses (excluding depreciation and amortization) for the respective periods.

For the year ended December 31, 2015, an approximate 7 percent decline in Omega's gas volumes combined with an approximate 36 percent decline in average gas unit prices combined to result in a decline in Omega's revenue of $2.5 million versus the prior-year period. These factors, as well as our acquisition of MoGas, which resulted in an intercompany elimination of Omega's cost of sales against MoGas' transportation revenue, lead to a $4.5 million decrease in Omega's cost of goods sold. For the year ended December 31, 2015, approximately $2.5 million was eliminated in consolidation.

For the years ended December 31, 2014 and 2013, the year-over-year increase in sales revenue and cost of sales of $976 thousand and $557 thousand, respectively, was attributable to an increase in gas prices, an increase in system improvements, propane sales and the purchase of gas capacity. Additionally, as a result of the acquisition of MoGas, a supplier to Omega, $397 thousand of revenue and cost of sales were eliminated for consolidation purposes. Operating expenses decreased $84 thousand over prior year, mostly attributable to 2013 included nonrecurring personnel costs.

Expenses

Total expenses from operations for the year ended December 31, 2015, were $9.7 million. The most significant components of the variance from the prior-year periods are outlined in the following table and explained below:

	For the Years Ended December 31,		
	2015	2014	2013
Management fees	$ 5,740,276	$ 3,467,660	$ 2,637,265
Acquisition and professional fees	2,996,787	3,143,216	2,484,220
Other expenses	1,008,641	1,261,877	758,379
Total	$ 9,745,704	$ 7,872,753	$ 5,879,864

Management fees for the year ended December 31, 2015, were $5.7 million. Management fees are directly proportional to the asset base under management. As such, the increase versus the prior-year periods is directly related to the acquisition of MoGas in November 2014 followed by the acquisition of GIGS in June 2015 (the fee on GIGS was waived for the second quarter given the timing of the June 30 acquisition). These increases over prior year were partially offset by the sale of EIP in April 2015, the disposition of VantaCore in October 2014 and the waiver of Management fees by the management company on the non-performing Black Bison assets during the latter part of 2015. Lastly, the increase in the common dividend per share combined with an increase in the number of shares outstanding resulted in an increase in the incentive fee of $39 thousand. The incentive fee is calculated as a percentage of dividends paid in excess of a predetermined threshold. For the year ended December 31, 2014, management fees equaled $3.5 million. The increase, as compared to the year ended December 31, 2013, is due to the 2014 acquisitions of the Portland Terminal and MoGas Pipeline, along with loan agreements with Black Bison WS. See Note 11, Management Agreement, for additional information.

Acquisition and professional fees for the years ended December 31, 2015, 2014 and 2013, were $3.0 million, $3.1 million and $2.5 million, respectively. Acquisition costs for the year ended December 31, 2015, were $59 thousand less than the prior-year period primarily because acquisition costs expensed in conjunction with the MoGas acquisition in 2014 were greater than costs expensed on opportunities the Company pursued during 2015 that were not completed. Acquisition expense represents costs incurred throughout the year as we pursue potential opportunities to expand our REIT-qualified asset portfolio. Generally, we expect asset acquisition expenses to be repaid over time from income generated by acquisitions. However, any particular period may reflect significant expenses arising from third party legal, engineering and consulting fees that are incurred in the early to mid-stages of due diligence. Professional fees also decreased $87 thousand for the year ended December 31, 2015, due to decreases in tax preparation fees, audit fees and other professional fees expensed in the current year partially offset by an increase in legal costs related to the growth of our asset portfolio through transactions that were completed during the periods.

Other expenses for the years ended December 31, 2015, 2014 and 2013, were $1.0 million, $1.3 million and $758 thousand, respectively. Annual costs for the year ended December 31, 2015, were $251 thousand less than the prior-year period primarily due to a decline in printing and mailing expense related to prior-period stock offerings, a decline in registration and valuation expenses offset by increases in costs incurred in connection with the implementation of a new accounting system, the development and maintenance of our website and transfer agent fees.

Non-Controlling Interest Attributable to Adjusted EBITDA Items

Based on Prudential's 18.95 percent ownership interest in Pinedale LP, the Company is required to make a further adjustment to the adjusted EBITDA items presented above to exclude the portion attributable to Prudential's non-controlling interest. For the year ended December 31, 2015, Prudential's interest in these items totaled $3.9 million as compared to $3.8 million and $3.7 million for the prior-year periods. The increase of $36 thousand during the current year is attributable to Prudential's proportionate share of Pinedale LP's increase in lease revenue and adjustment to registration expense partially offset by higher legal and professional fees incurred in connection with refinancing efforts related to the Key Bank Term Facility.

Adjusted EBITDA

Adjusted EBITDA attributable to CorEnergy Stockholders for the year ended December 31, 2015, was $51.3 million as compared to $22.0 million and $15.8 million for the years ended December 31, 2014 and 2013, respectively. As noted above, the increases in adjusted EBITDA are primarily associated with the acquisition of GIGS in June 2015, the acquisition of MoGas in November 2014, the acquisition of the Portland Terminal Facility in January 2014 and our financing agreements.

The following table presents a reconciliation of Adjusted EBITDA to Income Attributable to Common Stockholders as reported in the consolidated statements of income and comprehensive income:

	For the Years Ended December 31,		
	2015	2014	2013
Adjusted EBITDA	$ 51,283,331	$ 21,983,503	$ 15,819,465
Other Adjustments:			
Net distributions and dividend income not recorded as income	(121,578)	(118,235)	(1,222,615)
Distributions and dividends received in prior period previously deemed a return of capital (recorded as a cost reduction) and reclassified as income in a subsequent period	371,323	—	—
Net realized and unrealized gain (loss) on securities	(1,063,613)	(466,026)	5,366,553
Depreciation, amortization & ARO accretion	(18,766,551)	(13,195,255)	(11,491,285)
Interest expense, net	(9,781,184)	(3,675,122)	(3,288,378)
Provision for loan losses	(13,784,137)	—	—
Non-controlling interest attributable to depreciation, amortization, ARO accretion and interest expense	2,234,767	2,259,428	2,268,117
Income tax benefit (expense)	1,947,553	225,563	(2,949,518)
Preferred dividend requirements	(3,848,828)	—	—
Income Attributable to Common Stockholders	$ 8,471,083	$ 7,013,856	$ 4,502,339

Net Distributions and Dividends Recorded as Income

The following table summarizes the breakout of net distributions and dividends reported as income on the income statement. The table begins with the gross cash distributions and dividend income received from our investment securities during the years ended December 31, 2015, 2014 and 2013. This amount is increased by cash distributions received in a prior period that were, at the time, deemed a return of capital and have been reclassified during the current period as income. Finally, a reduction is shown for cash distributions received in the current period that are deemed a return of capital and, as such, are not included in income received from investment securities. The portion of the distributions that are deemed to be return of capital in any period are based on estimates made at the time such distributions are received. These estimates may subsequently be revised based on information received from the portfolio company after their tax reporting periods are concluded, as the actual character of these distributions is not known until after our fiscal year end.

Net Distributions and Dividends Recorded as Income

	For the Years Ended December 31,		
	2015	2014	2013
Gross distributions and dividends received from investment securities	$ 1,021,010	$ 1,955,018	$ 1,807,429
Add:			
Distributions and dividends received in prior period previously deemed a return of capital (recorded as a cost reduction) and reclassified as income in a subsequent period	371,323	—	—
Less:			
Distributions and dividends received in current period deemed a return of capital and not recorded as income (recorded as a cost reduction) in the current period	121,578	118,235	1,222,615
Net distributions and dividends recorded as income	$ 1,270,755	$ 1,836,783	$ 584,814

Net Realized and Unrealized Gain on Securities

We characterize distributions received from private investments estimated based on prior year activity. After receiving the K-1s, which depict the Company's share of income and losses from the investment in the security, previously unrealized gain can be reclassified as dividend income.

For the year ended December 31, 2015, the $598 thousand increase in realized and unrealized losses from other equity securities versus the prior-year period is primarily due to a combination of: (i) a $26 thousand decrease in unrealized losses due to fluctuations in the valuation of Lightfoot; minus (ii) the prior-year included an realized gain of $371 thousand related to VantaCore which was sold on October 1, 2014; minus (iii) a $613 thousand change in the valuation of the Black Bison warrant; plus (iv) a $360 thousand unrealized gain on the 18-month escrow associated with the sale of VantaCore recognized during 2015. For the year ended December 31, 2014, the Company recognized an unrealized loss on the fair value adjustment of our other equity securities of $466 thousand. Further, the characterization of distributions received from public and private investments is estimated based on prior year activity. After receiving final 2013 K-1s, which depict the Company's share of income and losses from the investment in the security, it was determined that $863 thousand of previously unrealized gain should be reclassified as dividend income. For the year ended December 31, 2013, the Company recognized an unrealized gain on the fair value adjustment of our other equity securities of $5.3 million and a realized gain of $316 thousand from the sale of publicly traded securities. Further, it was determined that $567 thousand of previously recognized gain should be reclassified as dividend income.

Depreciation, Amortization and ARO Accretion

Depreciation, amortization and ARO accretion expense increased $5.6 million for the year ended December 31, 2015, as compared to the prior-year period. The increase is primarily attributable to the newly acquired GIGS, $4.7 million, and MoGas Pipeline, $2.7 million, partially offset by a $1.7 million decline in depreciation expense due to the termination of the PNM Lease Agreement. Depreciation and amortization expense increased $1.7 million for the year ended December 31, 2014, as compared to the prior year period. The increase was attributable to the acquisition of the Portland Terminal Facility, $1.4 million, and MoGas Pipeline, $309 thousand, respectively. Please refer to Note 4 for additional discussion of the PNM Purchase Agreement and its effects on the consolidated financial statements included in this annual report on Form 10-K.

Interest Expense

Interest expense was approximately $9.8 million for the year ended December 31, 2015, as compared to $3.7 million and $3.3 million for the years ended December 31, 2014 and 2013, respectively. The $6.1 million increase is primarily attributable to the first full six-months of interest and amortization of the discount on the Convertible Notes issued June 29, 2015, the borrowings on the Regions Revolver Facility in connection with the MoGas Transaction, an increase in the Regions unused credit facility fees and deferred debt costs associated with the KeyBank and Regions Revolver facilities.

Non-Controlling Interest Attributable to Depreciation, Amortization, ARO Accretion and Interest Expense

Due to Prudential's 18.95 percent ownership interest in Pinedale LP, the Company must make adjustments for non-controlling interests. Non-controlling interest attributable to depreciation, amortization, accretion, and interest expense items was $2.2 million for the year ended December 31, 2015, as compared to $2.3 million for the prior-year periods.

Net Income Attributable to CorEnergy Stockholders

Net income attributable to common stockholders was $8.5 million, or $0.79 per common share, for the year ended December 31, 2015, as compared to $7.0 million, or $1.06 per common share, for the year ended December 31, 2014. Net income attributable to common stockholders was $4.5 million, or $0.93 per common share, for the year ended December 31, 2013.

Common Equity Attributable to CorEnergy Shareholders per Share

As of December 31, 2015, our common equity increased by approximately $51.3 million to $361.8 million from $310.5 million as of December 31, 2014. This increase principally consists of net proceeds from our June offering of common stock totaling approximately $73.3 million, net income attributable to CorEnergy common stockholders for the year ended December 31, 2015, of approximately $12.3 million, $90 thousand of common stock issued under the director's compensation plan, and $818 thousand of dividends reinvested under the DRIP plan. These increases in common equity were partially offset by dividends paid to our shareholders of approximately $32.8 million and $2.0 million of costs associated with the January 2015 preferred issuance and a $263 thousand increase in accumulated other comprehensive income associated with our hedged derivative assets. The table below does not reflect non-controlling interest equity.

Book Value Per Share

Analysis of Equity	December 31, 2015	December 31, 2014
Series A Cumulative Redeemable Preferred Stock 7.375%, $56,250,000 liquidation preference ($2,500 per share, $0.001 par value), 10,000,000 authorized; 22,500 and 0 issued and outstanding as of December 31, 2015, and December 31, 2014	$ 56,250,000	$ —
Capital stock, non-convertible, $0.001 par value; 11,939,697 and 9,321,010 shares issued and outstanding at December 31, 2015, and December 31, 2014 (100,000,000 shares authorized)	11,940	9,321
Additional paid-in capital	361,581,507	309,987,724
Accumulated retained earnings	—	—
Accumulated other comprehensive income	190,797	453,302
Total CorEnergy Stockholders' Equity	418,034,244	310,450,347
Subtract: 7.375% Series A cumulative redeemable preferred stock	(56,250,000)	—
Total CorEnergy Common Equity	361,784,244	310,450,347
Common shares outstanding	11,939,698	9,321,011
Book Value per Common Share	$ 30.30	$ 33.31

NAREIT FFO

FFO is a widely used measure of the operating performance of real estate companies that supplements net income (loss) determined in accordance with GAAP. As defined by the National Association of Real Estate Investment Trusts, NAREIT FFO represents net income (computed in accordance with GAAP), excluding gains (or losses) from sales of depreciable operating property, impairment losses of depreciable properties, real estate-related depreciation and amortization (excluding amortization of deferred financing costs or loan origination costs) and after adjustments for unconsolidated partnerships and non-controlling interests. Adjustments for non-controlling interests are calculated on the same basis. We define FFO attributable to common stockholders as defined above by NAREIT less dividends on preferred stock. Our method of calculating FFO attributable to common shareholders may differ from methods used by other REITs and, as such, may not be comparable.

FFO ADJUSTED FOR SECURITIES INVESTMENTS (FFO)

Due to the legacy investments that we hold, we have also historically presented a measure of FFO, to which we refer herein as FFO Adjusted for Securities Investments, derived by further adjusting NAREIT FFO for distributions received from investment securities, income tax expense (benefit) from investment securities, net distributions and dividend income and net realized and unrealized gain or loss on other equity securities. Historically, we have labeled FFO Adjusted for Securities Investments as "FFO" in our periodic reports. Both NAREIT FFO and FFO Adjusted for Securities Investments are supplemental, non-GAAP financial measures.

We present NAREIT FFO and FFO Adjusted for Securities Investments because we consider it an important supplemental measure of our operating performance and believe that it is frequently used by securities analysts, investors and other interested parties in the evaluation of REITs, many of which present FFO when reporting their results. FFO is a key measure used by the Company in assessing performance and in making resource allocation decisions.

Both NAREIT FFO and FFO Adjusted for Securities Investments are intended to exclude GAAP historical cost depreciation and amortization of real estate and related assets, which assumes that the value of real estate diminishes ratably over time. Historically, however, real estate values have risen or fallen with market conditions, and that may also be the case with the energy infrastructure assets in which we invest. Because NAREIT FFO and FFO Adjusted for Securities Investments exclude depreciation and amortization unique to real estate and gains and losses from property dispositions and extraordinary items, it provides a performance measure that, when compared year over year, reflects the impact to operations from trends in base and participating rent, company operating costs, development activities and interest costs, thereby providing perspective not immediately apparent from net income.

We calculate NAREIT FFO in accordance with standards established by the Board of Governors of the National Association of Real Estate Investment Trusts, in its March 1995 White Paper (as amended in November 1999 and April 2002) and FFO Adjusted for Securities Investment as NAREIT FFO with additional adjustments described above due to our legacy investments. This may differ from the methodology for calculating FFO utilized by other equity REITs and, accordingly may not be comparable to such other REITs. NAREIT FFO and FFO Adjusted for Securities Investments do not represent amounts available for management's discretionary use because of needed capital for replacement or expansion, debt service obligations or other commitments and uncertainties. NAREIT FFO and FFO Adjusted for Securities Investments as historically reported by the Company should not be considered as an alternative to net income (computed in accordance with GAAP), as an indicator of our financial performance or to cash flow from operating activities (computed in accordance with GAAP), as an indicator of our liquidity, or as an indicator of funds available for our cash needs, including our ability to make distributions or to service our indebtedness.

AFFO

Management uses AFFO as a measure of long-term sustainable operational performance. AFFO in excess of dividends is used for debt repayment, reinvestments, funding our ARO liability or other commitments and uncertainties which are necessary to sustain our dividend over the long term. AFFO should not be considered as an alternative to net income (computed in accordance with GAAP), as an indicator of our financial performance or as an alternative to cash flow from operating activities (computed in accordance with GAAP), as an indicator of our liquidity, or as an indicator of funds available for our cash needs, including our ability to make distributions or service our indebtedness.

For completeness, the following table sets forth a reconciliation of our net income as determined in accordance with GAAP and our calculations of NAREIT FFO, FFO Adjusted for Securities Investments and AFFO for the years ended December 31, 2015, 2014 and 2013. AFFO is a supplemental, non-GAAP financial measure which we define as FFO Adjusted for Securities Investment plus provision for loan losses, net of tax, transaction costs, amortization of debt issuance costs, amortization of deferred leasing costs, accretion of asset retirement obligation, income tax expense (benefit) unrelated to securities investments and provision for loan losses, above-market rent, noncash costs associated with derivative instruments and certain costs of a nonrecurring nature, less maintenance, capital expenditures (if any), amortization of debt premium, and other adjustments as deemed appropriate by Management. Also presented is information regarding the weighted-average number of shares of our common stock outstanding used for the computation of per share data:

NAREIT FFO, FFO Adjusted for Securities Investment and AFFO Reconciliation

	For the Years Ended December 31,		
	2015	2014	2013
Net Income attributable to CorEnergy Stockholders	$ 12,319,911	$ 7,013,856	$ 4,502,339
Less:			
Preferred Dividend Requirements	3,848,828	—	—
Net Income attributable to Common Stockholders	8,471,083	7,013,856	4,502,339
Add:			
Depreciation	18,351,011	13,133,886	11,429,980
Less:			
Non-Controlling Interest attributable to NAREIT FFO reconciling items	1,645,819	1,645,820	1,645,601
NAREIT funds from operations (NAREIT FFO)	25,176,275	18,501,922	14,286,718
Add:			
Distributions received from investment securities	1,021,010	1,941,757	1,789,893
Income tax expense (benefit) from investment securities	(196,270)	656,498	2,659,928
Less:			
Net distributions and dividend income	1,270,755	1,823,522	567,276
Net realized and unrealized gain (loss) on trading securities	—	—	(251,213)
Net realized and unrealized gain (loss) on other equity securities	(1,063,613)	(466,026)	5,617,766
Funds from operations adjusted for securities investments (FFO)	25,793,873	19,742,681	12,802,710
Add:			
Provision for loan losses, net of tax	12,526,701	—	—
Transaction costs	870,128	929,188	806,083
Amortization of debt issuance costs	1,822,760	801,825	556,300
Amortization of deferred lease costs	76,498	61,369	61,305
Accretion of asset retirement obligation	339,042	—	—
Income tax expense (benefit)	(493,847)	(882,061)	289,590
Amortization of above market leases	72,987	291,937	291,940
Unrealized (gain) loss associated with derivative instruments	(70,333)	(70,720)	40,290
Nonrecurring personnel costs	—	—	113,232
Less:			
EIP Lease Adjustment	542,809	2,171,236	2,171,236
Non-Controlling Interest attributable to AFFO reconciling items	88,645	92,785	121,436
Adjusted funds from operations (AFFO)	$ 40,306,355	$ 18,610,198	$ 12,668,778
Weighted Average Shares of Common Stock Outstanding:			
Basic	10,685,892	6,605,715	4,829,879
Diluted	12,461,733	6,605,715	4,829,879
NAREIT FFO attributable to Common Stockholders			
Basic	$ 2.36	$ 2.80	$ 2.96
Diluted	$ 2.35	$ 2.80	$ 2.96
FFO attributable to Common Stockholders			
Basic	$ 2.41	$ 2.99	$ 2.65
Diluted	$ 2.40	$ 2.99	$ 2.65
AFFO attributable to Common Stockholders			
Basic	$ 3.77	$ 2.82	$ 2.62
Diluted	$ 3.56	$ 2.82	$ 2.62

NAREIT FFO

NAREIT FFO for the years ended December 31, 2015, December 31, 2014, and December 31, 2013, totaled approximately $25.2 million, $18.5 million, and $14.3 million, respectively. NAREIT FFO was calculated in accordance with the National Association of Real Estate Investment Trust's definition above.

FFO ADJUSTED FOR SECURITIES INVESTMENTS (FFO)

FFO for the years ended December 31, 2015, December 31, 2014, and December 31, 2013, equaled approximately $25.8 million, $19.7 million and $12.8 million, respectively. FFO was calculated in accordance with the National Association of Real Estate Investment Trust's definition, above. In addition, we further adjusted NAREIT FFO for distributions received from investment securities, income tax expense (benefit) from investment securities, net distributions and dividend income and net realized and unrealized gain or loss on other equity securities as follows:

- For the year ended December 31, 2015, we made adjustments for noncash items impacting net income by adding distributions received from investment securities of approximately $1.0 million; by subtracting income tax expense from investment securities of approximately $196 thousand; by subtracting net distributions and dividend income of approximately $1.3 million; and by eliminating a net realized and unrealized loss on other equity securities of approximately $1.1 million.
- For the year ended December 31, 2014, we made adjustments for noncash items impacting net income by adding distributions received from investment securities of approximately $1.9 million; by adding income tax expense from investment securities of approximately $656 thousand; by subtracting net distributions and dividend income of approximately $1.8 million; and by eliminating a net realized and unrealized loss on other equity securities of approximately $466 thousand.
- For the year ended December 31, 2013, we made adjustments for noncash items impacting net income by adding distributions received from investment securities of approximately $1.8 million; by adding income tax expense from investment securities of approximately $2.7 million; by subtracting net distributions and dividend income of approximately $567 thousand; and by subtracting a net realized and unrealized gain on other equity securities of approximately $5.6 million and eliminating a net realized and unrealized loss on trading securities of approximately $251 thousand.

For the year ended December 31, 2015, $69 thousand of net income is attributable to the PNM Lease Agreement. For the years ended December 31, 2014 and 2013, $274 thousand of net income is attributable to the PNM Lease Agreement. Included in the amount being added back to depreciation expense attributable to EIP leased asset is $570 thousand for the year ended December 31, 2015, and $2.3 million for the years ended December 31, 2014 and 2013. Please refer to Note 4 for additional discussion of the PNM Purchase Agreement and its effects on the consolidated financial statements included in this annual report on Form 10-K.

AFFO

AFFO for the years ended December 31, 2015, December 31, 2014, and December 31, 2013, totaled approximately $40.3 million, $18.6 million and $12.7 million, respectively. In addition to the adjustments outlined in the AFFO definition above, we have included an adjustment to back out lease revenue associated with the EIP investment. This adjustment equals $543 thousand for the year ended December 31, 2015, and $2.2 million for the years ended December 31, 2014 and 2013. Based on the economic return to CorEnergy resulting from the sale of our 40 percent undivided interest in EIP, we determined that it was appropriate to eliminate the portion of EIP lease income attributable to return of capital, as a means to more accurately reflect the EIP lease revenue contribution to CorEnergy-sustainable AFFO. CorEnergy believes that the portion of the EIP lease revenue attributable to return of capital, unless adjusted, overstates CorEnergy's distribution-paying capabilities and is not representative of sustainable EIP income over the life of the lease. Please refer to Note 4 for additional discussion of the PNM Purchase Agreement and its effects on the consolidated financial statements included in this annual report on Form 10-K.

NAREIT FFO, FFO ADJUSTED FOR SECURITIES INVESTMENTS (FFO), AFFO

The following table presents a comparison of NAREIT FFO, FFO Adjusted for Securities Investments (FFO) and AFFO for each of the calendar quarters of 2015:

NAREIT FFO, FFO Adjusted for Securities Investments (FFO) and AFFO Reconciliation

	For the Quarters Ended			
	December 31, 2015	September 30, 2015	June 30, 2015	March 31, 2015
Net Income attributable to CorEnergy Stockholders	$ 3,620,926	$ 427,219	$ 4,185,138	$ 4,086,628
Less:				
Preferred Dividend Requirements	1,037,110	1,037,109	1,037,109	737,500
Net Income (loss) attributable to Common Stockholders	2,583,816	(609,890)	3,148,029	3,349,128
Add:				
Depreciation	5,192,557	5,644,320	3,480,644	4,033,490
Less:				
Non-Controlling Interest attributable to FFO reconciling items	411,454	411,455	411,455	411,455
NAREIT funds from operations (NAREIT FFO)	7,364,919	4,622,975	6,217,218	6,971,163
Add:				
Distributions received from investment securities	278,954	274,550	218,557	248,949
Income tax expense (benefit) from investment securities	(246,668)	(450,699)	88,233	412,864
Less:				
Net distributions and dividend income	245,374	241,563	193,410	590,408
Net realized and unrealized gain (loss) on other equity securities	(148,045)	(1,408,751)	43,385	449,798
Funds from operations adjusted for securities investments (FFO)	7,299,876	5,614,014	6,287,213	6,592,770
Add:				
Provision for loan losses, net of tax	5,858,878	6,667,823	—	—
Transaction costs	(10,179)	133,009	74,551	672,747
Amortization of debt issuance costs	509,734	699,386	307,930	305,710
Amortization of deferred lease costs	22,990	22,824	15,342	15,342
Accretion of asset retirement obligation	169,521	169,521	—	—
Income tax benefit	(149,313)	(114,939)	(137,096)	(92,499)
Amortization of above market leases	—	—	—	72,987
Unrealized (gain) loss associated with derivative instruments	(21,839)	(13,965)	(17,649)	(16,880)
Less:				
EIP Lease Adjustment	—	—	—	542,809
Non-Controlling Interest attributable to AFFO reconciling items	19,297	23,837	22,227	23,284
Adjusted funds from operations (AFFO)	$ 13,660,371	$ 13,153,836	$ 6,508,064	$ 6,984,084
Weighted Average Shares of Common Stock Outstanding:				
Basic	11,930,755	11,924,146	9,523,751	9,322,650
Diluted	15,415,604	11,924,146	9,600,341	9,322,650
NAREIT FFO attributable to Common Stockholders				
Basic	$ 0.62	$ 0.39	$ 0.65	$ 0.75
Diluted (1)	$ 0.61	$ 0.39	$ 0.65	$ 0.75
FFO attributable to Common Stockholders				
Basic	$ 0.61	$ 0.47	$ 0.66	$ 0.71
Diluted (1)	$ 0.60	$ 0.47	$ 0.66	$ 0.71
AFFO attributable to Common Stockholders				
Basic	$ 1.14	$ 1.10	$ 0.68	$ 0.75
Diluted (1)	$ 1.02	$ 0.98	$ 0.68	$ 0.75

(1) Diluted NAREIT FFO and FFO for the year ended December 31, 2015, excludes the impact to income of an add back for interest expense on the 7% Convertible Senior Notes outstanding and the number of outstanding shares from the conversion of the 7.00% Convertible Senior Notes, because to do so, would be antidilutive.

NAREIT FFO

NAREIT FFO for the three months ended December 31, 2015, totaled approximately $7.4 million. NAREIT FFO was calculated in accordance with the National Association of Real Estate Investment Trust's definition above. We subtract dividends on preferred shares in arriving at Net Income attributable to Common Stockholders. The $1.0 million of preferred dividends for the three months ended December 31, 2015, represents a full quarter of dividends on our 7.375% Cumulative Preferred Shares issued in January 2015.

FFO ADJUSTED FOR SECURITIES INVESTMENTS (FFO)

FFO for the three months ended December 31, 2015, totaled approximately $7.3 million. FFO was calculated in accordance with the National Association of Real Estate Investment Trust's definition above. In addition, we have made adjustments for noncash items impacting net income by adding distributions received from investment securities of approximately $279 thousand; by subtracting net income tax benefit from investment securities of approximately $247 thousand; by subtracting net distributions and dividend income from investment securities of approximately $245 thousand; and by adjusting for noncash items impacting net income by adding net realized and unrealized gain on other equity securities of approximately $148 thousand.

AFFO

AFFO for the three months ended December 31, 2015, totaled approximately $13.7 million. The provision for loan losses, net of tax, included a provision for loan loss of $5.8 million and an associated income tax expense of $26 thousand attributable to the Black Bison Loans. Approximately $170 thousand was included for the accretion of the asset retirement obligation on GIGS and we subtracted an income tax benefit of $149 thousand. Finally, we incurred transaction costs during the period of about $66 thousand as we pursued potential opportunities to expand our portfolio that were offset by the reversal of prior-period accruals, which resulted in a deduction of approximately $10 thousand.

FEDERAL AND STATE INCOME TAXATION

In 2013 we qualified, and in March 2014 elected (effective as of January 1, 2013), to be treated as a REIT for federal income tax purposes (which we refer to as the “REIT Election"). Because certain of our assets may not produce REIT-qualifying income or be treated as interests in real property, those assets are held in wholly-owned TRSs in order to limit the potential that such assets and income could prevent us from qualifying as a REIT.

For years ended in 2012 and before, the distributions we made to our stockholders from our earnings and profits were treated as qualified dividend income ("QDI") and return of capital. QDI is taxed to our individual shareholders at the maximum rate for long-term capital gains, which through tax year 2012 was 15 percent and beginning in tax year 2013 is 20 percent. The Company elected to be taxed as a REIT for 2013 and subsequent years rather than a C corporation and generally will not pay federal income tax on taxable income of the REIT that is distributed to our stockholders. As a REIT, our distributions from earnings and profits will be treated as ordinary income and a return of capital, and generally will not qualify as QDI. To the extent that the REIT had accumulated C corporation earnings and profits from the periods prior to 2013, we distributed such earnings and profits in 2013. A portion of our normal distributions in 2013 have been characterized for federal income tax purposes as a distribution of those earnings and profits from non-REIT years and have been treated as QDI. In addition, to the extent we receive taxable distributions from our TRSs, or the REIT received distributions of C corporation earnings and profits, such portion of our distribution will be treated as QDI.

As a REIT, the Company holds and operates certain of our assets through one or more wholly-owned TRSs. Our use of TRSs enables us to continue to engage in certain businesses while complying with REIT qualification requirements and also allows us to retain income generated by these businesses for reinvestment without the requirement of distributing those earnings. In the future, we may elect to reorganize and transfer certain assets or operations from our TRSs to the Company or other subsidiaries, including qualified REIT subsidiaries.

The Company's trading securities and other equity securities are limited partnerships or limited liability companies which are treated as partnerships for federal and state income tax purposes. As a limited partner, the Company reports its allocable share of taxable income in computing its own taxable income. To the extent held by a TRS, the TRS's tax expense or benefit is included in the Consolidated Statements of Income based on the component of income or gains and losses to which such expense or benefit relates. Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. A valuation allowance is recognized if, based on the weight of available evidence, it is more likely than not that some portion or all of the deferred income tax asset will not be realized.

If we cease to qualify as a REIT, the Company, as a C corporation, would be obligated to pay federal and state income tax on its taxable income. Currently, the highest regular marginal federal income tax rate for a corporation is 35 percent. The Company may be subject to a 20 percent federal alternative minimum tax on its federal alternative minimum taxable income to the extent that its alternative minimum tax exceeds its regular federal income tax.

SEASONALITY

The Company's wholly-owned subsidiary, Omega, experiences a substantial amount of seasonality in gas sales. As a result, overall sales and operating income are generally higher in the first and fourth quarters and lower during the second and third quarters of each year. While our wholly-owned subsidiary, MoGas, has stable revenues throughout the year, it will complete necessary pipeline maintenance during "non-heating" season, or quarters two and three. Due to the seasonal nature of Omega and MoGas, operating results for the interim periods are not necessarily indicative of the results that may be expected for the full year.

MAJOR TENANTS

As of December 31, 2015, the Company had three significant leases. For additional information concerning each of these leases, see "Item 2 - Properties" and Note 4 in the Notes to the Consolidated Financial Statements included in this report. The table below displays the impact of significant leases on total leased properties and total lease revenues for the periods presented.

	As a Percentage of (1)				
	Leased Properties		Lease Revenues		
	As of		For the Years Ended		
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014	December 31, 2013
Pinedale LGS	40.0%	79.2%	42.9%	71.9%	88.7%
Grand Isle Gathering System	50.1%	—	42.3%	—	—
Portland Terminal Facility	9.6%	17.2%	13.3%	19.0%	—
Public Service of New Mexico (2)	—	3.1%	1.3%	9.1%	11.3%

(1) Insignificant leases are not presented, thus percentages do not sum to 100%.

(2) The Public Service of New Mexico lease terminated on April 1, 2015. See additional discussion of the PNM lease under the heading Lease of Property Held for Sale, below.

ASSET PORTFOLIO AND RELATED DEVELOPMENTS

Descriptions of our asset portfolio and related operations, other than our remaining private equity securities as of December 31, 2015, are included in "Item 2 - Properties" and Notes 3, 4, 5 and 6 in the Notes to the Consolidated Financial Statements included in this report. This section provides additional information concerning material developments related to our asset portfolio, including our remaining private equity securities, during the year ended December 31, 2015.

State of the Market

The declines in commodity prices which began in the latter half of 2014 continued throughout 2015. WTI oil prices reached a low of just under $38 in 2015, dropping further in early 2016 to levels which have not been seen in over a decade. At its annual meeting, the Organization of Petroleum Exporting Countries (OPEC) maintained its current production level at over 30 million barrels per day, despite a large oversupply and decreased demand for oil. The U.S. government's lifting of the crude oil export ban in late 2015 should eliminate market distortions in the pricing of crude oil products. Natural gas also experienced falling prices as Marcellus Shale production continued to add to the high inventory levels (according to Tortoise Capital Advisors' 2015 Closed End Funds Annual Report). The year began with natural gas prices at $3.34 per MMBtu and ended down 28 percent at $2.39 per MMBtu. MLPs saw a particularly difficult second half of 2015, with the Alerian MLP Index ("AMZ") closing down 37 percent in the year.

Energy producers across the U.S. decreased capital expenditures and reduced rig counts by 61 percent during 2015, according to Baker Hughes' rig count. Many companies cut their distribution levels in order to internally fund a higher proportion of future commitments. However, Tortoise Capital Advisors' noted that downstream companies and end consumers did benefit from the low commodity price as usage was up, illustrated by the increase in miles driven in the US last year.

Debt and equity capital markets became increasingly difficult for the industry to access. According to Tortoise Capital Advisors, levels of initial public offerings of energy companies remained healthy in the early part of 2015, but slowed significantly as commodity prices continued to decline and the overall market remained volatile. In addition to low commodity prices, technical considerations also impacted the share prices of energy companies, as short selling, redemptions and funds reducing leverage caused share prices to fall across the industry. CorEnergy believes declines in the market price of our common stock in recent periods have been influenced by many of these same considerations. Despite the fact that our contracts limit both commodity price and volume risk, we believe these technical factors have put a high level of pressure on our stock price.

The volatile markets and low commodity prices have triggered a number of bankruptcies across the energy sector, which has caused many gathering and service contracts to come under review. We believe that it is likely our leases would be assumed and upheld in the event of a bankruptcy of one of our tenants.

Grand Isle Gathering System

Depressed commodity prices also have impacted the operational and financial condition of EXXI. EXXI is working to continue to make improvements to its balance sheet and decrease operational costs. EXXI has reduced total indebtedness to approximately $2.9 billion as of February 15, 2016.

As reflected in EXXI's periodic reports, filed with the SEC, EXXI has reduced field level operating costs, bringing lease operating costs per barrel down by 34 percent from the first quarter of fiscal year 2015 to the second quarter of fiscal year 2016. EXXI's expected capital expenditures including acquisitions and plugging and abandonment obligations, for the 2016 fiscal year has been lowered to $130-150 million. EXXI's focus remains on recompletion opportunities and lower risk development drilling opportunities in fields where it has had previous success, as well as eliminating capital commitments on exploration and other activities that do not provide incremental production.

In announcing its quarterly results on February 16, 2016, EXXI also announced its guidance for production in 2016. EXXI indicated its expected net daily production of petroleum products, including oil and natural gas liquids, is 35,000-40,000 bbls and 52,000-57,000 for BOE. In light of the extent to which the Company believes that the forecast production levels could not be met by the operator without access to the GIGS, we currently anticipate that our lease payments will continue uninterrupted.

On February 29, 2016, EXXI announced that it received Waivers and Amendments to its First Lien Credit Agreements. EXXI's subsidiary Gulf Coast will not be required to deliver a compliance certificate for the fiscal quarter ended December 31 until the expiration of the waiver on the earlier of (i) March 14, 2016, (ii) the date on which Gulf Coast or EPL fails to comply with the conditions set forth in the Waiver or (iii) the occurrence of an Event of Default (as defined in the First Lien Credit Agreement) other than as a result of the failure of EPL to pay interest due on its 8.25% notes due 2018 on February 15, 2016 and thereafter (until March 14, 2016). Additionally, certain amendments were made regarding Gulf Coast and EPL's ability to borrow under the First Lien Credit, its requirement to deposit the proceeds of any loan under the First Lien Credit Agreement and its allowance to get replacement letters of credit. CorEnergy does not anticipate these waivers or amendments will affect its lease agreement.

Pinedale LGS

Depressed commodity prices also have impacted the operational and financial condition of UPL. UPL's 2015 Form 10-K included (i) an explanatory paragraph by the company's auditors expressing uncertainty as to UPL's ability to continue as a going concern, (ii) a warning of a potential bankruptcy filing, and (iii) a warning of a potential default under the Pinedale Lease Agreement in the event of such a filing. UPL also directly addresses its concerns around the significant adverse effects on its business of potentially losing the right to use the Pinedale LGS, if it should default under the Pinedale Lease Agreement as a result of any acceleration of $100 million or more of its debt obligations. UPL stated, "A termination of the Pinedale Lease Agreement would significantly disrupt our ability to produce oil and gas from Pinedale field which would have a material adverse effect on our business, financial condition, results of operations, and cash flows."

On March 2, 2016, UPL filed a Form 8-K announcing it had entered into an agreement with certain unsecured lenders to defer payment of interest and principal, thereby avoiding a default under the affected indebtedness.

During 2015, UPL recorded a $3.1 billion non-cash write-down of the carrying value of its proved oil and gas properties. As of December 31, 2015, UPL had no reportable estimated proved undeveloped reserves ("PUD") with respect to any of its properties due to uncertainty regarding its ability to continue as a going concern and the availability of capital that would be required to develop the PUD reserves.

The 2015 annual adjustment for changes in the CPI resulted in an increase in quarterly rent under the Pinedale Lease Agreement of$85 thousand. As of December 31, 2015, no variable rent based on throughput was due under the Pinedale Lease Agreement.
UPL's reports filed with the SEC indicate its management remains focused on cost efficiency, with its operated well costs declining from an annual average of $3.8 million per well during 2014 to $2.8 million per well average in the fourth quarter of 2015. UPL's reduction in costs is attributable to drilling efficiencies and service cost reductions.

Portland Terminal Facility

In November 2015, we completed funding on the additional $10 million of terminal-related improvement projects in support of Arc Terminals' commercial strategy to optimize the Portland Terminal Facility and generate stable cash flows, including: i) upgrade a portion of the existing storage assets; ii) enhance existing terminal infrastructure; and iii) develop, design, engineer and construct throughput expansion opportunities. Base rent as of December 31, 2015, was approximately $513 thousand, of which, $96 thousand represents the increase related to construction improvements. The base rent is not influenced by the flow of hydrocarbons. As of December 31, 2015, no variable rent based on throughput was due under the Portland Lease Agreement.

MoGas

MoGas had a contingency arising from its certification proceeding before the FERC. On April 7, 2015, the DC Circuit Court of Appeals issued a ruling upholding the FERC's decision to allow MoGas to include the acquisition premium in their rate base for purposes of determining initial rates. The Missouri Public Service Commission had 90 days from the date of the judgment to appeal to the Supreme Court. That date passed on July 6 without appeal.

Financing Notes Receivable

Due to reduced drilling activity in Black Bison WS's area of operations, we provided certain waivers and recognized a related loss provision and write down of the warrant in the third and fourth quarters. Subsequent to December 31, 2015, the Company foreclosed on 100 percent of the equity of BB Intermediate, the holding company of Black Bison Water Services, LLC, the borrower of the Black Bison financing notes receivable. For additional information see Note 6 and Note 22 in the Notes to the Consolidated Financial Statements in this report.

Omega Pipeline

On January 28, 2016, Omega was awarded a new 10-year contract with the Department of Defense, to provide natural gas and gas distribution assets to Fort Leonard Wood through Omega's approximately 70 mile pipeline distribution system on the military base.

Private Security Assets

As of December 31, 2015, investments in securities of energy infrastructure companies represents approximately 1.2 percent of the Company's total assets. Following is a summary of the fair values of the other equity securities that we held at December 31, 2015, as they compare to the fair values at December 31, 2014:

Fair Value of Other Equity Securities

Portfolio Company	Fair Value At December 31, 2015	Fair Value At December 31, 2014	$ Change	% Change
Lightfoot	$ 8,393,683	$ 9,217,181	$ (823,498)	(8.9)%
Black Bison Warrant	—	355,000	(355,000)	(100.0)%
Total Other Equity Securities	$ 8,393,683	$ 9,572,181	$ (1,178,498)	(12.3)%

Lightfoot

We hold a direct investment in Lightfoot Capital Partners, LP (6.6 percent) and Lightfoot Capital Partners GP LLC (1.5 percent). Lightfoot's assets include an ownership interest in Gulf LNG, a 1.5 billion cubic feet per day ("bcf/d") receiving, storage, and regasification terminal in Pascagoula, Mississippi, and common units and subordinated units representing an approximately 40 percent aggregate limited partner interest, and a noneconomic general partner interest, in Arc Logistics Partners LP (NYSE: ARCX). We hold observation rights on Lightfoot's Board of Directors.

The fair value of Lightfoot as of December 31, 2015, decreased approximately $823 thousand, or 8.9 percent, as compared to the valuation at December 31, 2014, primarily due to the change in value of Arc Logistics' publicly traded shares offset by a decrease in the Company's marketability discount.

During the fourth quarter, the Company received a distribution of $277 thousand and expects these distributions to be funded primarily by Lightfoot's distributions from Arc Logistics and Gulf LNG. However, both the ability of Arc Logistics and Gulf LNG to make quarterly distributions and the amount of such distributions will be dependent on Arc Logistics' and Gulf LNG's business results, and neither Arc Logistics, Gulf LNG nor Lightfoot is under any obligation to make such distributions. On March 1, 2016 an affiliate of Gulf LNG received a Notice of Disagreement and Disputed Statements and a Notice of Arbitration from Eni USA Gas Marketing L.L.C ("Eni USA"), one of the two companies that had entered into a terminal use agreement for capacity of the liquefied natural gas facility owned by Gulf LNG and its subsidiaries. Should Eni USA terminate its' agreement with Gulf LNG, this could materially impact Arc Logistics and Gulf LNG's ability to fund their distributions to the Company. Accordingly, there can be no assurance that our expectations concerning 2016 distributions from Lightfoot will be realized.

VantaCore

On October 1, 2014, Natural Resource Partners L.P. completed its acquisition of VantaCore Partners LP. The Company's portion of the sale proceeds was approximately $13.6 million, of which $2.9 million will be held in escrow pending certain post-closing obligations or the expiration of certain time periods. The Company received its first escrow distribution of approximately $1.4 million during the fourth quarter of 2015. The Company elected to pay income tax on the VantaCore sale as cash distributions are received. The first cash tax payment attributable to the gain on the sale of VantaCore, approximately $2.3 million, was paid in the fourth quarter of 2014. The next cash tax payment attributable to the escrow distribution, approximately $99 thousand, was paid in the fourth quarter of 2015. The remaining cash tax payments are expected to be made in subsequent years as distributions from escrow are received. For additional details, please refer to Item 2.01 of the Company's Current Report on Form 8-K, filed with the SEC on October 7, 2014.

Eastern Interconnect Project

Through April 1, 2015, the EIP was leased to PNM under a triple-net lease. The EIP lease terminated on April 1, 2015, with the sale of the Company’s 40 percent undivided interest for cash of $7.7 million, received on April 1, 2015. Please refer to Note 4 of the Notes to the Consolidated Financial Statements included in this annual report on form 10-K for additional discussion of the PNM Purchase Agreement and its effects on the consolidated financial statements.

CONTRACTUAL OBLIGATIONS

The following table summarizes our significant contractual payment obligations as of December 31, 2015.

Contractual Obligations

	Notional Value	Less than 1 year	1-3 years	3-5 years	More than 5 years
Pinedale Debt	$ 62,532,000	$ 62,532,000	$ —	$ —	$ —
Interest payments on Pinedale Debt		703,448	—	—	—
Convertible Debt	$ 115,000,000	—	—	115,000,000	—
Interest payments on Convertible Debt		8,050,000	16,100,000	12,075,000	—
Regions Term Note (1)	$ 43,200,000	3,600,000	7,200,000	32,400,000	—
Interest payment on Regions Term Note		1,306,055	2,268,577	925,682	—
Totals		$ 76,191,503	$ 25,568,577	$ 160,400,682	$ —

(1) The amount shown as the Notional Value for the Regions Term Note represents the outstanding principal balance at 12/31/15.

While there was no outstanding balance at December 31, 2015, the Company's revolving credit facilities are not included in the above table because they relate to indebtedness under a line of credit with no fixed repayment schedule. Fees paid to Corridor under the Management Agreement and the Administrative Agreement are not included because they vary as a function of the value of our total assets under management. For additional information see Note 11 in the Notes to the Consolidated Financial Statements in this report.

In December of 2012, Pinedale LP entered into a $70 million secured term credit facility with KeyBank to finance a portion of the acquisition of the Pinedale LGS. The primary term of the credit facility was three years, and had an option for a one year extension, which the Company elected not to exercise. Under the KeyBank Term Facility, Pinedale LP was obligated to make monthly principal payments, which began in the second year of the term, equal to 0.42 percent of the $70 million loan outstanding. The Pinedale credit facility was extended to March 30, 2016, and under this extension interest accrues at a variable annual rate equal to LIBOR plus 4.25 percent. For purposes of the above presentation, interest payments were calculated using the LIBOR rate in effect at December 31, 2015 (0.43 percent at December 31, 2015). Principal payments in 2016 follow the schedule set forth in the amendment to the credit facility. See Note 14 for further information on this credit facility.

OFF-BALANCE SHEET ARRANGEMENTS

We do not have, and are not expected to have, any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

DIVIDENDS

Our portfolio of real property assets, promissory notes, and investment securities generates cash flow to us from which we pay distributions to stockholders. For the period ended December 31, 2015, the sources of our stockholder distributions include lease and financing revenue from our real property assets and distributions from our investment securities. Distributions to common stockholders are recorded on the ex-dividend date and distributions to preferred stockholders are recorded when declared by the Board of Directors. The characterization of any distribution for federal income tax purposes will not be determined until after the end of the taxable year.

Our first quarter 2015 distribution of $0.65 per share was announced on January 28, 2015, and paid on February 27, 2015. Our second quarter 2015 distribution of $0.675 per share was announced on April 30, 2015, and paid on May 29, 2015. Our third quarter distribution of $0.675 per share was announced on July 31, 2015, and was paid on August 31, 2015. In consideration of the additional lease income available to support distributions following our acquisition of the GIGS asset, our Board of Directors approved an increase in our quarterly distribution payable to stockholders, effective beginning from the date we closed on such acquisition, to $0.75 per share from $0.675 per share. This increase was reflected in the fourth quarter 2015 distribution of $0.75 per share that we announced on October 29, 2015.

A REIT is generally required to distribute during the taxable year an amount equal to at least 90 percent of the REIT taxable income (determined under Internal Revenue Code section 857(b)(2), without regard to the deduction for dividends paid). We intend to adhere to this requirement in order to maintain our REIT status. The Board of Directors will continue to determine the amount of any distribution that we expect to pay our stockholders.

In 2013, CorEnergy changed its fiscal year as part of its transition from a business development company to a REIT. As a result of this change, the dividend payment schedule for calendar 2013 varied from prior years. Going forward, the Company intends to maintain a quarterly February/May/August/November dividend payment cycle. Dividend payouts may be affected by cash flow requirements and remain subject to other risks and uncertainties. There is no assurance that we will continue to make regular distributions.

The following table sets forth common stock distributions for the years ended December 31, 2015, 2014 and 2013. Distributions are shown in the period in which they were declared. A dividend relating to the fourth quarter of 2013 was declared and paid in January 2014. On December 1, 2015, we completed a 1-for-5 reverse stock split, which was previously approved by our Board of Directors. All issued and outstanding common stock distributions per share have been retroactively adjusted to reflect this reverse stock split for all periods presented.

Common Dividends

	Amount	
2015		
Fourth Quarter	$	0.7500
Third Quarter	$	0.6750
Second Quarter	$	0.6750
First Quarter	$	0.6500
2014		
Fourth Quarter	$	0.6500
Third Quarter	$	0.6500
Second Quarter	$	0.6450
First Quarter	$	0.6250
2013		
Fourth Quarter(1)	$	—
Third Quarter	$	0.6250
Second Quarter	$	0.6250
First Quarter	$	0.6250

(1) The 2013 fourth quarter dividend was paid in the first quarter of 2014. On January 3, 2015, our Board declared a dividend of $0.625 per share, payable January 23, 2014, to common stockholders of record as of January 13, 2014.

The following table sets forth preferred stock distributions for the year ended December 31, 2015.

Preferred Dividends

		Amount
2015		
Fourth Quarter	$	0.4609
Third Quarter	$	0.4609
Second Quarter	$	0.6351
First Quarter(2)	$	—

(2) The larger initial payment in the second quarter of 2015 included dividends accrued for the partial first quarter from the January 27, 2015 date of issuance.

IMPACT OF INFLATION AND DEFLATION

Deflation can result in a decline in general price levels, often caused by a decrease in the supply of money or credit. The predominant effects of deflation are high unemployment, credit contraction and weakened consumer demand. Restricted lending practices could impact our ability to obtain financings or to refinance our properties and our tenants' ability to obtain credit. During inflationary periods, we intend for substantially all of our tenant leases to be designed to mitigate the impact of inflation. Generally, our leases include rent escalators that are based on the CPI, or other agreed upon metrics that increase with inflation.

LIQUIDITY AND CAPITAL RESOURCES

Overview

At December 31, 2015, we had approximately $110.4 million available for future investment representing cash of $14.6 million plus revolver availability of $95.8 million less the following near-term commitments:

- current maturities of long-term debt of $66.1 million;
- accounts payable and other accrued liabilities totaling $2.3 million; and
- management fee payable of $1.8 million.

There are opportunities that are in preliminary stages of review, and consummation of any of these opportunities depends on a number of factors beyond our control. There can be no assurance that any of these acquisition opportunities will result in consummated transactions. As part of our disciplined investment philosophy, we plan to use a moderate level of leverage, approximately 25 percent to 50 percent of assets, supplemented with accretive equity issuance as needed, subject to current market conditions. We may invest in assets subject to greater leverage which could be both recourse and non-recourse to us.

Cash Flows - Operating, Investing and Financing Activities

Cash Flows from Operating Activities

For the year ended December 31, 2015, cash provided by operating activities totaled approximately $42.6 million, representing an increase of approximately $25.6 million over the prior year. The significant increases and decreases in cash provided by operating activities that primarily drove this change included the following:

Increases in Cash from Operating Activities

- MoGas: During 2015, the net operating results of MoGas, acquired in November 2014, contributed $11.7 million to the increase in cash from operating activities.
- Portland Terminal Facility: When the Portland Terminal was acquired in January 2014, a certain amount of construction was required before the terminal became fully operational. Accordingly, the lessee was granted a partial rent holiday during the first six months of the lease. For all of 2015, the Portland Terminal lease payments had increased to the full amount of the base rent and had also increased as a result of $10.0 million in completed construction projects, contributing approximately $2.1 million to the increase in cash provided by operating activities as compared to the prior year.
- GIGS lease payments: Cash provided by the GIGS lease payments for 2015 was $15.8 million.
- Financing Notes: Additional payments to the Company resulting from a July 2014 increase to the Black Bison financing notes and December 2014 initial funding of the Four Wood financing notes contributed nearly $582 thousand to the increase over prior year despite waivers provided to Black Bison as described in Note 6 in the Notes to Consolidated Financial Statements included in this report.

- An increase in the amount of funds released from escrow provided cash of approximately $1.3 million.
- Decrease in cash taxes paid of approximately $2.5 million primarily due to the sale of VantaCore in 2014.

Decreases in Cash from Operating Activities

- EIP: The first half of 2014 included nearly $4.3 million in advance rental payments. In conjunction with the agreement to sell EIP to PNM on April 1, 2015, upon expiration of the lease, the lease payments that would have been due over the remainder of the term were accelerated and paid in full on January 1, 2014.
- Increase in cash interest paid of approximately $5.1 million due to increased facility sizes and borrowings.

For the year ended December 31, 2014, cash provided by operating activities totaled approximately $16.9 million, representing an increase of $9.2 million as compared to the year ended December 31, 2013. This increase was primarily attributable to increases in revenues due to the addition of the Portland Terminal Facility, MoGas Pipeline System and two energy infrastructure financing investments during 2014.

For the year ended December 31, 2013, cash provided by operating activities totaled approximately $7.7 million, representing a decrease of $1.9 million as compared to the year ended November 30, 2012. This decrease was attributable to aggregate operating cash flow reductions of $21.1 million caused by (i) a reduction in lease payments from EIP due to a portion of the scheduled 2013 rental payments having been prepaid in 2012 in connection with the agreement to sell EIP to PNM Resources, (ii) decreases in cash distributions received (and an increase in income tax payments) related to the December 2012 liquidation of our portfolio of trading securities, (iii) an increase in interest expense due to debt incurred to finance the Pinedale LGS acquisition, (iv) an increase in management fees due to the increase in our total assets resulting from the Pindedale LGS acquisition, (v) delays in certain DOD contract payments to Omega resulting from the Federal budget sequestration, and (vi) miscellaneous increases in certain other expenses, mostly offset by a $19.2 million increased lease revenue due to receiving our first full year of rent under the Pinedale Lease Agreement with Ultra Wyoming.

Cash Flows from Investing Activities

Significant factors impacting the $244.6 million of cash used during fiscal year 2015 were as follows:

- The Company deployed approximately $251.5 million to acquire the GIGS assets and to fulfill the remaining capital improvements commitment in connection with the Portland Terminal facility.
- Proceeds received from the sale of the EIP asset on April 1, 2015 of approximately $7.7 million.

Significant factors impacting the $177.1 million of cash used during fiscal 2014 included the following:

- $168.2 million of investment expenditures primarily related to the acquisitions of the Portland Terminal Facility and the MoGas Pipeline System.
- $20.6 million invested in the Black Bison and Four Wood energy infrastructure financing notes receivable.
- $10.8 million in proceeds from the sale of investment securities, primarily related to the sale of VantaCore in October 2014.

Significant factors impacting the $5.4 million of cash provided in during fiscal 2013 included the following:

- $1.8 million of investment expenditures primarily related to the acquisition of the Pinedale LGS, as well as the pursuit of other investment opportunities.
- $5.6 million in proceeds from additional sales to liquidate our legacy portfolio of investment securities.
- Approximately $1.8 million in cash distributions received from our investment securities.

Cash Flows from Financing Activities

Significant factors impacting the $209.1 million of cash provided from financing activities during fiscal 2015 included the following:

- Net proceeds from the January 2015 Series A preferred stock offering of $54.2 million, of which, $32.0 million was subsequently used to pay down the Regions Revolver.
- In connection with the acquisition of the GIGS assets, the Company raised a total of $226.7 million, as follows:
    - $73.2 million in net proceeds raised in a follow-on common stock offering;
    - $111.3 million in net proceeds from the 7.00 percent Convertible Note offering; and

  - $42.0 million drawn on the Regions Revolver.
- On July 8, 2015 the Company drew $45.0 million on a term note, the proceeds of which were used to pay off the Regions Revolver plus interest and fees.
- Principal payments on the term note of $1.8 million.
- Common and preferred dividends paid of $28.5 million and $3.5 million, respectively.
- Distributions to non-controlling interests of $2.5 million.
- Principal payments on the KeyBank Term Facility totaling $4.5 million.

Significant factors impacting the $149.7 million of cash provided during fiscal 2014 included the following:

- Net proceeds of $141.7 million from two underwritten public offerings of common stock in January 2014 (in conjunction with our acquisition of the Portland Terminal Facility) and November 2014 (in conjunction with our acquisition of the MoGas Pipeline System).
- Net proceeds from revolving line of credit borrowings, net of payments on our revolving line of credit and related debt financing costs, of $28.8 million.
- Dividends and distributions of $17.9 million paid to holders of our common stock and the holder of the non-controlling interest in Pinedale LP.
- Principal payments of $2.9 million on the KeyBank secured term credit facility that financed a portion of the Pinedale LGS acquisition (as discussed below).

Significant factors impacting the $12.8 million of cash used during fiscal 2013 included the following:

- Dividends and distributions of $12.2 million paid to holders of our common stock and the holder of the non-controlling interest in Pinedale LP.
- Additional offering costs of $523 thousand related to the December 2012 underwritten public offering of common stock that partially financed the acquisition of the Pinedale LGS.
- Additional debt financing costs of $145 thousand related to the establishment of a new revolving line of credit.
- Net proceeds from revolving line of credit borrowings of $82 thousand (consisting of advances of $221 thousand offset by payments of $139 thousand).

Revolving and Term Credit Facilities

Credit Facilities of the REIT

On September 26, 2014, the Company entered into a $30.0 million revolving credit facility with Regions Bank, then on November 24, 2014, increased the credit facility to $90.0 million at the REIT level and $3 million at the subsidiary entity level in conjunction with the MoGas Transaction. There were no borrowings on the Regions Revolver between September 26, 2014 and November 24, 2014. The facility had a maturity of November 24, 2018. For the first six months subsequent to the increase, the facility accrued interest on the outstanding balance at a rate of LIBOR plus 3.50 percent. On and after May 24, 2015, the interest rate was determined by a pricing grid where the applicable interest rate is anticipated to be LIBOR plus 2.75 percent to 3.50 percent, depending on the Company's leverage ratio at such time. On June 29, 2015, the Company borrowed against the revolver in the amount of $42 million in conjunction with the GIGS transaction.

On July 8, 2015, the Company amended and upsized its existing $93 million credit facility with Regions Bank (as lender and administrative agent for the other participating lenders) to provide borrowing commitments of $153 million, consisting of (i) an increase in the Regions Revolver to $105 million, (ii) the existing $3 million MoGas Revolver at the subsidiary entity level (as detailed below) and (iii) a $45 million term loan at the CorEnergy parent entity level (the "Regions Term Loan" and, collectively with the upsized Regions Revolver and the MoGas Revolver, the "Regions Credit Facility"). Upon closing the Regions Credit Facility, CorEnergy drew $45 million on the Regions Term Loan at the parent level to pay down the balance on the Regions Revolver that had been used in funding the recent GIGS acquisition. The Company now has approximately $95.8 million of available borrowing capacity on the Regions Revolver.

CorEnergy has obtained a Consent from its lenders under the Regions Credit Facility, which will permit the Company to utilize the revolving credit facility to refinance the Pinedale LP secured term credit facility. For additional information, see "Item 9B - Other Information" below and Note 22, Subsequent Events, in the Notes to the Financial Statements included in this annual report on Form 10-K. CorEnergy, along with Prudential, expect to refinance their pro rata shares of the Pinedale LP secured term credit facility prior to March 30, 2016.

For a summary of the additional material terms of the Regions Credit Facility, please see Note 14 in the Notes to the Consolidated Financial Statements included in this report.

Pinedale Facility

Pinedale LP has a $70.0 million secured term credit facility with KeyBank that provides for monthly payments of principal and interest. Under the original agreement, outstanding balances under the credit facility generally accrued interest at a variable annual rate equal to LIBOR plus 3.25 percent and are secured by the Pinedale LGS. Pinedale LP is obligated each month to pay all accrued interest as well as principal payments of $294 thousand. The KeyBank Term Facility was set to expire at the end of December 2015, however, the Company extended the facility through March 30, 2016. Under the December 31, 2015, extension amendment, outstanding balances accrue interest at a variable annual rate equal to LIBOR plus 4.25 percent. Pinedale LP is obligated to make principal payments totaling $4.0 million through March 30, 2016. Refer to Notes 14 and 22 in the Notes to the Consolidated Financial Statements included in this report for additional information.

Interest rate swaps involve the receipt of variable-rate amounts from a counterparty in exchange for making fixed-rate payments over the life of the agreement without exchange of the underlying notional amount. In December of 2012, we executed interest rate swap derivatives covering $52.5 million of notional value of the KeyBank Term Facility, to add stability to our interest expense and to manage our exposure to interest rate movements on our LIBOR based borrowings. The interest rate swap derivatives executed in December of 2012 have remained in place and effectively fix the rate of interest on $52.5 million of the KeyBank Term Facility at a base rate of 3.25 percent plus 0.865 percent.

Convertible Notes

On June 29, 2015, CorEnergy Infrastructure Trust, Inc. completed a public offering of$115.0 million aggregate principal amount of 7.00% Convertible Senior Notes Due 2020. The Convertible Notes mature on June 15, 2020 and bear interest at a rate of 7.0 percent per annum, payable semi-annually in arrears on June 15 and December 15 of each year, beginning on December 15, 2015.

The Company may not redeem the Convertible Notes prior to the maturity date. Holders may convert their Convertible Notes into shares of the Company's common stock at their option until the close of business on the second scheduled trading day immediately preceding the maturity date. The initial conversion rate for the Convertible Notes is 30.3030 shares of Common Stock per $1,000 principal amount of the Convertible Notes, equivalent to an initial conversion price of $33 per share of Common Stock. Such conversion rate will be subject to adjustment in certain events as specified in the Indenture. Refer to Note 15 in the Notes to the Consolidated Financial Statements included in this report for additional information.

MoGas Credit Facility

In conjunction with the MoGas Transaction, MoGas Pipeline LLC and United Property systems, LLC, as co-borrowers, entered into a revolving credit agreement dated November 24, 2014 (the "MoGas Revolver"), with certain lenders, including Regions Bank as agent for such lenders. Pursuant to the MoGas Revolver, the co-borrowers may borrow, prepay and reborrow loans up to$3.0 million outstanding at any time. On July 8, 2015 the revolving credit agreement was amended and restated in accordance with the expansion of the REIT credit facilities mentioned previously. Interest accrues under the MoGas Revolver at the same rate and pursuant to the same terms as it accrues under the Regions Revolver and term loan. As of December 31, 2015, there had been no borrowings against the MoGas Revolver. As of December 31, 2015, the co-borrowers are in compliance with all covenants of the MoGas Revolver.

Mowood/Omega Credit Facility

On October 15, 2014, Mowood and Omega renewed the 2013 Note Payable Agreement by entering into a Revolving Note Payable Agreement ("2014 Note Payable Agreement") with a financial institution, extending the maturity date to January 31, 2015. Then on January 30, 2015, Mowood and Omega modified the 2014 Note Payable Agreement to extend the maturity date to July 31, 2015.

On July 31, 2015, the 2014 Note Payable Agreement was allowed to expire and a new$1.5 million revolving line of credit ("Mowood/Omega Revolver") was established with Regions Bank. The new Mowood/Omega Revolver will be used for working capital and general business purposes, is guaranteed and secured by the assets of Mowood and has a maturity of July 31, 2016. Interest accrues at LIBOR plus 4.00 percent and is payable monthly in arrears with no unused fee. There was no outstanding balance at December 31, 2015.

Debt Covenants

All of our debt agreements contain customary restrictive covenants related to financial and operating performance, including restrictions on additional debt, investments, distributions, etc., and such covenants include exceptions and qualifications. For example, and without limiting the foregoing, as of June 30, 2015, the Regions Revolver was subject to (i) a minimum fixed charge ratio of 3.5 to 1.0; (ii) a maximum total leverage ratio of 5.5 to 1.0; (iii) a maximum total recourse leverage ratio (which generally excludes debt from Unrestricted Subs) of 3.25 to 1.0 for the period ending March 31, 2015, and 3.0 to 1.0 thereafter; and (iv) a maximum total funded debt to capitalization ratio of 50 percent.

As of July 8, under the amended and restated Regions Revolver and term loan agreement the Company is subject to certain revised financial covenants as follows: (i) a minimum debt service coverage ratio of 2.0 to 1.0; (ii) a maximum total leverage ratio of 5.0 to 1.0; (iii) a maximum senior secured recourse leverage ratio (which generally excludes debt from Unrestricted Subs) of 3.00 to 1.0.; and (iv) a maximum total funded debt to capitalization ratio of 50 percent. Effective September 30, 2015, the Regions Revolver was amended to clarify that the covenant related to the Company's ability to make distributions is tied to AFFO and applicable REIT distribution requirements, and provides that, in the absence of any acceleration of maturity following an Event of Default, the Company may make distributions equal to the greater of the amount required to maintain the Company's REIT status and 100 percent of AFFO for the trailing 12 month period.

The KeyBank Term Facility is subject to (i) a minimum interest rate coverage ratio of 5.5 to 1.0; (ii) a maximum leverage ratio, as of the date hereof and through the computation period ending August 31, 2015, 3.5 to 1.0 and, thereafter, 3.25 to 1.0; and (iii) a minimum net worth of $115.0 million, each measured at the Pinedale LP level and not at the Company level.

We were in compliance with all covenants at December 31, 2015.

Equity Offerings

Our prior shelf registration statement under the Securities Act of 1933 was declared effective by the SEC on June 8, 2012, covering a proposed maximum aggregate offering price of $300.0 million of securities. In a series of different transactions prior to 2015, we issued 7.5 million shares of common stock, resulting in gross proceeds of $240.2 million. During 2015, we conducted the following equity offerings pursuant to such registration statement:

- January 2015 - We issued 2,250,000 depositary shares, each representing 1/100th of a share of the Company's 7.375% Series A Cumulative Redeemable Preferred Stock, pursuant to an underwritten public offering under our June 2012 shelf registration statement, resulting in gross proceeds of $56.3 million and net proceeds (after underwriting discount) of approximately $54.5 million, which were used to repay outstanding indebtedness under the Regions Revolver and for general corporate purposes.

On January 23, 2015, we had a new shelf registration statement declared effective by the SEC, pursuant to which we may publicly offer additional securities consisting of senior and/or subordinated debt securities, shares of preferred stock (or depositary shares representing fractional interests therein), shares of common stock, warrants or rights to purchase any of the foregoing securities, and units consisting of two or more of these classes or series of securities, with an aggregate offering price of up to $300.0 million. The following summarizes transactions that have occurred through December 31, 2015, under the January 23, 2015 shelf:

- June 2015 - In connection with the purchase of the GIGS we completed a follow-on offering of 2,587,500 shares of common stock that reduced availability by $77.6 million.
- June 2015 - In connection with the purchase of the GIGS we issued debt convertible to the Company's common stock that reduced availability by $115.0 million.
- DRIP Shares - Since January 23, 2015 we have issued 28,510 shares of common stock under the Company's dividend reinvestment plan that reduced availability by approximately $818 thousand.

As of December 31, 2015, the remaining availability under our January 2015 shelf registration statement was approximately $106.6 million of maximum aggregate offering price of securities.

On February 18, 2016, we had a new shelf registration statement declared effective by the SEC, with an aggregate offering price of up to $600.0 million. Refer to Note 22 in the Notes to the Consolidated Financial Statements included in this report for additional information.

Liquidity and Capitalization

Our principal investing activities are acquiring and financing midstream and downstream real estate assets within the U.S. energy infrastructure sector and concurrently entering into long-term triple-net participating leases with energy companies. These investing activities have generally been financed from the proceeds of our public equity and debt offerings as well as the term and credit facilities mentioned above. Continued growth of our asset portfolio will depend in part on our continued ability to access funds through additional borrowings and securities offerings. The following is our liquidity and capitalization as of the below noted dates:

Liquidity and Capitalization

	As of the Years Ended December 31,		
	2015	2014	2013
Cash and cash equivalents	$ 14,618,740	$ 7,578,164	$ 17,963,266
Line of credit	$ —	$ 32,141,277	$ 81,935
Long-term debt (excluding current maturities)	151,243,153	63,532,000	67,060,000
Stockholders' equity:			
Series A Cumulative Redeemable Preferred Stock 7.375%, $0.001 par value	56,250,000	—	—
Capital stock, non-convertible, $0.001 par value	11,940	9,321	4,831
Additional paid-in capital	361,581,507	309,987,724	173,460,344
Accumulated retained earnings	—	—	1,580,062
Accumulated other comprehensive income	190,797	453,302	777,403
CorEnergy equity	418,034,244	310,450,347	175,822,640
Total CorEnergy capitalization	$ 569,277,397	$ 373,982,347	$ 242,882,640

We also have two additional lines of credit for working capital purposes for two of our subsidiaries with maximum availability of $3.0 million and $1.5 million.

Liquidity Analysis

In analyzing our liquidity, we generally expect that our cash provided by operating activities will fund our normal recurring operating expenses, recurring debt service requirements and dividends to shareholders.

Our sources of liquidity as of December 31, 2015, to pay our remaining 2016 commitments, include the amounts available under our revolving credit facilities of approximately $100.3 million and unrestricted cash on hand of approximately $14.6 million.

We also believe that we will be able to repay, extend, refinance or otherwise settle our debt obligations for 2016 and thereafter as the debt comes due, and that we will be able to fund our remaining commitments as necessary. However, there can be no assurance that additional financing or capital will be available, or that terms will be acceptable or advantageous to us.

Private Securities Investments

As of December 31, 2015, our only remaining securities investment was Lightfoot. For additional information concerning Lightfoot and related developments during 2015 please refer to the discussion presented above in this Item 7 under the heading "Asset Portfolio and Related Developments."

We do not plan to make additional investments in securities (other than short-term, highly liquid investments to be held pending acquisition of real property assets and, to the extent compatible with our status as a REIT, equity enhancements to certain of our real property investments), and we intend to liquidate our remaining private securities investments in an orderly manner.

Subsequent Events

For additional information regarding transactions that occurred subsequent to December 31, 2015, see Note 22, Subsequent Events, in the Notes to the Financial Statements included in this annual report on Form 10-K.

Critical Accounting Estimates

The financial statements included in this report are based on the selection and application of critical accounting policies, which require management to make significant estimates and assumptions. Critical accounting policies are those that are both important to the presentation of our financial condition and results of operations and require management's most difficult, complex or subjective judgments. The preparation of the consolidated financial statements in conformity with U.S. generally accepted accounting principles ("GAAP") requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, recognition of distribution income and disclosure of contingent assets and liabilities at the date of the consolidated financial statements. Actual results could differ from those estimates. See Note 2 to the Consolidated Financial Statements, included in this report for further information related to our significant accounting policies.

Long-Lived Assets and Goodwill

We determine the fair values of assets and liabilities based on discounted cash flow models using current market assumptions, appraisals, recent transactions involving similar assets or liabilities or other objective evidence. We periodically review our long-lived assets and goodwill, for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. Our review involves comparing current and future operating performance of the assets, the most significant of which is undiscounted operating cash flows, to the carrying value of the assets. Based on this analysis, a provision for possible loss is recognized, if any.

Equity Securities

Our securities are valued using a combination of the following valuation techniques: (i) public share price of private companies' investments discounted for a lack of marketability, and (ii) discounted cash flow analysis. Due to the inherent uncertainty of determining the fair value of investments that do not have a readily available market value, the fair value of the Company’s investment may fluctuate from period to period. Additionally, the fair value of the Company’s investment may differ from the values that would have been used had a ready market existed for such investment and may differ materially from the values that the Company may ultimately realize. Sales of these securities are accounted for on the date the securities are sold (trade date) and realized gains and losses are reported on an identified cost basis. Both realized and unrealized gains and losses are reflected as other income within the accompanying Consolidated Statements of Income. Refer to Note 12 of the Consolidated Financial Statements included in this report for additional information.

Asset Retirement Obligations

We recognized an asset retirement obligation (ARO) in conjunction with the acquisition of the GIGS. This obligation existed prior to the purchase of the GIGS asset and we stepped into the seller's responsibility. The liability was initially measured using estimates of current costs to decommission the asset, which represents fair value, and will be subsequently adjusted for ARO accretion expense and changes in the amount or timing of the estimated cash flows.

We measure changes in the liability for an ARO due to passage of time by applying an interest method of allocation to the amount of the liability at the beginning of the period. The interest rate used to measure that change is the credit-adjusted risk-free rate that existed when the ARO, or portion thereof, was initially measured. Our credit-adjusted risk-free rate was derived by adding the Company's credit spread on the Regions Credit Facility to the interest rate on a 20-year Treasury note as of June 30, 2015, resulting in a credit-adjusted risk-free rate of 5.58 percent. The product shall be recognized as an increase in the carrying amount of the liability and as accretion expense.

A corresponding asset retirement cost has been capitalized as part of the carrying amount of the related long-lived assets and will be depreciated over the asset's remaining useful life. The useful lives of most pipeline gathering systems are primarily derived from available supply resources and ultimate consumption of those resources by end users. Indeterminate asset retirement obligation costs will be recognized in the period in which sufficient information exists to reasonably estimate potential settlement dates and methods. The ARO is discussed more fully in Note 16 to the Consolidated Financial Statements, included in this report.

Revenue Recognition

- *Lease revenue* - Base rent related to our leased property is recognized on a straight-line basis over the term of the lease when collectability is reasonably assured. Contingent rent is recognized when it is earned, based on the achievement of specified performance criteria.
- *Sales revenue* - Revenues related to natural gas distribution and performance of management services are recognized in accordance with GAAP upon delivery of natural gas and upon the substantial performance of management and supervision services related to the expansion of the natural gas distribution system. Omega, acting as a principal, provides natural gas supply for its customers. In addition, Omega is paid fees for the operation and maintenance of its natural gas distribution system, including any necessary expansion of the distribution system.
- *Transportation revenue* - MoGas generates revenue from natural gas transportation and recognizes that revenue on firm contracted capacity over the contract period regardless of the amount of natural gas that is transported. For interruptible or volumetric based transportation, revenue is recognized when physical deliveries of natural gas are made at the delivery point agreed upon by both parties.
- *Financing revenue* - Our financing notes receivable are considered a core product offering and therefore the related income is presented as a component of operating income in the revenue section. Participating financing revenues are recorded when specific performance criteria have been met.

Federal and State Income Taxation

We qualify as a REIT under Sections 856 to 860 of the Internal Revenue Code of 1986, and intend to continue to remain so qualified. For further information, see "Federal and State Income Taxation" below in this Item 7 and "Federal and State Income Taxation" under Item 5 "Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities" of this report.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our business activities contain elements of market risk. We consider fluctuations in the value of our securities portfolio to be our principal market risk. With respect to our equity securities as of December 31, 2015, there were no material changes to our market risk exposure as compared to the end of our preceding fiscal year ended December 31, 2014**.**

As of December 31, 2015, the fair value of our securities portfolio (excluding short-term investments) totaled approximately $8.4 million. We estimate that the impact of a 10 percent increase or decrease in the fair value of these securities, net of related deferred taxes, would increase or decrease net assets applicable to common shareholders by approximately $522 thousand.

Our equity and debt securities, outside of the convertible notes, are reported at fair value. The fair value of securities is determined using readily available market quotations from the principal market, if available. Because there are no readily available market quotations for many of the securities in our portfolio, we value a large portion of our securities at fair value as determined in good faith under a valuation policy and a consistently applied valuation process, which has been approved by our Board of Directors. Due to the inherent uncertainty of determining the fair value of securities that do not have readily available market quotations, the fair value of our securities may differ significantly from the fair values that would have been used had a ready market quotation existed for such securities, and these differences could be material.

Long-term debt used to finance our acquisitions may be based on floating or fixed rates. As of December 31, 2015, we had $151.2 million in long-term debt (net of current maturities). The Company uses interest rate swaps to manage its interest rate risk. 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 forward interest rate curves. The fair values of interest rate swaps are determined using the market standard methodology of netting the discounted future fixed cash payments and the discounted expected variable cash receipts. The variable cash receipts are based on an expectation of future interest rates (forward curves) derived from observable market interest rate forward curves. Changes in interest rates can cause interest charges to fluctuate on our variable rate debt. Variable rate debt as of December 31, 2015, was $10.0 million under the KeyBank $70 million term credit facility after giving effect to our interest rate swap agreements, and was $43.2 million under the Regions credit facility. A 100 basis point increase or decrease in current LIBOR rates would result in a $353 thousand increase or decrease of interest expense for the year ended December 31, 2015. As of December 31, 2015, the fair value of our hedge derivative totaled approximately $98 thousand. We estimate that the impact of a 100 basis point increase in the one-month LIBOR rate would increase the net hedged derivate instrument by $938 thousand, while a decrease of 100 basis points would decrease the net hedged derivative instrument by $898 thousand as of December 31, 2015. See Note 17 of the Notes to our Consolidated Financial Statements included in this report for further information concerning quantitative valuations and the qualitative aspects of our use of interest rate hedge swaps to manage interest rate risk.

We consider the management of risk essential to conducting our businesses. Accordingly, our risk management systems and procedures are designed to identify and analyze our risks, to set appropriate policies and limits and to continually monitor these risks and limits by means of reliable administrative and information systems and other policies and programs.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Our financial statements and financial statement schedules are set forth beginning on page F-1 in this Annual Report and are incorporated herein by reference.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Our management is responsible for the preparation, consistency, integrity, and fair presentation of the financial statements. The financial statements have been prepared in accordance with U.S. generally accepted accounting principles applied on a consistent basis and, in management's opinion, are fairly presented. The financial statements include amounts that are based on management's informed judgments and best estimates.

Conclusion Regarding Effectiveness of Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Accounting Officer (our principal executive and principal financial officers, respectively), we have evaluated the effectiveness of our disclosure controls and procedures, as defined in Rule 13a-15(e) under the Exchange Act, as of the end of the period covered by this report. Based on that evaluation, these officers concluded that our disclosure controls and procedures were effective to ensure that the 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 rules and forms, and is accumulated and communicated to our management, including our Chief Executive Officer and Chief Accounting Officer, as appropriate, to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

There have been no changes in the Company's internal control over financial reporting, as defined in rule 13a-15(f) and 15d-15(f) of the Exchange Act, that occurred during the quarterly period ending December 31, 2015, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Management's Report on Internal Control over Financial Reporting

Our management, under the supervision and with the participation of our Chief Executive Officer and Chief Accounting Officer (our principal executive and principal financial officers, respectively), is responsible for establishing and maintaining adequate internal control over financial reporting for the Company. Our management has established and maintains comprehensive systems of internal control designed to provide reasonable assurance as to the consistency, integrity, and reliability of the preparation and presentation of financial statements and the safeguarding of assets. The concept of reasonable assurance is based upon the recognition that the cost of the controls should not exceed the benefit derived. Our management monitors the systems of internal control and maintains an internal auditing program that assesses the effectiveness of internal control.

Our management assessed our systems of internal control over financial reporting for financial presentations in conformity with U.S. generally accepted accounting principles as of December 31, 2015. This assessment was based on criteria for effective internal control established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO Report). Based on this assessment, our management has determined that the Company's internal control over financial reporting was effective as of December 31, 2015.

The Board of Directors exercises its oversight role with respect to the systems of internal control primarily through its Audit Committee, which is comprised solely of independent outside directors. The Committee oversees systems of internal control and financial reporting to assess whether their quality, integrity, and objectivity are sufficient to protect shareholders' investments.

Ernst & Young has issued an audit report on the Company's internal control over financial reporting. This report begins on the next page.

Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders of CorEnergy Infrastructure Trust, Inc. and subsidiaries

We have audited CorEnergy Infrastructure Trust, Inc. and subsidiaries' internal control over financial reporting as of December 31, 2015, based on criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). CorEnergy Infrastructure Trust, Inc. and subsidiaries’ management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management’s Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the company’s internal control over financial reporting based on our audit.

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

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

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

In our opinion, CorEnergy Infrastructure Trust, Inc. maintained, in all material respects, effective internal control over financial reporting as of December 31, 2015, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets for CorEnergy Infrastructure Trust, Inc. and subsidiaries as of December 31, 2015 and 2014, and the related consolidated statements of income, comprehensive income, shareholders’ equity and cash flows for each of the three years in the periods ended December 31, 2015 of CorEnergy Infrastructure Trust, Inc. and subsidiaries and our report dated March 14, 2016 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

Kansas City, MO

March 14, 2016

ITEM 9B. OTHER INFORMATION

Effective as of March 4, 2016, the Company and the required lenders under the Regions Revolver executed a Limited Consent and Amendment (the “Consent”). Pursuant to such Consent, among other things, the lenders consented to the Company’s investing up to $49.0 million, up to $44.0 million of which could come from the proceeds of draws under the Regions Revolver, into its subsidiary, Pinedale GP, Inc., to be used by Pinedale LP to repay the outstanding indebtedness due under the KeyBank Term Facility on March 30, 2016. The Company paid fees to the lenders in connection with the Consent in an aggregate amount of $193 thousand.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Codes of Ethics

We have adopted a code of ethics, which applies to our principal executive officer and principal financial officer. We have also adopted a code of ethics that establishes procedures for personal investments and restricts certain personal securities transactions. Personnel subject to the code of ethics may invest in securities for their personal investment accounts, including securities that may be purchased or held by us, so long as such investments are made in accordance with the code of ethics. This information may be obtained, without charge, upon request by calling us at (816) 875-3705 or toll-free at (877) 699-2677 and on our Web site at http://corenergy.corridortrust.com.

You may also read and copy the codes of ethics at the Securities and Exchange Commission’s Public Reference Room in Washington, D.C. You may obtain information on the operation of the Public Reference Room by calling the Securities and Exchange Commission at (800) SEC-0330. In addition, the codes of ethics are available on the EDGAR Database on the Securities and Exchange Commission’s Internet site at http://www.sec.gov. You may obtain copies of the codes of ethics, after paying a duplicating fee, by electronic request at the following email address: publicinfo@sec.gov, or by writing the Securities and Exchange Commission’s Public Reference Section, Washington, D.C. 20549.

Sarbanes-Oxley Act of 2002

The Sarbanes-Oxley Act of 2002 (the “Sarbanes-Oxley Act”) imposes a wide variety of regulatory requirements on publicly-held companies and their insiders. The Sarbanes-Oxley Act requires us to review our policies and procedures to determine whether we comply with the Sarbanes-Oxley Act and the regulations promulgated thereunder. We will continue to monitor our compliance with all future regulations that are adopted under the Sarbanes-Oxley Act and will take actions necessary to ensure that we are in compliance therewith.

As of December 31, 2015, we are an accelerated filer. As an accelerated filer for the fiscal year ended December 31, 2015, we are required to prepare and include in our annual report to stockholders for such period a report regarding management’s assessment of our internal control over financial reporting under the Securities Exchange Act of 1934 (the “1934 Act”) and have included this report in Item 9A of this Annual Report on Form 10-K.

Additional information is incorporated herein by reference to the sections captioned "Nominees for Directors," "Incumbent Directors Continuing in Office," "Information About Executive Officers," "Board of Directors Meetings and Committees," "Section 16(a) Beneficial Ownership Reporting Compliance" and "Stockholder Proposals and Nominations for the 2017 Annual Meeting" in our proxy statement for our 2016 Annual Stockholder Meeting, which will be filed with the Securities and Exchange Commission within 120 days after the end of the fiscal year covered by this Annual Report.

ITEM 11. EXECUTIVE COMPENSATION

Incorporated by reference to the sections captioned "Director Compensation Table" and "Compensation Committee Interlocks and Insider Participation" in our proxy statement for our 2016 Annual Stockholder Meeting to be filed with the Securities and Exchange Commission within 120 days after the end of the fiscal year covered by this Annual Report.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Incorporated by reference to the sections captioned "Security Ownership of Management and Certain Beneficial Owners" in our proxy statement for our 2016 Annual Stockholder Meeting to be filed with the Securities and Exchange Commission within 120 days after the end of the fiscal year covered by this Annual Report.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Incorporated by reference to the sections captioned "Nominees for Director," "Incumbent Directors Continuing in Office," "Board of Directors Meetings and Committees" and "Certain Relationships and Related Party Transactions" in our proxy statement for our 2016 Annual Stockholder Meeting to be filed with the Securities and Exchange Commission within 120 days after the end of the fiscal year covered by this Annual Report.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

Incorporated by reference to the section captioned "Independent Registered Public Accounting Firm Fees and Services" in our proxy statement for our 2016 Annual Stockholder Meeting to be filed with the Securities and Exchange Commission within 120 days after the end of the fiscal year covered by this Annual Report.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

The following documents are filed as part of this Annual Report on Form 10-K:

1. The Financial Statements listed in the Index to Financial Statements on Page F-1.

2. The Exhibits listed in the Exhibit Index below.

Exhibit No.	Description of Document
3.1	Articles of Amendment and Restatement of CorEnergy Infrastructure Trust, Inc., as amended - filed herewith
3.2	Second Amended and Restated Bylaws (3)
3.3	Articles Supplementary, dated January 22, 2015, Establishing and Fixing the Rights and Preferences of the Registrant's 7.375% Series A Cumulative Redeemable Preferred Stock (23)
4.1	Form of Stock Certificate for Common Stock of CorEnergy Infrastructure Trust, Inc. (2)
4.2	Form of Certificate of CorEnergy Infrastructure Trust, Inc.'s 7.375% Series A Cumulative Redeemable Preferred Stock (23)
4.3	Registration Rights Agreements with Merrill Lynch & Co; Merrill Lynch, Pierce, Fenner & Smith Incorporated, and Stifel, Nicolaus & Company, Incorporated dated January 9, 2006 (1)
4.4	Registration Rights Agreement dated April 2007 (4)
4.5.1	Base Indenture, dated as of June 29, 2015, between CorEnergy Infrastructure Trust, Inc. and Computershare Trust Company, N.A. (26)
4.5.2	First Supplemental Indenture, dated as of June 29, 2015, between CorEnergy Infrastructure Trust, Inc. and Computershare Trust Company, N.A. (26)
4.6	Global note evidencing the 7.00% Convertible Notes due 2020 (26)
10.1	Dividend Reinvestment Plan (5)
10.2.1	Management Agreement dated April 30, 2014, effective January 1, 2014, between Corridor InfraTrust Management, LLC and CorEnergy Infrastructure Trust, Inc. (13)
10.2.2	Management Agreement dated May 8, 2015, effective May 1, 2015 between Corridor InfraTrust Management, LLC and CorEnergy Infrastructure Trust, Inc. (24)
10.2.3	Letter Agreement, dated November 9, 2015 and effective as of September 30, 2015, concerning Management Fee for September 30, 2015 under Management Agreement, dated May 8, 2015 and effective as of May 1, 2015, between Corridor InfraTrust Management, LLC and CorEnergy Infrastructure Trust, Inc. (29)
10.2.4	Letter Agreement, dated February 24, 2016 and effective as of December 31, 2015, concerning Incentive Fee for December 31, 2015 under Management Agreement, dated May 8, 2015 and effective as of May 1, 2015, between Corridor InfraTrust Management, LLC and CorEnergy Infrastructure Trust, Inc. - filed herewith
10.3.1	Advisory Agreement dated December 1, 2011 (7)
10.3.2	Amended Advisory Agreement dated December 21, 2012 (11)
10.4	Custody Agreement with U.S. Bank National Association dated September 13, 2005 (1)
10.5	First Amendment to the Custody Agreement with U.S. Bank National Association dated May 24, 2010 (6)
10.6	Stock Transfer Agency Agreement with Computershare Investor Services, LLC dated September 13, 2005 (1)
10.7.1	Second Amended Administration Agreement dated December 1, 2011 (7)
10.7.2	Amendment and Assignment to the Second Amended Administration Agreement dated August 7, 2012 (11)
10.8	Warrant Agreement with Computershare Investor Services, LLC as Warrant Agent dated December 8, 2005 (1)
10.9.1	Purchase and Sale Agreement, dated December 7, 2012, by and between Ultra Wyoming, Inc. and Pinedale Corridor, LP (8)
10.9.2	Amendment to Purchase and Sale Agreement, dated December 12, 2012, by and between Ultra Wyoming, Inc. and Pinedale Corridor, LP (9)
10.10.1	Subscription Agreement, dated December 7, 2012, by and among Pinedale GP, Inc., Ross Avenue Investments, LLC and Pinedale Corridor, LP (8)
10.10.2	First Amendment to Subscription Agreement by and among Pinedale Corridor, LP, Pinedale GP, Inc. and Ross Avenue Investments, LLC (9)

10.11.1	Term Credit Agreement, dated December 7, 2012, by and among Pinedale Corridor, LP, KeyBank National Association, as lender and KeyBank National Association, as administrative agent (8)
10.11.2	Amended and Restated Term Credit Agreement, dated December 14, 2012, by and among Pinedale Corridor, LP, KeyBank National Association, as lender and KeyBank National Association, as administrative agent (9)
10.11.3	First Amendment to Term Credit Agreement, dated December 31, 2015, by and among Pinedale Corridor, LP and KeyBank National Association, as lender and KeyBank National Association, as administrative agent (30)
10.12.1	Lease Agreement dated December 20, 2012 by and between Pinedale Corridor, LP and Ultra Wyoming LGS, LLC (10)
10.12.2	First Amendment to Lease, dated June 19, 2013, by and between Pinedale Corridor, LP and Ultra Wyoming LGS, LLC (14)
10.13	First Amended and Restated Limited Partnership Agreement of Pinedale Corridor, LP, dated December 20, 2012, by and between Pinedale GP, Inc. and Ross Avenue Investments, LLC (10)
10.14.1	Revolving Credit Agreement dated as of May 8, 2013 by and among CorEnergy Infrastructure Trust, Inc., KeyBank National Association and the other financial institutions party to the Credit Agreement, as lenders and KeyBank National Association, as administrative agent (12)
10.14.2	First Amendment to Revolving Credit Agreement, dated August 23, 2013, by and among CorEnergy Infrastructure Trust, Inc., KeyBank National Association and the other financial institutions party to the Credit Agreement, as lenders and KeyBank National Association, as administrative agent (14)
10.15	Membership Interest Purchase Agreement, dated January 14, 2014, by and among Lightfoot Capital Partners, LP, CorEnergy Infrastructure Trust, Inc. and Arc Terminals Holdings LLC (15)
10.16	Lease, dated January 21, 2014, by and between LCP Oregon Holdings, LLC and Arc Terminals Holdings LLC (16)
10.17	Asset Purchase Agreement, dated January 21, 2014, by and between LCP Oregon Holdings, LLC and Arc Terminals Holdings LLC (16)
10.19.1	Director Compensation Plan of CorEnergy Infrastructure Trust, Inc. (17)
10.19.2	Amendment No. 1 to Director Compensation Plan of CorEnergy Infrastructure Trust, Inc. (18)
10.19.3	Amendment No. 2 to Director Compensation Plan of CorEnergy Infrastructure Trust, Inc. - filed herewith
10.20.1	Revolving Credit Agreement dated as of September 26, 2014 by and among the Company and Regions Bank, et al (19)
10.20.2	First Amendment to Revolving Credit Agreement, dated November 24, 2014 by and among the Company and Regions Bank, et al (22)
10.20.3	Amended and Restated Revolving Credit Agreement, dated July 8, 2015, by and among the Company and Regions Bank, et al (28)
10.20.4	First Amendment, dated November 4, 2015, and effective as of September 30, 2015, to Amended and Restated Revolving Credit Agreement, dated July 8, 2015, by and among the Company and Regions Bank, et al. - filed herewith (replacing version filed with Form 10-Q for quarter ended September 30, 2015 to add further signatories received after filing)
10.20.5	Limited Consent and Amendment, dated March 4, 2016 by and among the Company and Regions Bank, et al - filed herewith
10.21.1	Limited Liability Company Interests Purchase Agreement, dated November 17, 2014 between CorEnergy Infrastructure Trust, Inc. and Mogas Energy, LLC (20)
10.21.2	Amendment to Limited Liability Company Interests Purchase Agreement, dated November 18, 2014 between CorEnergy Infrastructure Trust, Inc. and Mogas Energy, LLC (21)
10.22.1	Purchase and Sale Agreement, dated June 22, 2015, by and between Grand Isle Corridor, LP and Energy XXI USA, Inc. (25)
10.22.2	Guaranty, dated June 22, 2015, by CorEnergy Infrastructure Trust, Inc. in favor Energy XXI USA, Inc. (25)
10.22.3	Guaranty, dated June 22, 2015, by Energy XXI Ltd in favor of Grand Isle Corridor, LP (25)
10.23	Lease, dated June 30, 2015, by and between Grand Isle Corridor, LP and Energy XXI GIGS Services, LLC. Confidential information has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been granted with respect to this omitted information. (27)
10.24	Letter Agreement Concerning Loans and Other Agreements with Black Bison Related Entities, dated August 15, 2015 (29)
12.1	Computation of Ratio of Earnings to Combined Fixed Charges and Preferred Stock Dividends- filed herewith
21.1	Subsidiaries of the Company - filed herewith
23.1	Consent of Ernst & Young LLP dated March 14, 2016 - filed herewith
31.1	Certification by Chief Executive Officer pursuant to Exchange Act Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 - filed herewith

31.2	Certification by Chief Accounting Officer pursuant to Exchange Act Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 - filed herewith
32.1	Certification by Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 - furnished herewith
101	The following materials from CorEnergy Infrastructure Trust, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2015, formatted in XBRL (Extensible Business Reporting Language): (i) the Consolidated Balance Sheets, (ii) the Consolidated Statements of Operations, (iii) the Consolidated Statements of Cash Flows and (iv) the Notes to Condensed Consolidated Financial Statements - furnished herewith

(1) Incorporated by reference to the Registrant's Registration Statement on Form N-2, filed August 28, 2006 (File No. 333-136923).
(2) Incorporated by reference to the Registrant's current report on Form 8-K, filed January 14, 2014 (the first Form 8-K filing on such date).
(3) Incorporated by reference to the Registrant's current report on Form 8-K, filed July 31, 2013.
(4) Incorporated by reference to Pre-Effective Amendment No. 1 to the Registrant's Registration Statement on Form N-2, filed July 3, 2007 (File No. 333-142859).
(5) Incorporated by reference to the Registrant's Quarterly Report on Form 10-Q for the quarter ended August 31, 2007 and filed on October 12, 2007.
(6) Incorporated by reference to the Registrant's Annual Report on Form 10-K, for the year ended November 30, 2010 and filed January 26, 2011.
(7) Incorporated by reference to the Registrant's current report on Form 8-K, filed December 1, 2011.
(8) Incorporated by reference to the Registrant's current report on Form 8-K, filed December 10, 2012 (the first Form 8-K filing on such date).
(9) Incorporated by reference to the Registrant's current report on Form 8-K, filed December 17, 2012.
(10) Incorporated by reference to the Registrant's current report on Form 8-K, filed December 21, 2012.
(11) Incorporated by reference to the Registrant's Annual Report on Form 10-K, for the year ended November 30, 2012, filed February 13, 2013.
(12) Incorporated by reference to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2013, filed May 10, 2013.
(13) Incorporated by reference to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2014, filed May 12, 2014.
(14) Incorporated by reference to the Registrant's current report on Form 8-K, filed August 27, 2013.
(15) Incorporated by reference to the Registrant's current report on Form 8-K, filed January 14, 2014 (the second Form 8-K filing on such date).
(16) Incorporated by reference to the Registrant's current report on Form 8-K, filed January 22, 2014.
(17) Incorporated by reference to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2014, filed August 11, 2014.
(18) Incorporated by reference to the Registrant's Registration Statement on Form S-8, filed September 17, 2014 (File No. 333-198799).
(19) Incorporated by reference to the Registrant's current report on Form 8-K, filed September 30, 2014.
(20) Incorporated by reference to the Registrant's current report on Form 8-K, filed November 17, 2014.
(21) Incorporated by reference to the Registrant's current report on Form 8-K, filed November 20, 2014.
(22) Incorporated by reference to the Registrant's current report on Form 8-K, filed November 25, 2014.
(23) Incorporated by reference to the Registrant's Form 8-A, filed January 26, 2015.
(24) Incorporated by reference to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2015, filed May 11, 2015.
(25) Incorporated by reference to the Registrant's current report on Form 8-K, filed June 22, 2015.
(26) Incorporated by reference to the Registrant's current report on Form 8-K, filed June 29, 2015.
(27) Incorporated by reference to the Registrant's current report on Form 8-K, filed June 30, 2015.
(28) Incorporated by reference to the Registrant's current report on Form 8-K, filed July 8, 2015.
(29) Incorporated by reference to the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2015, filed November 10, 2015.
(30) Incorporated by reference to the Registrant's current report on Form 8-K, filed December 31, 2015.

All other exhibits for which provision is made in the applicable regulations of the Securities and Exchange Commission are not required under the related instruction or are inapplicable and therefore have been omitted.

INDEX TO FINANCIAL STATEMENTS

Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders of CorEnergy Infrastructure Trust, Inc.

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

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

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

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), CorEnergy Infrastructure Trust Inc.’s internal control over financial reporting as of December 31, 2015, based on criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated March 14, 2016 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

Kansas City, MO

March 14, 2016

CorEnergy Infrastructure Trust, Inc.
CONSOLIDATED BALANCE SHEETS

	December 31, 2015	December 31, 2014
Assets		
Leased property, net of accumulated depreciation of $33,869,263 and $19,417,025	$ 509,226,215	$ 260,280,029
Leased property held for sale, net of accumulated depreciation of $0 and $5,878,933	—	8,247,916
Property and equipment, net of accumulated depreciation of $5,948,988 and $2,623,020	119,629,978	122,820,122
Financing notes and related accrued interest receivable, net of reserve of $13,784,137 and $0	7,675,626	20,687,962
Other equity securities, at fair value	8,393,683	9,572,181
Cash and cash equivalents	14,618,740	7,578,164
Accounts and other receivables	10,431,240	7,793,515
Intangibles and deferred costs, net of accumulated amortization of $2,774,706 and $2,271,080	4,697,672	4,384,975
Prepaid expenses and other assets	491,024	732,110
Deferred tax asset	1,606,976	—
Goodwill	1,718,868	1,718,868
Total Assets	$ 678,490,022	$ 443,815,842
Liabilities and Equity		
Current maturities of long-term debt	$ 66,132,000	$ 3,528,000
Long-term debt	151,243,153	63,532,000
Asset retirement obligation	12,839,042	—
Accounts payable and other accrued liabilities	2,317,774	3,935,307
Management fees payable	1,763,747	1,164,399
Deferred tax liability	—	1,262,587
Line of credit	—	32,141,277
Unearned revenue	—	711,230
Total Liabilities	$ 234,295,716	$ 106,274,800
Equity		
Series A Cumulative Redeemable Preferred Stock 7.375%, $56,250,000 liquidation preference ($2,500 per share, $0.001 par value), 10,000,000 authorized; 22,500 and 0 issued and outstanding as of December 31, 2015, and December 31, 2014	$ 56,250,000	$ —
Capital stock, non-convertible, $0.001 par value; 11,939,697 and 9,321,010 shares issued and outstanding at December 31, 2015, and December 31, 2014 (100,000,000 shares authorized)	11,940	9,321
Additional paid-in capital	361,581,507	309,987,724
Accumulated other comprehensive income	190,797	453,302
Total CorEnergy Equity	418,034,244	310,450,347
Non-controlling Interest	26,160,062	27,090,695
Total Equity	444,194,306	337,541,042
Total Liabilities and Equity	$ 678,490,022	$ 443,815,842

See accompanying Notes to Consolidated Financial Statements.

CorEnergy Infrastructure Trust, Inc.
CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

	For the Years Ended December 31,					
		2015		2014		2013
Revenue						
Lease revenue	$	48,086,072	$	28,223,765	$	22,552,976
Sales revenue		7,160,044		9,708,902		8,733,044
Financing revenue		1,697,550		1,077,813		—
Transportation revenue		14,345,269		1,298,093		—
Total Revenue		71,288,935		40,308,573		31,286,020
Expenses						
Cost of sales (excluding depreciation expense)		2,819,212		7,291,968		6,734,665
Depreciation, amortization and ARO accretion expense		18,766,551		13,195,255		11,491,285
Provision for loan losses		13,784,137		—		—
Transportation, maintenance and general and administrative		3,859,785		458,872		—
Operating expenses		749,940		840,910		924,571
General and administrative		9,745,704		7,872,753		5,879,864
Total Expenses		49,725,329		29,659,758		25,030,385
Operating Income	$	21,563,606	$	10,648,815	$	6,255,635
Other Income (Expense)						
Net distributions and dividend income	$	1,270,755	$	1,836,783	$	584,814
Net realized and unrealized loss on trading securities		—		—		(251,213)
Net realized and unrealized gain (loss) on other equity securities		(1,063,613)		(466,026)		5,617,766
Interest expense		(9,781,184)		(3,675,122)		(3,288,378)
Total Other Income (Expense)		(9,574,042)		(2,304,365)		2,662,989
Income before income taxes		11,989,564		8,344,450		8,918,624
Taxes						
Current tax expense		922,010		3,843,937		13,474
Deferred tax expense (benefit)		(2,869,563)		(4,069,500)		2,936,044
Income tax expense (benefit), net		(1,947,553)		(225,563)		2,949,518
Net Income		13,937,117		8,570,013		5,969,106
Less: Net Income attributable to non-controlling interest		1,617,206		1,556,157		1,466,767
Net Income attributable to CorEnergy Stockholders	$	12,319,911	$	7,013,856	$	4,502,339
Preferred dividend requirements		3,848,828		—		—
Net Income attributable to Common Stockholders	$	8,471,083	$	7,013,856	$	4,502,339
Net Income	$	13,937,117	$	8,570,013	$	5,969,106
Other comprehensive income (loss):						
Changes in fair value of qualifying hedges attributable to CorEnergy stockholders		(262,505)		(324,101)		777,403
Changes in fair value of qualifying hedges attributable to non-controlling interest		(61,375)		(75,780)		181,762
Net Change in Other Comprehensive Income (Loss)	$	(323,880)	$	(399,881)	$	959,165
Total Comprehensive Income		13,613,237		8,170,132		6,928,271
Less: Comprehensive income attributable to non-controlling interest		1,555,831		1,480,377		1,648,529
Comprehensive Income attributable to CorEnergy Stockholders	$	12,057,406	$	6,689,755	$	5,279,742
Earnings Per Common Share:						
Basic	$	0.79	$	1.06	$	0.93
Diluted	$	0.79	$	1.06	$	0.93
Weighted Average Shares of Common Stock Outstanding:						
Basic		10,685,892		6,605,715		4,829,879
Diluted		10,685,892		6,605,715		4,829,879
Dividends declared per share	$	2.750	$	2.570	$	1.875

See accompanying Notes to Consolidated Financial Statements.

CorEnergy Infrastructure Trust, Inc.
CONSOLIDATED STATEMENTS OF EQUITY

	Capital Stock		Preferred Stock						
	Shares	Amount	Amount	Warrants	Additional Paid-in Capital	Accumulated Other Comprehensive Income	Retained Earnings	Non-Controlling Interest	Total
Balance at December 31, 2012	4,828,133	$ 4,828	$ —	$ 1,370,700	$ 175,275,988	$ —	$ 4,209,023	$ 29,981,653	$ 210,842,192
Net Income	—	—	—	—	—	—	4,502,339	1,466,767	5,969,106
Net change in cash flow hedges	—	—	—	—	—	777,403	—	181,762	959,165
Total comprehensive income	—	—	—	—	—	777,403	4,502,339	1,648,529	6,928,271
Common stock dividends	—	—	—	—	(1,923,760)	—	(7,131,300)	—	(9,055,060)
Distributions to Non-controlling interest	—	—	—	—	—	—	—	(3,282,152)	(3,282,152)
Reinvestment of dividends paid to stockholders	3,099	3	—	—	108,116	—	—	—	108,119
Balance at December 31, 2013	4,831,232	4,831	—	1,370,700	173,460,344	777,403	1,580,062	28,348,030	205,541,370
Net income	—	—	—	—	—	—	7,013,856	1,556,157	8,570,013
Net change in cash flow hedges	—	—	—	—	—	(324,101)	—	(75,780)	(399,881)
Total comprehensive income	—	—	—	—	—	(324,101)	7,013,856	1,480,377	8,170,132
Net offering proceeds from issuance of common stock	4,485,000	4,485	—	—	141,720,743	—	—	—	141,725,228
Common stock dividends	—	—	—	—	(6,734,166)	—	(8,593,918)	—	(15,328,084)
Common stock issued under director's compensation plan	805	1	—	—	29,999	—	—	—	30,000
Distributions to Non-controlling interest	—	—	—	—	—	—	—	(2,737,712)	(2,737,712)
Reinvestment of dividends paid to common stockholders	3,973	4	—	—	140,104	—	—	—	140,108
Warrant expiration	—	—	—	(1,370,700)	1,370,700	—	—	—	—
Balance at December 31, 2014	9,321,010	9,321	—	—	309,987,724	453,302	—	27,090,695	337,541,042
Net income	—	—	—	—	—	—	12,319,911	1,617,206	13,937,117
Net change in cash flow hedges	—	—	—	—	—	(262,505)	—	(61,375)	(323,880)
Total comprehensive income	—	—	—	—	—	(262,505)	12,319,911	1,555,831	13,613,237
Issuance of Series A cumulative redeemable preferred stock, 7.375% - redemption value	—	—	56,250,000	—	(2,039,524)	—	—	—	54,210,476
Net offering proceeds from issuance of common stock	2,587,500	2,587	—	—	73,254,777	—	—	—	73,257,364
Series A preferred stock dividends	—	—	—	—	—	—	(3,503,125)	—	(3,503,125)
Common stock dividends	—	—	—	—	(20,529,353)	—	(8,816,786)	—	(29,346,139)
Common stock issued under director's compensation plan	2,677	3	—	—	89,997	—	—	—	90,000
Distributions to Non-controlling interest	—	—	—	—	—	—	—	(2,486,464)	(2,486,464)
Reinvestment of dividends paid to common stockholders	28,510	29	—	—	817,886	—	—	—	817,915
Balance at December 31, 2015	11,939,697	$ 11,940	$ 56,250,000	$ —	$ 361,581,507	$ 190,797	$ —	$ 26,160,062	$ 444,194,306

See accompanying Notes to Consolidated Financial Statements.

CorEnergy Infrastructure Trust, Inc.
CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the Years Ended December 31,		
	2015	2014	2013
Operating Activities			
Net Income	$ 13,937,117	$ 8,570,013	$ 5,969,106
Adjustments to reconcile net income to net cash provided by operating activities:			
Deferred income tax, net	(2,869,563)	(4,069,500)	2,936,044
Depreciation, amortization and ARO accretion	20,662,297	14,289,017	12,339,704
Provision for loan loss	13,784,137	—	—
Net distributions and dividend income, including recharacterization of income	(371,323)	960,384	(567,276)
Net realized and unrealized loss on trading securities	—	—	251,213
Net realized and unrealized (gain) loss on other equity securities	1,063,613	(1,357,496)	(5,617,766)
Unrealized gain on derivative contract	(70,333)	(70,720)	(11,095)
Common stock issued under directors compensation plan	90,000	30,000	—
Changes in assets and liabilities:			
Increase in accounts and other receivables	(2,273,092)	(966,667)	(1,856,528)
Increase in financing note accrued interest receivable	(355,208)	—	—
(Increase) decrease in prepaid expenses and other assets	(37,462)	96,743	272,194
Increase in management fee payable	599,348	468,961	555,892
Increase (decrease) in accounts payable and other accrued liabilities	(847,683)	(2,276,773)	260,538
Increase (decrease) in current income tax liability	—	583,361	(4,690,329)
Increase (decrease) in unearned revenue	(711,230)	711,230	(2,133,685)
Net cash provided by operating activities	$ 42,600,618	$ 16,968,553	$ 7,708,012
Investing Activities			
Proceeds from sale of long-term investment of trading and other equity securities	—	10,806,879	5,580,985
Proceeds from sale of leased property held for sale	7,678,246	—	—
Deferred lease costs	(336,141)	—	(74,037)
Acquisition expenditures	(251,513,344)	(168,204,309)	(1,834,036)
Purchases of property and equipment, net	(138,918)	(11,970)	(40,670)
Proceeds from sale of property and equipment	—	948	5,201
Increase in financing notes receivable	(524,037)	(20,648,714)	—
Principal payment on financing note receivable	100,000	—	—
Return of capital on distributions received	121,578	981,373	1,772,776
Net cash (used) provided by investing activities	$ (244,612,616)	$ (177,075,793)	$ 5,410,219
Financing Activities			
Payments on lease obligation	—	—	(20,698)
Debt financing costs	(1,617,991)	(3,269,429)	(144,798)
Net offering proceeds on Series A preferred stock	54,210,476	—	—
Net offering proceeds on common stock	73,184,679	141,797,913	(523,094)
Net offering proceeds on convertible debt	111,262,500	—	—
Dividends paid on Series A preferred stock	(3,503,125)	—	—
Dividends paid on common stock	(28,528,224)	(15,187,976)	(8,946,941)
Distributions to non-controlling interest	(2,486,464)	(2,737,712)	(3,282,152)
Advances on revolving line of credit	45,392,332	34,676,948	221,332
Payments on revolving line of credit	(77,533,609)	(2,617,606)	(139,397)
Proceeds from term debt	45,000,000	—	—
Principal payments on term debt	(1,800,000)	—	—
Principal payments on credit facility	(4,528,000)	(2,940,000)	—
Net cash (used) provided by financing activities	$ 209,052,574	$ 149,722,138	$ (12,835,748)
Net Change in Cash and Cash Equivalents	$ 7,040,576	$ (10,385,102)	$ 282,483
Cash and Cash Equivalents at beginning of period	7,578,164	17,963,266	17,680,783
Cash and Cash Equivalents at end of period	$ 14,618,740	$ 7,578,164	$ 17,963,266

See accompanying Notes to Consolidated Financial Statements.

Supplemental information continued on next page.

CorEnergy Infrastructure Trust, Inc. (*Continued from previous page*)
CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the Years Ended December 31,		
	2015	2014	2013
Supplemental Disclosure of Cash Flow Information			
Interest paid	$ 7,873,333	$ 2,762,903	$ 2,651,355
Income taxes paid (net of refunds)	$ 747,406	$ 3,260,576	$ 4,637,068
Non-Cash Investing Activities			
Change in accounts payable and accrued expenses related to intangibles and deferred costs	$ —	$ —	$ (68,417)
Change in accounts payable and accrued expenses related to acquisition expenditures	$ (614,880)	$ 270,615	$ (1,545,163)
Change in accounts payable and accrued expenses related to issuance of financing and other notes receivable	$ (39,248)	$ 39,248	$ —
Non-Cash Financing Activities			
Change in accounts payable and accrued expenses related to the issuance of common equity	$ (72,685)	$ 72,685	$ (523,094)
Change in accounts payable and accrued expenses related to debt financing costs	$ (43,039)	$ (176,961)	$ 116,383
Reinvestment of distributions by common stockholders in additional common shares	$ 817,915	$ 140,108	$ 108,119

See accompanying Notes to Consolidated Financial Statements.

CorEnergy Infrastructure Trust, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2015

1. INTRODUCTION AND BASIS OF PRESENTATION

Introduction

CorEnergy Infrastructure Trust, Inc. ("CorEnergy"), was organized as a Maryland corporation and commenced operations on December 8, 2005. The Company's common shares are listed on the New York Stock Exchange under the symbol “CORR.” As used in this report, the terms "we", "us", "our" and the "Company" refer to CorEnergy and its subsidiaries.

We are primarily focused on acquiring and financing midstream and downstream real estate assets within the U.S. energy infrastructure sector and concurrently entering into long-term triple-net participating leases with energy companies. We also may provide other types of capital, including loans secured by energy infrastructure assets. Targeted assets include pipelines, storage tanks, transmission lines and gathering systems, among others. These sale-leaseback or real property mortgage transactions provide the energy company with a source of capital that is an alternative to sources such as corporate borrowing, bond offerings, or equity offerings. Many of our leases contain participation features in the financial performance or value of the underlying infrastructure real property asset. The triple-net lease structure requires that the tenant pay all operating expenses of the business conducted by the tenant, including real estate taxes, insurance, utilities, and expenses of maintaining the asset in good working order. We consider our investments in these energy infrastructure assets to be a single business segment and report them accordingly in our financial statements.

Taxable REIT subsidiaries hold our securities portfolio, operating businesses and certain financing notes receivable as follows:

- Corridor Public Holdings, Inc. and its wholly-owned subsidiary Corridor Private Holdings, Inc, hold our securities portfolio.
- Mowood Corridor, Inc. and its wholly-owned subsidiary, Mowood, LLC, which is the holding company for one of our operating companies, Omega Pipeline Company, LLC.
- Corridor MoGas, Inc. holds two other operating companies, MoGas Pipeline, LLC ("MoGas") and United Property Systems, LLC.
- CorEnergy BBWS, Inc., Corridor Private and Corridor Leeds Path West, Inc. hold financing notes receivable.

Basis of Presentation and Use of Estimates

The accompanying consolidated financial statements include our accounts and the accounts of our wholly owned subsidiaries and have been prepared in accordance with U.S. generally accepted accounting principles (“GAAP”) set forth in the Accounting Standards Codification ("ASC"), as published by the Financial Accounting Standards Board ("FASB"), and with the Securities and Exchange Commission (“SEC”) instructions to Form 10-K. The accompanying consolidated financial statements reflect all adjustments that are, in the opinion of management, necessary for a fair presentation of the Company's financial position, results of operations and cash flows for the periods presented. There were no adjustments that, in the opinion of management, were not of a normal and recurring nature. All intercompany transactions and balances have been eliminated in consolidation, and our net earnings are reduced by the portion of net earnings attributable to non-controlling interests.

The Company consolidates certain entities when it is deemed to be the primary beneficiary in a variable interest entity ("VIE"), as defined in FASB ASC Topic on Consolidation. The Topic on Consolidation requires the consolidation of other entities in which the Company has a controlling financial interest. The equity method of accounting is applied to entities in which the Company is not the primary beneficiary as defined in the Consolidation Topic of FASB ASC, or does not have effective control, but can exercise influence over the entity with respect to its operations and major decisions. This topic requires an ongoing reassessment.

2. SIGNIFICANT ACCOUNTING POLICIES

A. *Use of Estimates* – The preparation of the consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, recognition of distribution income and disclosure of contingent assets and liabilities at the date of the consolidated financial statements. Actual results could differ from those estimates.

B. *Leased Property* – The Company includes assets subject to lease arrangements within Leased property, net of accumulated depreciation, in the Consolidated Balance Sheets. Lease payments received are reflected in Lease revenue on the Consolidated Statements of Income, net of amortization of any off-market adjustments. Costs in connection with the creation and execution of a lease are capitalized and amortized over the lease term. See Note 3 for further discussion.

C. *Cash and Cash Equivalents* – The Company maintains cash balances at financial institutions in amounts that regularly exceed FDIC insured limits. The Company's cash equivalents are comprised of short-term, liquid money market instruments.

D. *Long-Lived Assets* – Property and equipment are stated at cost less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful life of the asset. Expenditures for repairs and maintenance are charged to operations as incurred, and improvements, which extend the useful lives of assets, are capitalized and depreciated over the remaining estimated useful life of the asset. The Company periodically reviews its long-lived assets, primarily real estate, for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. The Company's review involves comparing current and future operating performance of the assets, the most significant of which is undiscounted operating cash flows, to the carrying value of the assets. Based on this analysis, a provision for loss is recognized, if any.

The Company initially records long-lived assets at their purchase price plus any direct acquisition costs, unless the transaction is accounted for as a business combination, in which case the acquisition costs are expensed as incurred. If the transaction is accounted for as a business combination, the Company allocates the purchase price to the acquired tangible and intangible assets and liabilities based on their estimated fair values. See Note 5 for further information.

E. *Intangibles and Goodwill* – The Company may acquire long-lived assets that are subject to an existing lease contract with the seller or other lessee party and the Company may assume outstanding debt of the seller as part of the consideration paid. If, at the time of acquisition, the existing lease or debt contract is not at current market terms, the Company will record an asset or liability at the time of acquisition representing the amount by which the fair value of the lease or debt contract differs from its contractual value. Such amount is then amortized over the remaining contract term as an adjustment to the related lease revenue or interest expense. In a business combination, goodwill is recorded when the purchase price paid exceeds the estimated fair value of the net assets acquired. Refer to Note 5 for further details regarding the goodwill acquired in the MoGas Transaction.

The Company reviews its long-lived assets, including goodwill, for impairment at least annually or whenever events or circumstances indicate the carrying value of an asset may not be recoverable. The Company's review involves comparing current and future operating performance of the assets, the most significant of which is undiscounted operating cash flows, to the carrying value of the assets. If the carrying amount of an asset exceeds its implied fair value, an impairment loss would be recognized for the amount of the excess. No long-lived asset or goodwill impairment write-downs were recognized during the years ended December 31, 2015, 2014 and 2013. See paragraph (H) below.

F. *Earnings Per Share* – Basic earnings per share ("EPS") is computed using the weighted average number of common shares outstanding during the period. Diluted EPS is computed using the weighted average number of common and dilutive common equivalent shares outstanding during the period except for periods of net loss for which no common share equivalents are included because their effect would be anti-dilutive. Dilutive common equivalent shares consist of shares issuable upon conversion of the convertible notes calculated using the if-converted method. See paragraph (N) below.

G. *Investment Securities* – The Company's investments in securities are classified as other equity securities and represent interests in private companies which the Company has elected to report at fair value under the fair value option.

These investments generally are subject to restrictions on resale, have no established trading market and are valued on a quarterly basis. Because of the inherent uncertainty of valuation, the fair values of such investments, which are determined in accordance with procedures approved by the Company's Board of Directors, may differ materially from the values that would have been used had a ready market existed for the investments.

The Company determines fair value to be 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. The Company has determined the principal market, or the market in which the Company exits its private portfolio investments with the greatest volume and level of activity, to be the private secondary market. Typically, private companies are bought and sold based on multiples of EBITDA, cash flows, net income, revenues, or in limited cases, book value.

For private company investments, value is often realized through a liquidity event. Therefore, the value of the Company as a whole (enterprise value) at the reporting date often provides the best evidence of the value of the investment and is the initial step for valuing the Company's privately issued securities. For any one company, enterprise value may best be expressed as a range of fair values, from which a single estimate of fair value will be derived. In determining the enterprise value of a portfolio company, an analysis is prepared consisting of traditional valuation methodologies including market and income approaches. The Company considers some or all of the traditional valuation methods based on the individual circumstances of the portfolio company in order to derive its estimate of enterprise value.

The fair value of investments in private portfolio companies is determined based on various factors, including enterprise value, observable market transactions, such as recent offers to purchase a company, recent transactions involving the purchase or sale of the equity securities of the company, or other liquidation events. The determined equity values may be discounted when the Company has a minority position, or is subject to restrictions on resale, has specific concerns about the receptivity of the capital markets to a specific company at a certain time, or other comparable factors exist.

The Company undertakes a multi-step valuation process each quarter in connection with determining the fair value of private investments. We have retained an independent valuation firm to provide third party valuation consulting services based on procedures that the Company has identified and may ask them to perform from time to time on all or a selection of private investments as determined by the Company. The multi-step valuation process is specific to the level of assurance that the Company requests from the independent valuation firm. For positive assurance, the process is as follows:

- The independent valuation firm prepares the valuations and the supporting analysis.
- The valuation report is reviewed and approved by senior management.
- The Audit Committee of the Board of Directors reviews the supporting analysis and accepts the valuations.

H. *Financing Notes Receivable* - Financing notes receivable are presented at face value plus accrued interest receivable and deferred loan origination costs and net of related direct loan origination income. Each quarter the Company reviews its financing notes receivable to determine if the balances are realizable based on factors affecting the collectability of those balances. Factors may include credit quality, timeliness of required periodic payments, past due status and management discussions with obligors. The Company evaluates the collectability of both interest and principal of each of its loans to determine if an allowance is needed. An allowance will be recorded when based on current information and events, the Company determines it is probable that it will be unable to collect all amounts due according to the existing contractual terms. If the Company does determine an allowance is necessary, the amount deemed uncollectable is expensed in the period of determination. An insignificant delay or shortfall in the amount of payments does not necessarily result in the recording of an allowance. Generally, when interest and/or principal payments on a loan become past due, or if we otherwise do not expect the borrower to be able to service its debt and other obligations, we will place the loan on non-accrual status and will generally cease recognizing financing revenue on that loan until all principal and interest have been brought current. Interest income recognition is resumed if and when the previously reserved-for financing notes become contractually current and performance has been demonstrated. Payments received subsequent to the recording of an allowance will be recorded as a reduction to principal. During the year ended December 31, 2015, the Company created a provision for loan losses in the amount of approximately $13.8 million. The Company's financing notes receivable are discussed more fully in Note 6.

I. *Lease Receivable* – Lease receivables are determined according to the terms of the lease agreements entered into by the Company and its lessees, as discussed within Note 4. Lease receivables may also represent timing differences between straight-line revenue recognition and contractual lease receipts and is recorded within accounts and other receivables on the balance sheet. As of December 31, 2015, lease payments by our tenants have remained timely and without lapse.

J. *Accounts Receivable* – Accounts receivable are presented at face value net of an allowance for doubtful accounts within accounts and other receivables on the balance sheet. Accounts are considered past due based on the terms of sale with the customers. The Company reviews accounts for collectability based on an analysis of specific outstanding receivables, current economic conditions and past collection experience. At December 31, 2015, and December 31, 2014, the Company determined that an allowance for doubtful accounts was not necessary.

K. *Derivative Instruments and Hedging Activities* - FASB ASC 815, *Derivatives and Hedging* ("ASC 815"), provides the disclosure requirements for derivatives and hedging activities with the intent to provide users of financial statements with an enhanced understanding of: (a) how and why an entity uses derivative instruments, (b) how the entity accounts for derivative instruments and related hedged items, and (c) how derivative instruments and related hedged items affect an entity's financial position, financial performance, and cash flows. Further, qualitative disclosures are required that explain the Company's objectives and strategies for using derivatives, as well as quantitative disclosures about the fair value of and gains and losses on derivative instruments, and disclosures about credit-risk-related contingent features in derivative instruments. The Company's derivative assets and liabilities are presented on a gross basis.

As required by ASC 815, the Company records all derivatives on the balance sheet at fair value. The accounting for changes in the fair value of derivatives depends on the intended use of the derivative, whether the Company has elected to designate a derivative in a hedging relationship and apply hedge accounting and whether the hedging relationship has satisfied the criteria necessary to apply hedge accounting. Derivatives designated and qualifying as a hedge of the exposure to changes in the fair value of an asset, liability, or firm commitment attributable to a particular risk, such as interest rate risk, are considered fair value hedges. Derivatives designated and qualifying as a hedge of the exposure to variability in expected future cash flows, or other types of forecasted transactions, are considered cash flow hedges. Derivatives may also be designated as hedges of the foreign currency exposure of a net investment in a foreign operation. Hedge accounting generally provides for the matching of the timing of gain or loss recognition on the hedging instrument with the recognition of the changes in the fair value of the hedged asset or liability that are attributable to the hedged risk in a fair value hedge or the earnings effect of the hedged forecasted transactions in a cash flow hedge. The Company may enter into derivative contracts that are intended to economically hedge certain of its risks, even though hedge accounting does not apply or the Company elects not to apply hedge accounting.

FASB ASC 820, *Fair Value Measurements and Disclosure* ("ASC 820"), defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. In accordance with ASC 820, the Company made an accounting policy election to measure the credit risk of its derivative financial instruments that are subject to master netting agreements on a net basis by counterparty portfolio.

L. *Fair Value Measurements* - Various inputs are used in determining the fair value of the Company's assets and liabilities. These inputs are summarized in the three broad levels listed below:

- Level 1 – quoted prices in active markets for identical investments
- Level 2 – other significant observable inputs (including quoted prices for similar investments, market corroborated inputs, etc.)
- Level 3 – significant unobservable inputs (including the Company's own assumptions in determining the fair value of investments)

ASC 820 applies to reported balances that are required or permitted to be measured at fair value under existing accounting pronouncements; accordingly, the standard does not require any new fair value measurements of reported balances. ASC 820 emphasizes that fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability. As a basis for considering market participant assumptions in fair value measurements, ASC 820 establishes a fair value hierarchy that distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity (observable inputs that are classified within Levels 1 and 2 of the hierarchy) and the reporting entity's own assumptions about market participant assumptions (unobservable inputs classified within Level 3 of the hierarchy).

Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access. Level 2 inputs are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs may include quoted prices for similar assets and liabilities in active markets, as well as inputs that are observable for the asset or liability (other than quoted prices), such as interest rates, foreign exchange rates, and yield curves that are observable at commonly quoted intervals. Level 3 inputs are unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity. In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the asset or liability.

M. *Asset Retirement Obligations* – In accordance with ASC 410-20, *Asset Retirement Obligations,* we recognized an asset retirement obligation (ARO) in conjunction with the acquisition of the GIGS in June 2015 that existed at the time. The liability was initially measured using the amount agreed upon between the parties in an arm's length transaction, which under ASC 410-20, represents fair value, and will be subsequently adjusted for ARO accretion expense and changes in the amount or timing of the estimated cash flows.

We measure changes in the liability for an ARO due to passage of time by applying an interest method of allocation to the amount of the liability at the beginning of the period. The interest rate used to measure that change is the credit-adjusted risk-free rate that existed when the ARO, or portion thereof, was initially measured. The Company's credit-adjusted risk-free rate at the time of acquisition was 5.58 percent. The increase in the carrying amount of the liability will be recognized as an expense classified as an operating item in the statement of income, hereinafter referred to as ARO accretion expense.

The fair value of the obligation at the acquisition date has been capitalized as part of the carrying amount of the related long-lived assets and will be depreciated over the asset's remaining useful life. The useful lives of most pipeline gathering systems are primarily derived from available supply resources and ultimate consumption of those resources by end users. Indeterminate asset retirement obligation costs will be recognized in the period in which sufficient information exists to reasonably estimate potential settlement dates and methods. The ARO is discussed more fully in Note 16 .

N. *Convertible Debt* – In accordance with ASC 470, *Debt* ("ASC 470") the Company records its Convertible Senior Notes at the aggregate principal amount, less discount. We are amortizing the debt discount over the life of the convertible notes as additional non-cash interest expense utilizing the effective interest method. Refer to Note 15 for additional information.

O. *Revenue Recognition* – Specific recognition policies for the Company's revenue items are as follows:

- *Lease revenue* – Base rent related to the Company's leased property is recognized on a straight-line basis over the term of the lease when collectability is reasonably assured. Contingent rent is recognized when it is earned, based on the achievement of specified performance criteria. Rental payments received in advance are classified as unearned revenue and included as a liability within the Consolidated Balance Sheets. Unearned revenue is amortized ratably over the lease period as revenue recognition criteria are met. Rental payments received in arrears are accrued and classified as Lease Receivable and included in assets within the Consolidated Balance Sheets.
- *Sales revenue* – Revenues related to natural gas distribution and performance of management services are recognized in accordance with GAAP upon delivery of natural gas and upon the substantial performance of management and supervision services related to the expansion of the natural gas distribution system. Omega, acting as a principal, provides natural gas supply for its customers. In addition, Omega is paid fees for the operation and maintenance of its natural gas distribution system, including any necessary expansion of the distribution system. Omega is responsible for the coordination, supervision and quality of the expansions while actual construction is generally performed by third party contractors. Revenues from expansion efforts are recognized in accordance with GAAP using either a completed contract or percentage of completion method based on the level and volume of estimates utilized, as well as the certainty or uncertainty of our ability to collect those revenues.
- *Transportation revenue* – MoGas generates revenue from natural gas transportation and recognizes that revenue on firm contracted capacity over the contract period regardless of whether the contracted capacity is used. For interruptible or volumetric based transportation, revenue is recognized when physical deliveries of natural gas are made at the delivery point agreed upon by both parties.
- *Financing revenue* – Our financing notes receivable are considered a core product offering and therefore the related income is presented as a component of operating income. For increasing rate loans, base interest income is recorded ratably over the life of the loan, using the effective interest rate. The net amount of deferred loan origination income and costs are amortized on a straight-line basis over the life of the loan and reported as an adjustment to yield in financing revenue. Participating financing revenues are recorded when specific performance criteria have been met.

P. *Cost of Sales* – Included in the Company's cost of sales are the amounts paid for gas and propane, along with related transportation, which are delivered to customers, as well as, the cost of material and labor related to the expansion of the Omega natural gas distribution system.

Q. *Transportation, maintenance and general and administrative* – These expenses are incurred both internally and externally. The internal expenses relate to system control, pipeline operations, maintenance, insurance and taxes. Other internal expenses include payroll cost for employees associated with gas control, field employees, the office manager and the vice presidents of operations and finance. The external costs consist of professional services such as audit and accounting, legal and regulatory and engineering.

R. *Asset Acquisition Expenses* – Costs incurred in connection with the research of real property acquisitions not accounted for as business combinations are expensed until it is determined that the acquisition of the real property is probable. Upon such determination, costs incurred in connection with the acquisition of the property are capitalized as described in paragraph (D) above. Deferred costs related to an acquisition that we have determined, based on our judgment, not to pursue are expensed in the period in which such determination is made. Costs incurred in connection with a business combination are expensed as incurred.

S. *Offering Costs* – Offering costs related to the issuance of common or preferred stock are charged to additional paid-in capital when the stock is issued.

T. *Debt Issuance Costs* – Costs incurred for the issuance of new debt are capitalized and amortized into interest expense over the debt term. See Note 14 for further discussion.

U. *Distributions to Stockholders* – Distributions to both common and preferred stockholders are determined by the Board of Directors. Distributions to common stockholders are recorded on the ex-dividend date and distributions to preferred stockholders are recorded when declared by the Board of Directors.

V. *Other Income Recognition* – Specific policies for the Company's other income items are as follows:

- *Net distributions and dividend income from investments* – Distributions and dividends from investments are recorded on their ex-dates and are reflected as other income within the accompanying Consolidated Statements of Income. Distributions received from the Company's investments are generally characterized as ordinary income, capital gains and distributions received from investment securities. The portion characterized as return of capital is paid by our investees from their cash flow from operations. The Company records investment income, capital gains and distributions received from investment securities based on estimates made at the time such distributions are received. Such estimates are based on information available from each company and other industry sources. These estimates may subsequently be revised based on information received from the entities after their tax reporting periods are concluded, as the actual character of these distributions is not known until after the fiscal year end of the Company.

- *Net realized and unrealized gain (loss) from investments* – Securities transactions are accounted for on the date the securities are purchased or sold. Realized gains and losses are reported on an identified cost basis. The Company records investment income and return of capital based on estimates made at the time such distributions are received. Such estimates are based on information available from the portfolio company and other industry sources. These estimates may subsequently be revised based on information received from the portfolio company after their tax reporting periods are concluded, as the actual character of these distributions are not known until after our fiscal year end.

W. *Federal and State Income Taxation* – In 2013 we qualified, and in March 2014 elected (effective as of January 1, 2013), to be treated as a REIT for federal income tax purposes. Because certain of our assets may not produce REIT-qualifying income or be treated as interests in real property, those assets are held in wholly-owned Taxable REIT Subsidiaries ("TRSs") in order to limit the potential that such assets and income could prevent us from qualifying as a REIT.

As a REIT, the Company holds and operates certain of our assets through one or more wholly-owned TRSs. Our use of TRSs enables us to continue to engage in certain businesses while complying with REIT qualification requirements and also allows us to retain income generated by these businesses for reinvestment without the requirement of distributing those earnings. In the future, we may elect to reorganize and transfer certain assets or operations from our TRSs to the Company or other subsidiaries, including qualified REIT subsidiaries.

The Company's trading securities and other equity securities are limited partnerships or limited liability companies which are treated as partnerships for federal and state income tax purposes. As a limited partner, the Company reports its allocable share of taxable income in computing its own taxable income. To the extent held by a TRS, the TRS's tax expense or benefit is included in the Consolidated Statements of Income based on the component of income or gains and losses to which such expense or benefit relates. Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. A valuation allowance is recognized if, based on the weight of available evidence, it is more likely than not that some portion or all of the deferred income tax asset will not be realized. It is expected that for the year ended December 31, 2015, and future periods, any deferred tax liability or asset generated will be related entirely to the assets and activities of the Company's TRSs.

If we cease to qualify as a REIT, the Company, as a C corporation, would be obligated to pay federal and state income tax on its taxable income. Currently, the highest regular marginal federal income tax rate for a corporation is 35 percent. The Company may be subject to a 20 percent federal alternative minimum tax on its federal alternative minimum taxable income to the extent that its alternative minimum tax exceeds its regular federal income tax.

X. *Recent Accounting Pronouncements* – In April 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2014-08 "Presentation of Financial Statements (Topic 205) and Property, Plant, and Equipment (Topic 360): Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity." Under this guidance, only disposals representing a strategic shift in operations would be presented as discontinued operations. This guidance requires expanded disclosure that provides information about the assets, liabilities, income and expenses of discontinued operations. Additionally, the guidance requires additional disclosure for a disposal of a significant part of an entity that does not qualify for discontinued operations reporting. This guidance was effective for reporting periods beginning on or after December 15, 2014 with early adoption permitted for disposals or classifications of assets as held-for-sale that have not been reported in financial statements previously issued or available for issuance. It is expected that fewer disposal transactions will meet the new criteria to be reported as discontinued operations. The Company elected early adoption of the standard and the effects of applying the revised guidance did not have a material effect on the consolidated financial statements and related disclosures. Refer to Note 3 for further information.

In August 2015, the FASB issued ASU No. 2015-14 "Revenue from Contracts with Customers - Deferral of the Effective Date." The amendments in this update defer the effective date of ASU No. 2014-09 "Revenue from Contracts with Customers", for all entities by one year. ASU No. 2014-09 adds to the FASB ASC by requiring entities to recognize revenue in an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to customers and provide additional disclosures. As amended, the effective date for public entities is annual reporting periods beginning after December 15, 2017 and interim periods therein. As such, we will be required to adopt the standard in the first quarter of fiscal year 2018. Early adoption is not permitted before the first quarter of fiscal year 2017. ASC 606 may be adopted using either the "full retrospective" approach, in which the standard is applied to all of the periods presented, or a "modified retrospective" approach. The Company is currently evaluating which transition method to use and the potential future impact, if any, the standard will have on the Company's consolidated financial statements and related disclosures. However, we do not expect its adoption to have a significant impact on our consolidated financial statements, as a substantial portion of our revenue consists of rental income from leasing arrangements, which is specifically excluded from ASU 2014-09.

In August 2014, the FASB issued ASU No. 2014-15 "Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern", that will require management to evaluate whether there are conditions and events that raise substantial doubt about the Company's ability to continue as a going concern within one year after the financial statements are issued on both an interim and annual basis. Management will be required to provide certain footnote disclosures if it concludes that substantial doubt exists or when its plans alleviate substantial doubt about the Company's ability to continue as a going concern. ASU No. 2014-15 becomes effective for annual periods beginning in 2016 and for interim reporting periods starting in the first quarter of 2017. The Company does not expect the adoption of this amendment to have a material impact on its consolidated financial statements.

In February 2015, the FASB issued ASU No. 2015-02 "Consolidation (Topic 810), Amendments to the Consolidation Analysis." ASU 2015-02 is aimed at asset managers, however, it will also have an effect on all reporting entities that have variable interests in other legal entities. In some cases, consolidation conclusions will change. In other cases, reporting entities will need to provide additional disclosures about entities that currently aren't considered variable interest entities but will be considered VIE's under the new guidance if they have a variable interest in those entities. At the very least, reporting entities will need to re-evaluate their consideration conclusions and potentially revise their documentation. For public companies, ASU No. 2015-02 is effective for annual periods beginning after December 15, 2015 and interim periods within those years using either a retrospective or a modified retrospective approach. Management has evaluated this amendment and does not expect adoption to have a material impact on the Company's consolidated financial statements.

In April 2015, the FASB issued ASU No. 2015-03 "Interest-Imputation of Interest" to simplify presentation of debt issuance costs. The amendments in this update require debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. Then in June 2015, the FASB issued ASU No. 2015-15 "Presentation and Subsequent Measurement of Debt Issuance Costs Associated with Line-of-Credit Arrangements" to clarify that ASU No. 2015-03 does not address the presentation or subsequent measurement of debt issuance costs related to line-of-credit arrangements. As a result, an entity may present debt issuance costs related to line-of-credit arrangements as an asset instead of a direct deduction from the carrying amount of the debt. The clarification is effective as of issuance with ASU No. 2015-03 effective for annual reporting periods beginning after December 15, 2015, including interim periods within that reporting period. Management evaluated this amendment and does not expect adoption to have a material impact on the Company's consolidated financial statements.

In September 2015, the FASB issued ASU No. 2015-16 "Simplifying the Accounting for Measurement-Period Adjustments." ASU No. 2015-16 requires, for business combinations, that the acquirer record, in the same period's financial statements, the effect on earnings of changes in depreciation, amortization, or other income effects, if any, as a result of the change to the provisional amounts, calculated as if the accounting had been completed at the acquisition date. ASU No. 2015-16 is effective for fiscal years beginning after December 15, 2015. Management has evaluated this amendment and does not expect adoption to have a material impact on the Company's consolidated financial statements.

In February 2016, the FASB issued ASU No. 2016-02 "Leases" which amends the existing accounting standards for lease accounting, including requiring lessees to recognize most leases on their balance sheets and making targeted changes to lessor accounting. ASU No. 2016-02 is effective for fiscal years and interim periods beginning after December 31, 2018. Early adoption is permitted. The new leases standard requires adoption using a modified retrospective approach for all leases existing at, or entered into after, the date of initial application, and provides for certain practical expedients. Transition will require application of the new guidance at the beginning of the earliest comparative period presented. Management is still in the process of evaluating this amendment.

3. LEASED PROPERTIES

Grand Isle Gathering System

On June 23, 2015, we (i) completed a follow-on equity offering of2,587,500 shares of common stock that generated$73.3 million in proceeds net of underwriting discounts, (ii) completed a new issue of convertible debt in an underwritten public offering that generated $111.3 million in proceeds net of underwriting discounts, and (iii) drew approximately $42 million under our existing Senior Credit Facility. On June 30, 2015, our subsidiary, Grand Isle Corridor, LP ("Grand Isle Corridor"), used the net proceeds from the offerings and the advance under our Senior Credit Facility to close on a Purchase and Sale Agreement to acquire the Grand Isle Gathering System (the "GIGS"), a subsea, midstream pipeline system in the Gulf of Mexico from a subsidiary of Energy XXI Ltd ("EXXI") for $245 million, the assumption of asset retirement obligation liabilities of approximately $12.5 million, asset acquisition costs of approximately $1.9 million and deferred lease costs of approximately $336 thousand, for a total consideration of $259.8 million. Grand Isle Corridor, LP also entered into a long-term triple-net lease agreement relating to the use of the GIGS with Energy XXI GIGS Services, LLC, a wholly owned operating subsidiary of EXXI.

Physical Assets

The GIGS includes 153 miles (unaudited) of offshore pipeline in the Gulf of Mexico that connects toseven producing fields (unaudited), six of which are operated by EXXI and one by ExxonMobil, and includes a 16-acre (unaudited) onshore terminal and saltwater disposal system consisting of four storage tanks (unaudited), a saltwater disposal facility with three injection wells (unaudited), and associated pipelines, land, buildings and facilities. Of the seven oil fields (unaudited) that connect to the Grand Isle Gathering System, four are among the top 15 producing oil fields in the Gulf of Mexico shelf as ranked by total cumulative oil production to date—the West Delta 30, West Delta 73, Grand Isle 16/22 and South Pass 89. As of March 31, 2015, the Grand Isle Gathering System transported approximately 60,000 Bbls/d (unaudited) (18,000 oil (unaudited) and 42,000 water (unaudited)) with total capacity of120,000 Bbls/d (unaudited). Five other shippers (unaudited) utilize the GIGS for transportation of oil to onshore sales points and transportation of produced water for disposal onshore.

The asset will be depreciated for book purposes over an estimated useful life of30 years. The amount of depreciation recognized for the leased property for the years ended December 31, 2015 and 2014, was $4.3 million and $0, respectively.

See Note 4 for further information regarding the Grand Isle Lease Agreement (as defined therein).

Pinedale LGS

Our subsidiary, Pinedale Corridor, LP ("Pinedale LP"), owns a system of gathering, storage, and pipeline facilities (the "Pinedale LGS"), with associated real property rights in the Pinedale Anticline in Wyoming.

Physical Assets

The Pinedale LGS consists of more than 150 miles (unaudited) of pipelines with four (unaudited) above-ground central gathering facilities. The system is leased to and used by Ultra Petroleum Corp. ("Ultra Petroleum") as a method of separating water, condensate and associated flash gas from a unified stream and subsequently selling or treating and disposing of the separated products. Prior to entering the Pinedale LGS, a commingled hydrocarbon stream is separated into wellhead natural gas and a liquids stream. The wellhead natural gas is transported to market by a third party. The remaining liquids, primarily water, are transported by the Pinedale LGS to one of its four central gathering facilities where they pass through a three-phase separator which separates condensate, water and associated natural gas. Condensate is a valuable hydrocarbon commodity that is sold by Ultra Petroleum; water is transported to disposal wells or a treatment facility for re-use; and the natural gas is sold or otherwise used by Ultra Petroleum for fueling on-site operational equipment.

The asset is depreciated for book purposes over an estimated useful life of26 years. The amount of depreciation recognized for the leased property for the years ended December 31, 2015, December 31, 2014 and December 31, 2013, was $8.9 million.

See Note 4 for further information regarding the Pinedale Lease Agreement (as defined therein)

Non-Controlling Interest Partner

The Prudential Insurance Company of America ("Prudential") funded a portion of the Pinedale LGS acquisition and, as a limited partner, holds 18.95 percent of the economic interest in Pinedale LP. The general partner, Pinedale GP, holds the remaining 81.05 percent of the economic interest.

Debt

Pinedale LP borrowed $70 million pursuant to a secured term credit facility with KeyBank National Association serving as a lender and the administrative agent on behalf of other lenders participating in the credit facility ("KeyBank Term Facility"). The credit facility was amended on December 31, 2015, and will remain in effect through March 30, 2016. The credit facility is secured by the Pinedale LGS. See Note 14 for further information regarding the credit facility.

Portland Terminal Facility

The Portland Terminal Facility is a rail and marine facility adjacent to the Willamette River in Portland, Oregon which is triple-net leased to Arc Terminals Holdings LLC ("Arc Terminals"), an indirect, wholly-owned subsidiary of Arc Logistics Partners LP ("Arc Logistics"). The 39-acre (unaudited) site has 84 tanks (unaudited) with a total storage capacity of approximately 1.5 million barrels (unaudited). The Portland Terminal Facility is capable of receiving, storing and delivering crude oil and refined petroleum products. Products are received and delivered via railroad or marine (up to Panamax size vessels). The marine facilities are accessed through a neighboring terminal facility via an owned pipeline. The Portland Terminal Facility offers heating systems, emulsions and an on-site product testing laboratory as ancillary services.

As of December 31, 2015, we completed the funding of an additional $10 million of terminal-related improvement projects in support of Arc Terminals' commercial strategy to optimize the Portland Terminal Facility and generate stable cash flows, including: i) upgrade a portion of the existing storage assets; ii) enhance existing terminal infrastructure; and iii) develop, design, engineer and construct throughput expansion opportunities.

The asset is depreciated for book purposes over an estimated useful life of 30 years. The amount of depreciation recognized for the leased property for the years ended December 31, 2015, December 31, 2014 and December 31, 2013, was $1.2 million, $1.4 million and $0, respectively.

See Note 4 for further information regarding the Portland Lease Agreement related to the Portland Terminal Facility assets.

LEASED PROPERTY HELD FOR SALE

Eastern Interconnect Project (EIP)

Physical Assets

On November 1, 2012, the Company entered into a definitive Purchase Agreement with PNM to sell the Company's 40 percent undivided interest in the EIP upon termination of the PNM Lease Agreement on April 1, 2015. Upon termination, the Company received $7.7 million for its undivided interest, resulting in no gain or loss being recorded during the three-month period ended June 30, 2015. For further information regarding the Purchase Agreement with PNM and the PNM Lease Agreement related to the EIP transmission assets, see Note 4.

The EIP transmission assets were utilized by the lessee to move electricity across New Mexico between Albuquerque and Clovis. The physical assets include 216 miles (unaudited) of 345 kilovolt (unaudited) transmission lines, towers, easement rights, converters and other grid support components. Originally, the assets were depreciated for book purposes over an estimated useful life of 20 years. Pursuant to the Purchase Agreement discussed in Note 4, the Company reevaluated the residual value used to calculate its depreciation of EIP, and determined that a change in estimate was necessary. The change in estimate resulted in higher depreciation expenses beginning in November of 2012 through the expiration of the lease on April 1, 2015.

The amount of depreciation expense related to the EIP leased property for the years ended December 31, 2015, December 31, 2014 and December 31, 2013, was $570 thousand, $2.3 million and $2.3 million, respectively.

EIP Leased Property Held for Sale consisted of the following:

EIP Leased Property Held for Sale

	December 31, 2015	December 31, 2014
Leased asset	$ —	$ 14,126,849
Less: accumulated depreciation	—	(5,878,933)
Net leased asset held for sale	**$ —**	**$ 8,247,916**

4. LEASES

As of December 31, 2015, the Company had three significant leases. The table below displays the impact of the Company's most significant leases on total leased properties and total lease revenues for the periods presented.

	As a Percentage of [(1)]				
	Leased Properties		Lease Revenues		
	As of December 31,		For the Years Ended December 31,		
	2015	2014	2015	2014	2013
Pinedale LGS	40.0%	79.2%	42.9%	71.9%	88.7%
Grand Isle Gathering System	50.1%	—	42.3%	—	—
Portland Terminal Facility	9.6%	17.2%	13.3%	19.0%	—
Public Service of New Mexico [(2)]	—	3.1%	1.3%	9.1%	11.3%

(1) Insignificant leases are not presented, thus percentages do not sum to 100%.

(2) The Public Service of New Mexico lease terminated on April 1, 2015. See additional discussion of the PNM lease under the heading Lease of Property Held for Sale, below.

Grand Isle Gathering System

Grand Isle Corridor, LP entered into a long-term triple-net lease agreement on June 30, 2015, relating to the use of the GIGS (the “Grand Isle Lease Agreement”) with Energy XXI GIGS Services, LLC (the "EXXI Tenant"). The Grand Isle Lease Agreement has an initial eleven-year term and may be extended forone additional term equal to the lesser of nine years or 75 percent of the expected remaining useful life of the GIGS. The EXXI Tenant’s obligations under the lease agreement are guaranteed by EXXI. During the initial term, the EXXI Tenant will make minimum monthly rental payments that are initially $2.6 million in year one, increase to a maximum of $4.2 million in year seven and decline to $3.5 million in year eleven. In addition, the EXXI Tenant will pay variable rent payments based on a ten percent participation above a pre-defined threshold, which will be calculated monthly on the volumes of EXXI oil that flow through the GIGS, multiplied by the average daily closing price of crude oil for the applicable calendar month. Variable rent will be capped at 39 percent of the total rent for each month. Tangible assets, excluding land, will be depreciated over the30-year depreciable life of the leased property with associated depreciation expense of approximately $8.6 million annually beginning July 1, 2015 (unaudited).

As of December 31, 2015, and December 31, 2014, approximately $321 thousand and $0, respectively, of net deferred lease costs related to the GIGS are included in the accompanying Consolidated Balance Sheets. The deferred costs are amortized over the 11-year life of the Grand Isle Lease Agreement. For the years endedDecember 31, 2015, 2014 and 2013, $15 thousand, $0 and $0, respectively was included in amortization expense within the Consolidated Statement of Income.

In view of the fact that EXXI leases a substantial portion of the Company's net leased property, which is a significant source of revenues and operating income, its financial condition and ability and willingness to satisfy its obligations under its lease with the Company are expected to have a considerable impact on the Company's results of operations going forward.

EXXI is currently subject to the reporting requirements of the Exchange Act and is required to file with the SEC annual reports containing audited financial statements and quarterly reports containing unaudited financial statements. The audited financial statements and unaudited financial statements of EXXI can be found on the SEC's website at www.sec.gov (NASDAQ: EXXI). The Company makes no representation as to the accuracy or completeness of the audited and unaudited financial statements of EXXI, but has no reason to doubt the accuracy or completeness of such information. In addition, EXXI has no duty, contractual or otherwise, to advise the Company of any events that might have occurred subsequent to the date of such financial statements which could affect the significance or accuracy of such information.

Pinedale LGS

Pinedale LP entered into a long-term triple-net lease agreement onDecember 20, 2012, relating to the use of the Pinedale LGS (the “Pinedale Lease Agreement”) with Ultra Wyoming LGS, LLC (“Ultra Wyoming”), an indirect wholly-owned subsidiary of Ultra Petroleum. The Pinedale Lease Agreement has a fifteen-year initial term and may be extended for additional five-year terms at the sole discretion of Ultra Wyoming. Ultra Wyoming utilizes the Pinedale LGS to gather and transport a commingled stream of oil, natural gas and water, then further utilizes the Pinedale LGS to separate this stream into its separate components. Ultra Wyoming's obligations under the Pinedale Lease Agreement are guaranteed by Ultra Petroleum and Ultra Petroleum's operating subsidiary, Ultra Resources, Inc. (“Ultra Resources”), pursuant to the terms of a related parent guaranty. Annual rent for the initial term under the Pinedale Lease Agreement is a minimum of $20 million (as adjusted annually for changes based on the Consumer Price Index (“CPI”), subject to annual maximum adjustments of 2 percent). Additionally, the Pinedale Lease Agreement has a variable rent component based on the volume of liquid hydrocarbons and water that flowed through the Pinedale LGS in a prior month, subject to Pinedale LP not being in default under the Pinedale Lease Agreement. For 2015, the quarterly rent increased by $85 thousand to $5.2 million based on the CPI adjustment as specified in the lease terms. Total annual rent may not exceed $27.5 million during the initial fifteen-year term.

As of December 31, 2015, December 31, 2014 and December 31, 2013, approximately $734 thousand, $796 thousand and $857 thousand, respectively, of net deferred lease costs are included in the accompanying Consolidated Balance Sheets. The deferred costs are amortized over the 15-year life of the Pinedale Lease Agreement. For each of the years ended December 31, 2015, December 31, 2014 and December 31, 2013, $61 thousand is included in amortization expense within the Consolidated Statements of Income.

The assets comprising the Pinedale LGS include real property and land rights to which the purchase consideration was allocated based on relative fair values and equaled $122.3 million and $105.7 million, respectively, at the time of acquisition. Beginning in December 2012, the real property and land rights are being depreciated over the 26-year life of the related land lease.

In view of the fact that Ultra Petroleum leases a substantial portion of the Company's net leased property, which is a significant source of revenues and operating income, its financial condition and ability and willingness to satisfy its obligations under its lease with the Company are expected to have a considerable impact on the Company's results of operation going forward.

Ultra Petroleum is currently subject to the reporting requirements Exchange Act and is required to file with the SEC annual reports containing audited financial statements and quarterly reports containing unaudited financial statements. The audited financial statements and unaudited financial statements of Ultra Petroleum can be found on the SEC's website at www.sec.gov (NYSE: UPL). The Company makes no representation as to the accuracy or completeness of the audited and unaudited financial statements of Ultra Petroleum, but has no reason to doubt the accuracy or completeness of such information. In addition, Ultra Petroleum has no duty, contractual or otherwise, to advise the Company of any events that might have occurred subsequent to the date of such financial statements which could affect the significance or accuracy of such information.

Portland Terminal Facility

LCP Oregon entered into the Portland Lease Agreement on January 21, 2014. Arc Logistics has guaranteed the obligations of Arc Terminals under the Portland Lease Agreement. The Portland Lease Agreement grants Arc Terminals substantially all authority to operate the Portland Terminal Facility. During the initial fifteen-year term, Arc Terminals will make base monthly rental payments as well as variable rent payments based on the volume of liquid hydrocarbons that flowed through the Portland Terminal Facility in the prior month in excess of a designated threshold of 12,500 barrels per day of oil equivalent (unaudited). Variable rent is capped at 30 percent of total rent each month, which would be the equivalent of the Portland Terminal Facility's expected throughput capacity.

Base rent as of December 31, 2015, increased to $513 thousand per month due to completion of $10.0 million in planned construction projects at the Portland Terminal Facility. For the years ended December 31, 2015, 2014 and 2013, $946 thousand, $241 thousand and $0, respectively, in incremental base rent was received due to construction completed as of the end of each year.

Arc Logistics is currently subject to the reporting requirements of the Exchange Act and is required to file with the SEC annual reports containing audited financial statements and quarterly reports containing unaudited financial statements. The audited financial statements and unaudited financial statements of Arc Logistics can be found on the SEC's web site at www.sec.gov (NYSE: ARCX). The Company makes no representation as to the accuracy or completeness of the audited and unaudited financial statements of Arc Logistics but has no reason to doubt the accuracy or completeness of such information. In addition, Arc Logistics has no duty, contractual or otherwise, to advise the Company of any events that might have occurred subsequent to the date of such financial statements which could affect the significance or accuracy of such information. None of the information in the public reports of Arc Logistics that are filed with the SEC is incorporated by reference into, or in any way form, a part of this filing.

The future contracted minimum rental receipts for all net leases as of December 31, 2015, are as follows:

Future Minimum Lease Receipts

Years Ending December 31,		Amount
2016	$	59,607,929
2017		60,931,762
2018		61,139,762
2019		63,468,195
2020		70,629,654
Thereafter		451,794,133
Total	$	767,571,435

Lease of Property Held for Sale

Public Service Company of New Mexico ("PNM")

The EIP leased asset held for sale was leased on a triple-net basis through April 1, 2015, (the "PNM Lease Agreement") to PNM, an independent electric utility company serving approximately 500 thousand customers (unaudited) in New Mexico. PNM is a subsidiary of PNM Resources Inc. (NYSE: PNM) ("PNM Resources").

At the time of acquisition, the lease payments under the PNM Lease Agreement were determined to be above market rates for similar leased assets and the Company recorded an intangible asset of $1.1 million for this premium which was amortized as a reduction to lease revenue over the lease term. See Note 13 below for further details of the intangible asset.

On November 1, 2012, the Company entered into a definitive Purchase Agreement with PNM to sell the Company's 40 percent undivided interest in the EIP upon termination of the PNM Lease Agreement on April 1, 2015, for $7.7 million. Upon execution of the Agreement, the schedule of the lease payments under the PNM Lease Agreement was changed so that the last scheduled semi-annual lease payment was received by the Company on October 1, 2012. Additionally, PNM's remaining basic lease payments due to the Company were accelerated. The semi-annual payments of approximately $1.4 million that were originally scheduled to be paid on April 1, and October 1, 2013, were received by the Company on November 1, 2012. The three remaining lease payments due April 1, 2014, October 1, 2014, and April 1, 2015, were paid in full on January 2, 2014. For the years ended December 31, 2015, December 31, 2014 and December 31, 2013, revenue of $638 thousand, $2.6 million and $2.6 million respectively, is included in lease revenue within the Consolidated Statements of Income.

5. MOGAS TRANSACTION

On November 24, 2014, our wholly owned taxable REIT subsidiary, Corridor MoGas, executed a Purchase Agreement (the "MoGas Purchase Agreement") with Mogas Energy, LLC ("Seller") to acquire all of the equity interests of two entities, MoGas Pipeline, LLC ("MoGas") and United Property Systems, LLC ("UPS") (collectively, the "MoGas Transaction"). MoGas is the owner and operator of an approximately 263-mile (unaudited) interstate natural gas pipeline system in and around St. Louis and extending into central Missouri. The pipeline system, regulated by FERC, delivers natural gas to both investor-owned and municipal local distribution systems and has eight firm transportation customers. The pipeline system receives natural gas at three receipt points (unaudited) and delivers that natural gas at 22 delivery points (unaudited). UPS owns 10.28 acres of real property (unaudited) that includes office and storage space which is leased to MoGas. A portion of that land is also leased to an operator of a small cement plant owned by a third party. The combined purchase price of MoGas and UPS was $125 million, funded by a combination of equity proceeds and revolving credit facility, as further discussed in Note 14 to these Consolidated Financial Statements.

On November 17, 2014, the Company completed a follow-on equity offering of 2,990,000 shares of common stock, raising approximately $102 million in gross proceeds at $6.80 per share (net proceeds of approximately $96 million after underwriters' discount). Then on November 24, 2014, the Company borrowed $32 million (net proceeds of approximately $29 million after $3 million in fees). The total cash proceeds of $125 million were then used to capitalize Corridor MoGas, $90 million of which was in the form of a term note, who then concurrently used the cash to fund the purchase price to the Seller, $7 million of which, was placed in an indemnity escrow account. The Purchase Agreement describes the circumstances under which escrowed funds are to be released and the party to receive such released funds. Currently, the Company has no reason to believe that any of the funds in escrow will be returned.

The Company accounted for the acquisition under the acquisition method in accordance with ASC 805, *Business Combinations* ("ASC 805"), and the initial accounting for this business combination is final and complete. The Company's assessment of the fair values and the allocation of purchase price to the identified tangible and intangible assets is its best estimate of fair value. The following table summarizes the acquisition date fair values of the assets acquired and liabilities assumed, which the Company determined using Level 1, Level 2 and Level 3 inputs:

Acquisition Date Fair Values

	Amount
Leased Property:	
Land	$ 210,000
Buildings and improvements	1,188,000
Total Leased Property	$ 1,398,000
Property and Equipment:	
Land	$ 580,000
Depreciable property:	
Natural Gas Pipeline	119,081,732
Vehicles and Trailers	378,000
Office Equipment	43,400
Total Property and Equipment	$ 119,503,132
Goodwill	$ 1,718,868
Cash and cash equivalents	4,098,274
Accounts receivable	1,357,905
Prepaid assets	125,485
Accounts payable and other accrued liabilities	(3,781,664)
Net assets acquired	$ 125,000,000

The fair values of land, depreciable property and goodwill were determined using internally developed models that were based on market assumptions and comparable transportation data as well as external valuations performed by unrelated third parties. The market assumptions used as inputs to the Company's fair value model include replacement construction costs, leasing assumptions, growth rates, discount rates, terminal capitalization rates and transportation yields. The Company uses data on its existing portfolio of investments as well as similar market data from third party sources, when available, in determining these Level 3 inputs. The carrying value of cash and cash equivalents, accounts receivable, prepaid assets and accounts payable and other accrued liabilities, approximate fair value due to their short term, highly liquid nature.

Goodwill represents the excess of the purchase price over the fair value of the net assets acquired. Management believes that goodwill in the transaction results from various benefits. The pipeline system interconnects with three receipt points, the Panhandle Eastern, Rockies Express and Mississippi River Transmission Pipelines, which allows MoGas the flexibility to source natural gas from a variety of gas producing regions in the U.S. This advantageous position enhances operational efficiency, and allows MoGas customers to procure natural gas in times of peak demand and scarce supply. Two of the largest MoGas customers are also two large suppliers of natural gas for the St. Louis area. Additionally, the characteristics of the tangible assets and operations acquired in the MoGas Transaction are consistent with Company investment criteria and strategy. Some of these criteria include investments that are fixed asset intensive, with long depreciable lives, capable of providing stable cash flows due to limited commodity price sensitivity, as well as experienced management teams capable of effectively and efficiently operating the assets now and through possible future growth opportunities. Goodwill related to this acquisition is deductible for income tax purposes.

Pro Forma Financial Information (unaudited)

For comparative purposes, the following table illustrates the effect on the Consolidated Statements of Income and Comprehensive Income as well as earnings per share - basic and diluted as if the Company had consummated the MoGas Transaction as of January 1, 2013:

	For the Year Ended	
	December 31, 2014	December 31, 2013
Total Revenue (1)	$ 53,315,951	$ 42,551,314
Total Expenses (2)	35,742,957	33,429,175
Operating Income	17,572,994	9,122,139
Other Income (Expense) (3)	(3,997,916)	1,137,606
Tax Benefit (Expense) (4)	641,304	(734,461)
Net Income	14,216,382	9,525,284
Less: Net Income attributable to non-controlling interest	1,556,157	1,466,767
Net Income attributable to CORR Stockholders	$ 12,660,225	$ 8,058,517
Earnings per share:		
Basic and Diluted	$ 1.37	$ 1.03
Weighted Average Shares of Common Stock Outstanding:		
Basic and Diluted (5)	9,236,345	7,819,879

(1) Includes elimination adjustments for intercompany sales and rent.

(2) Includes adjustments for an increase in management fee payable, elimination of intercompany purchases and rent, depreciation, and other miscellaneous expenses.

(3) Includes adjustments for interest expense and other miscellaneous income.

(4) Includes an adjustment for a deferred tax benefit.

(5) Shares outstanding were adjusted for the November 17, 2014, follow-on equity offering mentioned above.

6. FINANCING NOTES RECEIVABLE

Black Bison Financing Notes Receivable

On March 13, 2014, our wholly-owned subsidiary, Corridor Bison, entered into a Loan Agreement with Black Bison Water Services, LLC ("Black Bison WS"). Black Bison WS's initial loan draw in the amount of $4.3 million was used to acquire real property in Wyoming and to pay loan transaction expenses. Corridor Bison agreed to loan Black Bison WS up to $11.5 million (the "Black Bison WS Loan") to finance the acquisition and development of real property to provide water sourcing, water disposal, or water treating and recycling services for the oil and natural gas industry.

On July 23, 2014, the Company increased its secured financing to Black Bison WS from $11.5 million to $15.3 million. The Company executed an amendment to the Black Bison WS Loan Agreement to increase the loan to $12 million, and entered into an additional loan for $3.3 million from a taxable REIT subsidiary of the Company, CorEnergy BBWS, on substantially the same terms (the "TRS Loan" and, together with the Black Bison WS Loan, as amended, the "Black Bison Loans"). The purpose of the increase in the secured financing was to fund the acquisition and development of real property and related equipment to provide water sourcing, water disposal, or water treating and recycling services for the oil and natural gas industry. There were no other material changes to the terms of the loan agreement. In connection with the Amendment and the TRS Loan, the Company fully funded the remainder of the $15.3 million capacity of the combined Black Bison Loans.

Interest initially accrued on the outstanding principal amount of both Black Bison Loans at an annual base rate of 12 percent, which base rate increases by 2 percent of the current base rate per year. In addition, starting in April 2015 and continuing for each month thereafter, the outstanding principal of the Black Bison Loans was set to bear variable interest calculated as a function of the increase in volume of water treated by Black Bison WS during the particular month. The base interest plus variable interest, paid monthly, is capped at 19 percent per annum. The Black Bison Loans mature on March 31, 2024, and were set to amortize by quarterly payments beginning on March 31, 2015. The Loans are secured by the real property and equipment held by Black Bison WS and the outstanding equity in Black Bison WS and its affiliates. The Black Bison Loans are also guarantied by all affiliates of Black Bison WS and further secured by all assets of those guarantors.

Due to reduced drilling activity in Black Bison WS's area of operations, during the first quarter of 2015 Black Bison WS requested, and the Company granted, a waiver of certain financial covenants. Black Bison WS and its affiliates did not make the principal payments to the Company that were scheduled to begin on March 31, 2015. As a result, we entered into an agreement with Black Bison WS, effective June 17, 2015 (the "June Forbearance Agreement"), as follows:

- We agreed to forbear through August 15, 2015, from exercising any remedies relating to certain existing defaults. A reduced principal and interest payment schedule was applied (as described below). The forbearance period, which terminated on August 15, 2015, was subject to compliance by Black Bison WS and its affiliates with additional conditions set forth in the agreement and to the non-occurrence of any defaults under the Loans other than the existing defaults.

- We agreed to accept temporarily reduced interest payments under the Black Bison Loans in the maximum amount of $50 thousand per month for June and July of 2015, with such maximum amount increasing to $75 thousand per month for August through December 2015 (subject to the continuation of the forbearance period in the Company's sole discretion). Interest that accrues but is not payable pursuant to these terms during the forbearance period was to be added to the principal of the Black Bison Loans. We accrued additional interest from the date on which such interest otherwise would have been payable, and shall be payable in full upon termination of the forbearance period. No principal payments were required during the forbearance period. Black Bison WS also agreed to a general release of any prior claims related to the Black Bison Loans or the forbearance and to reimburse the Company for its additional expenses incurred in connection with granting the forbearance agreement.

When the June Forbearance Agreement expired on August 15, 2015, we entered into a new forbearance agreement (the "August Forbearance Agreement") which includes the following material terms:

- We agreed to continue to forbear from exercising any remedies relating to the existing defaults during a new forbearance period, which was extended to the earlier to occur of (a) thirty days after we give Black Bison WS notice of the termination of the August Forbearance Agreement and (b) June 30, 2016, subject again to compliance by Black Bison WS and its affiliates with additional conditions set forth in the agreement and to the non-occurrence of any defaults under the Black Bison Loans other than the existing defaults.

- We agreed to not require any principal or interest payments on the indebtedness during the period in which the August Forbearance Agreement is in effect. Interest that accrues but is not payable pursuant to these terms during the forbearance period will be added to the principal of the Black Bison Loans, will accrue additional interest from the date on which such interest otherwise would have been payable, and shall be payable in full upon termination of the forbearance period under the August Forbearance Agreement.

- The August Forbearance Agreement clarified that the holders of the outstanding equity securities of Black Bison and its affiliates that are pledged as security for the Black Bison Loans cannot vote such securities for the purpose of approving any election to file for bankruptcy protection or related actions during the forbearance period.

Drilling activity in the Black Bison area of operations has continued to decline. Due to these market conditions the Company has determined a provision for loan loss with respect to the Black Bison Loans should be reflected for financial reporting purposes. The 2015 income statement reflects a Provision for Loan Loss of $13.8 million, which includes $14 thousand in deferred origination income, net of deferred origination costs, and $355 thousand of interest accrued under the Forbearance agreement up to the second quarter of 2015.

Financing revenue as presented in the 2015 financial statements does not reflect any financing revenue from the notes for the Black Bison Loans in the third and fourth quarters. These notes are considered by the Company to be on non-accrual status and have been reflected as such in the financial statements. As a result, under GAAP we no longer recognize Financing revenue on our Black Bison Loans. As of December 31, 2015, the net note receivable from Black Bison WS is $2.0 million.

As a condition to the Black Bison WS Loan, Corridor Bison acquired a Warrant to purchase a number of equity units, which as of March 13, 2014 represented 15 percent of the outstanding equity of Black Bison Intermediate Holdings, LLC ("Intermediate Holdings"). Corridor Bison paid $34 thousand for the Warrant, which amount was determined to represent the fair value of the Warrant as of the date of purchase. Corridor Bison capitalized approximately $13 thousand in asset acquisition expenses in relation to the Warrant. The exercise price of the Warrant was $3.16 per unit. The exercise price increases at a rate of 12 percent per annum.

Corridor Bison assigned to CorEnergy BBWS its rights and obligations in the Warrant dated March 13, 2014. As a condition of the TRS Loan, the parties entered into an Amended and Restated Warrant, pursuant to which the amount available to purchase thereunder was increased to a number of equity units, which, as of July 23, 2014, represented 18.72 percent of the outstanding equity of Intermediate Holdings. CorEnergy BBWS paid an additional $51 thousand for this increase in the amount that could be purchased pursuant to the Amended and Restated Warrant. CorEnergy BBWS capitalized $25 thousand in asset acquisition expenses in relation to the Warrant. Including capitalized asset acquisition costs, the Company paid approximately $123 thousand for the Warrant, which is recorded at a fair value of $0 as of December 31, 2015. The amount paid was determined to be the current value of the incremental amount that could be purchased under the Amended and Restated Warrant at the date of purchase. Furthermore, the warrant qualifies as a derivative, with all changes in fair value reflected in the consolidated statements of income and comprehensive income in the current period.

Four Wood Financing Note Receivable

On December 31, 2014, our wholly-owned subsidiary, Four Wood Corridor, LLC (“Four Wood Corridor”), entered into a Loan Agreement with SWD Enterprises, LLC (“SWD Enterprises”), a wholly-owned subsidiary of Four Wood Energy, pursuant to which Four Wood Corridor made a loan to SWD Enterprises for $4.0 million. Concurrently, our TRS, Corridor Private entered into a TRS Loan Agreement with SWD Enterprises, pursuant to which Corridor Private made a loan to SWD Enterprises for $1.0 million. The proceeds of the REIT loan and the TRS loan were used by SWD Enterprises and its affiliates to finance the acquisition of real and personal property that provides saltwater disposal services for the oil and natural gas industry, and to pay related expenses.

For the REIT loan from Four Wood Corridor, interest initially accrues on the outstanding principal at an annual base rate of12 percent. For the TRS loan from Corridor Private, interest initially accrues on the outstanding principal at an annual base rate of 13 percent. The base rates of both loans will increase by2 percent of the current base rate per year. In addition, for both loans, starting in January 2016 and continuing for each month thereafter, the outstanding principal of the Loans will bear variable interest calculated as a function of the increase in volume of water treated by SWD Enterprises during the particular month. The base interest plus variable interest, paid monthly, is capped at 19 percent per annum for the REIT loan and20 percent per annum for the TRS Loan. The Loans mature on December 31, 2024, and are to be amortized by quarterly payments beginning March 31, 2016, and annual prepayments based upon free cash flows of the Borrower and its affiliates commencing on January 15, 2016. The Loans are secured by the real property and equipment held by SWD Enterprises and the outstanding equity in SWD Enterprises and its affiliates. The Loans are also guaranteed by all affiliates of SWD Enterprises.

SWD Enterprises is required through the loan agreement to comply with certain financial covenants. During 2015, the Company was made aware of an event of default for failure to comply with the Tangible Net Worth and Coverage Ratio covenant for the reporting period ending June 30, 2015. SWD Enterprises has continued to make regular interest payments on the term loan, has raised equity, and made a prepayment of principal on the REIT loan. SWD Enterprises is not due to make principal payments until first quarter 2016. As a result of the equity raise, the Company agreed to amend the terms of the loan agreement to update the financial covenants to a level that CORR believes SWD Enterprises will be able to meet. The amended terms of the loan agreement do not provide any concessions for interest rate terms or maturity of the credit facility. The amended terms did require SWD Enterprises to make a $100 thousand prepayment of principal on the REIT loan. The Company believes the notes receivable with SWD Enterprises are fully collectible as of December 31, 2015.

7. VARIABLE INTEREST ENTITIES

The Company's variable interest in Variable Interest Entities ("VIE" or "VIEs") currently are in the form of equity ownership and loans provided by the Company to a VIE. The Company examines specific criteria and uses its judgment when determining if the Company is the primary beneficiary of a VIE and is therefore required to consolidate the investments. Factors considered in determining whether the Company is the primary beneficiary include risk-and-reward sharing, experience and financial condition of the other partner(s), voting rights, involvement in day-to-day capital and operating decisions, representation on a VIE's executive committee or Board of Directors, whether or not the Company has the power to direct the activities of the VIE that most significantly impact the VIE's economic performance, existence of unilateral kick-out rights or voting rights, and the level of economic disproportionality between the Company and the other partner(s).

Consolidated VIEs

As of December 31, 2015, the Company does not have any investments in VIEs that qualify for consolidation.

Unconsolidated VIE

At December 31, 2015, the Company's recorded investment in Black Bison WS and Intermediate Holdings, collectively a VIE that is unconsolidated, was$2.0 million. The Company's maximum exposure to loss associated with the investment is limited to the Company's outstanding notes receivable, discussed in Note 6, totaling $2.0 million and $15.9 million as of December 31, 2015, and December 31, 2014, respectively. While this entity is a VIE, the Company has determined that the power to direct the activities of the VIE that most significantly impact the VIE's economic performance is not held by the Company, therefore the VIE is not consolidated.

8. INCOME TAXES

Deferred income taxes reflect the net tax effect of temporary differences between the carrying amount of assets and liabilities for financial reporting and tax purposes. Components of the Company’s deferred tax assets and liabilities as of December 31, 2015, and 2014, are as follows:

Deferred Tax Assets and Liabilities

	December 31, 2015	December 31, 2014
Deferred Tax Assets:		
Net operating loss carryforwards	$ 543,116	$ 679,692
Net unrealized loss on investment securities	251,539	—
Cost recovery of leased and fixed assets	—	1,042,207
Loan Loss Provision	1,257,436	—
Other loss carryforwards	1,833,240	—
Sub-total	$ 3,885,331	$ 1,721,899
Deferred Tax Liabilities:		
Basis reduction of investment in partnerships	$ (2,159,058)	$ (2,842,332)
Net unrealized gain on investment securities	—	(142,154)
Cost recovery of leased and fixed assets	(119,297)	—
Sub-total	(2,278,355)	(2,984,486)
Total net deferred tax asset (liability)	$ 1,606,976	$ (1,262,587)

For the year ended December 31, 2015, the total deferred tax asset presented above relates to the Company's TRSs. The Company recognizes the tax benefits of uncertain tax positions only when the position is “more likely than not” to be sustained upon examination by the tax authorities based on the technical merits of the tax position. The Company’s policy is to record interest and penalties on uncertain tax positions as part of tax expense. Tax years subsequent to the year ending November 30, 2007, remain open to examination by federal and state tax authorities.

Total income tax expense differs from the amount computed by applying the federal statutory income tax rate of35 percent for the years ended December 31, 2015, 2014, and 2013, to income or loss from operations and other income and expense for the years presented, as follows:

Income Tax Expense (Benefit)

	For the Years Ended December 31,		
	2015	2014	2013
Application of statutory income tax rate	$ 3,630,325	$ 2,375,903	$ 2,608,151
State income taxes, net of federal tax (benefit)	(134,597)	(47,731)	273,174
Federal Tax Attributable to Income of Real Estate Investment Trust	(5,189,849)	(2,607,207)	(927,254)
Other	(253,432)	53,472	995,447
Total income tax expense (benefit)	$ (1,947,553)	$ (225,563)	$ 2,949,518

Total income taxes are computed by applying the federal statutory rate of35 percent plus a blended state income tax rate. Corridor Public Inc. and Corridor Private Inc. had a blended state rate of approximately 2.82 percent for the year ended December 31, 2015, 3.92 percent for the year ended December 31, 2014 and 3.11 percent for the year ended December 31, 2013. CorEnergy BBWS Inc. does not record a provision for state income taxes because it operates only in Wyoming, which does not have state income tax. Because Mowood Corridor Inc. and Corridor MoGas Inc. primarily only operate in the state of Missouri, a blended state income tax rate of 5 percent was used for the operations of both TRSs for the years ended December 31, 2015, 2014, and 2013. For year ended December 31, 2015, all of the income tax benefit presented above relates to the assets and activities held in the Company's TRSs. The components of income tax benefit include the following for the periods presented:

Components of Income Tax Expense (Benefit)

	For the Years Ended December 31,		
	2015	2014	2013
Current tax expense			
Federal	$ 781,941	$ 3,456,858	$ (7,139)
State (net of federal tax benefit)	140,069	387,079	20,613
Total current tax expense	922,010	3,843,937	13,474
Deferred tax expense (benefit)			
Federal	(2,594,897)	(3,634,689)	2,683,483
State (net of federal tax benefit)	(274,666)	(434,811)	252,561
Total deferred tax expense (benefit)	(2,869,563)	(4,069,500)	2,936,044
Total income tax expense (benefit), net	$ (1,947,553)	$ (225,563)	$ 2,949,518

As of December 31, 2014 the TRSs had a net operating loss of$894 thousand. For the year ended December 31, 2015, the TRSs incurred a total net operating loss of approximately $478 thousand, resulting in a total net operating loss of approximately$1.4 million as of December 31, 2015. The net operating loss may be carried forward for20 years. If not utilized, this net operating loss will expire as follows:$90 thousand, $804 thousand, and $478 thousand in the years ending December 31, 2033, 2034, and 2035 respectively. The amount of deferred tax asset for net operating losses as of December 31, 2015, includes amounts for the year endedDecember 31, 2015. The aggregate cost of securities for federal income tax purposes and securities with unrealized appreciation and depreciation, were as follows:

Aggregate Cost of Securities for Income Tax Purposes (Unaudited)

	December 31, 2015	December 31, 2014
Aggregate cost for federal income tax purposes	$ 4,750,252	$ 4,218,986
Gross unrealized appreciation	5,133,908	7,436,696
Gross unrealized depreciation	(97,500)	
Net unrealized appreciation	$ 5,036,408	$ 7,436,696

The Company provides the following tax information to its common stockholders pertaining to the character of distributions paid during tax years 2013, 2014, and 2015. For a stockholder that received all distributions in cash during 2015, 72 percent (unaudited) will be treated as ordinary dividend income and28 percent (unaudited) will be treated as return of capital. Of the ordinary dividend income, 3 percent (unaudited) will be treated as qualified dividend income. The per share characterization by quarter is reflected in the following tables:

2015 Common Stock Tax Information (unaudited)

Record Date	Ex-Dividend Date	Payable Date	Total Distribution per Share	Total Ordinary Dividends	Qualified Dividends	Capital Gain Distributions	Nondividend Distributions
02/13/2015	02/11/2015	02/27/2015	$ 0.6500	$ 0.4680	$ 0.0126	$ —	$ 0.1820
05/15/2015	05/13/2015	05/29/2015	0.6750	0.4860	0.0131	—	0.1890
08/17/2015	08/13/2015	08/31/2015	0.6750	0.4860	0.0131	—	0.1890
11/13/2015	11/10/2015	11/30/2015	0.7500	0.5400	0.0146	—	0.2100
Total 2015 Distributions			$ 2.7500	$ 1.9800	$ 0.0534	$ —	$ 0.7700

2014 Common Stock Tax Information (unaudited)

Record Date	Ex-Dividend Date	Payable Date	Total Distribution per Share	Total Ordinary Dividends	Qualified Dividends	Capital Gain Distributions	Nondividend Distributions
01/13/2014	01/09/2014	01/23/2014	$ 0.6250	$ 0.4640	$ 0.2250	$ —	$ 0.1610
05/14/2014	05/12/2014	05/22/2014	0.6450	0.4790	0.2320	—	0.1660
08/15/2014	08/13/2014	08/29/2014	0.6500	0.4825	0.2335	—	0.1675
11/14/2014	11/12/2014	11/28/2014	0.6500	0.4825	0.2335	—	0.1675
Total 2014 Distributions			$ 2.5700	$ 1.9080	$ 0.9240	$ —	$ 0.6620

2013 Common Stock Tax Information (unaudited)

Record Date	Ex-Dividend Date	Payable Date	Total Distribution per Share	Total Ordinary Dividends	Qualified Dividends	Capital Gain Distributions	Nondividend Distributions
03/08/2013	03/06/2013	03/19/2013	$ 0.6250	$ 0.6250	$ 0.6250	$ —	$ —
06/28/2013	06/26/2013	07/05/2013	0.6250	0.1835	0.1835	—	0.4415
09/30/2013	09/26/2013	10/04/2013	0.6250	—	—	—	0.6250
Total 2013 Distributions			$ 1.8750	$ 0.8085	$ 0.8085	$ —	$ 1.0665

The Company provides the following tax information to its preferred stockholders pertaining to the character of distributions paid during the 2015 tax year. For a stockholder that received all distributions in cash during 2015, 100 percent (unaudited) will be treated as ordinary dividend income and0 percent (unaudited) will be treated as return of capital. Of the ordinary dividend income, 3 percent (unaudited) will be treated as qualified dividend income. The per share characterization by quarter is reflected in the following table:

2015 Preferred Stock Tax Information (unaudited)

Record Date	Ex-Dividend Date	Payable Date	Total Distribution per Share	Total Ordinary Dividends	Qualified Dividends	Capital Gain Distributions	Nondividend Distributions
05/15/2015	05/13/2015	06/01/2015	$ 0.6351	$ 0.6351	$ 0.0171	$ —	$ —
08/17/2015	08/13/2015	08/31/2015	0.4609	0.4609	0.0124	—	—
11/13/2015	11/11/2015	11/30/2015	0.4609	0.4609	0.0124	—	—
Total 2015 Distributions			$ 1.5569	$ 1.5569	$ 0.0419	$ —	$ —

We elected effective for our 2013 tax year to be treated as a REIT for federal income tax purposes. Our REIT election, assuming continued compliance with the applicable tests, will continue in effect for subsequent tax years. The Company satisfied the annual income test and the quarterly asset tests necessary for us to qualify to be taxed as a REIT for 2013, 2014 and 2015. Distributions made during 2013 and treated as qualifying dividend income relate to pre-REIT tax years earnings and profits that were required to be distributed by calendar year-end 2013. Distributions made during 2014 and 2015 and treated as qualifying dividend income relate to taxable dividends received from our TRSs that were received and distributed in 2014 and 2015.

9. PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

Property and Equipment

	December 31, 2015	December 31, 2014
Land	$ 580,000	$ 580,000
Natural gas pipeline	124,386,348	124,297,157
Vehicles and trailers	524,921	506,958
Office equipment and computers	87,696	59,027
Gross property and equipment	125,578,966	125,443,142
Less: accumulated depreciation	(5,948,988)	(2,623,020)
Net property and equipment	$ 119,629,978	$ 122,820,122

The amounts of depreciation of property and equipment recognized for the years endedDecember 31, 2015, December 31, 2014 and December 31, 2013, were $3.3 million, $593 thousand and $283 thousand, respectively.

10. CONCENTRATIONS

MoGas

MoGas relies on certain key customers for a significant portion of its revenues. Laclede Gas, Ameren Energy and Omega Pipeline Company (an affiliate of the Company) accounted for approximately 66 percent, 19 percent and 10 percent, respectively, of MoGas' contracted transportation revenues for the year endedDecember 31, 2015 and 67%, 19%, and 10%, respectively, for the 37-day period endingDecember 31, 2014.

Mowood, Omega

Omega had a 10-year agreement (the "DOD Agreement") with the Department of Defense ("DOD") to provide natural gas and gas distribution services to Fort Leonard Wood. The DOD Agreement expired January 31, 2015. On January 28, 2015, the DOD awarded Omega a 6-month bridge agreement with very similar terms and conditions as the original agreement for Omega to continue providing natural gas and gas distribution services until a new 10-year agreement could be reached. OnJune 12, 2015, the DOD gave notice of their intent to extend the bridge agreement to October 31, 2015, and again on October 16, 2015, to extend the bridge agreement to January 31, 2016. The extensions were made to provide additional time to negotiate terms for a new agreement. On January 28, 2016, the DOD awarded Omega a new 10-year agreement with very similar terms and conditions as the original and bridge agreements for Omega to continue providing natural gas and gas distribution services through March 31, 2026.

Revenue related to the DOD contract accounted for89 percent, 88 percent, and 80 percent of our sales revenue for the years ended December 31, 2015, 2014 and 2013, respectively. Omega performs management and operational services related to the operation and expansion of the natural gas distribution system used by the DOD. The amount due from the DOD accounts for 10 percent and 25 percent of the consolidated accounts and other receivables balances as ofDecember 31, 2015 and 2014, respectively.

Omega's contracts for its supply of natural gas are concentrated among select providers. Purchases from its largest supplier of natural gas accounted for91 percent, 64 percent, and 41 percent of our cost of sales after intercompany eliminationsfor the years ended December 31, 2015, 2014, and 2013, respectively. Omega also experiences a substantial amount of seasonality in gas sales. As a result, overall sales and operating income are generally higher in the first and fourth quarters and lower during the second and third quarters.

11. MANAGEMENT AGREEMENT

On December 1, 2011, the Company executed a Management Agreement with Corridor InfraTrust Management, LLC ("Corridor"), a related party. Under the Management Agreement, Corridor (i) presents the Company with suitable acquisition opportunities consistent with the investment policies and objectives of the Company, (ii) is responsible for the day-to-day operations of the Company, and (iii) performs such services and activities relating to the assets and operations of the Company as may be appropriate. A new Management Agreement between the Company and Corridor was approved by the Board of Directors and became effective July 1, 2013. The new agreement did not change in any respect the terms for determination or payment of compensation for the Manager, does not have a specific term, and will remain in place unless terminated by the Company or the Manager in the manner permitted pursuant to the agreement. The new management agreement was amended as of January 1, 2014, to change the methodology for calculating the quarterly management fee.

The terms of the Management Agreement include a quarterly management fee equal to 0.25 percent (1.00 percent annualized) of the value of the Company's Managed Assets as of the end of each quarter. For purposes of the Management Agreement, "Managed Assets" means the total assets of the Company (including any securities receivables, other personal property or real property purchased with or attributable to any borrowed funds) minus (A) the initial invested value of all non-controlling interests, (B) the value of any hedged derivative assets, (C) any prepaid expenses, and (D) all of the accrued liabilities other than (1) deferred taxes and (2) debt entered into for the purpose of leverage. For purposes of the definition of Managed Assets, the Company's securities portfolio will be valued at then current market value. For purposes of the definition of Managed Assets, other personal property and real property assets will include real and other personal property owned and the assets of the Company invested, directly or indirectly, in equity interests in or loans secured by real estate or personal property (including acquisition related costs and acquisition costs that may be allocated to intangibles or are unallocated), valued at the aggregate historical cost, before reserves for depreciation, amortization, impairment charges or bad debts or other similar noncash reserves.

On May 8, 2015, the Company entered into a new Management Agreement with Corridor, effective as of May 1, 2015 (the "New Management Agreement"), that replaced the prior Management Agreement. The following material terms of the prior Management Agreement, as described in our Annual Report on Form 10-K for the year ended December 31, 2014, are carried forward in the New Management Agreement:

- Under the New Management Agreement, Corridor (i) presents the Company with suitable acquisition opportunities consistent with the investment policies and objectives of the Company, (ii) is responsible for the day-to-day operations of the Company, and (iii) performs such services and activities relating to the assets and operations of the Company as may be appropriate.
- The terms of the New Management Agreement provide for a quarterly management fee equal to 0.25 percent (1.00 percent annualized) of the value of the Company's Managed Assets as of the end of each quarter. For purposes of the New Management Agreement, "Managed Assets" is determined in the same manner as under the prior Management Agreement, as described in Item 1 of our Annual Report on Form 10-K.
- The New Management Agreement also includes a quarterly incentive fee of 10 percent of the increase in distributions paid over a distribution threshold equal to $0.125 per share per quarter, and requires that at least half of any incentive fees be reinvested in the Company's common stock.

The New Management Agreement varies from the prior Management Agreement in three principal ways. First, the new agreement eliminates the ability of the independent directors to terminate the agreement for poor investment performance. However, the New Management Agreement gives a majority of the stockholders of the Company, or two-thirds of the independent directors, the ability to terminate the agreement for any reason on thirty (30) days' prior written notice, so long as that notice is delivered with a termination payment equal to three times the base management fee and incentive fee paid to the manager in the last four quarters. Second, the New Management Agreement clarifies that the manager is to be reimbursed for all fees and travel expenses incurred by its staff while conducting business expected to benefit the Company. Finally, the New Management Agreement, which does not have a specific term, and will remain in place unless terminated by the Company or Corridor in the manner permitted pursuant to the agreement, deletes certain references to the Investment Company Act of 1940 that are no longer relevant to the Company. The foregoing description of the terms of the New Management Agreement is qualified in its entirety by reference to the full terms of such agreement, which is incorporated by reference to the Registrant's form 10-Q, filed May 11, 2015.

During the year ended December 31, 2015, and the first quarter of 2016, the Company and the Manager agreed to the following modifications to the fee arrangements described above:

- in order to ensure equitable application of the quarterly management fee provisions of the New Management Agreement to the GIGS acquisition, which closed on June 30, 2015, the Manager waived any incremental management fee due as of the end of the second quarter based on the net impact of the GIGS Acquisition as of June 30, 2015;

- in light of the Provision for Loan Loss recorded with respect to the Black Bison Loans as described in Note 6, the Manager voluntarily recommended, and the Company agreed, that effective on and after September 30, 2015, solely for the purpose of computing the value of the Company's Managed Assets in calculating the quarterly management fee described above, the Company's investment in the Black Bison Loans and the Black Bison Warrant will be valued based on their estimated net realizable value (which shall not exceed the amount of the Company's initial investment) as of the end of the quarter for which the Management Fee is to be calculated;

- in light of the provision for uncollectible interest recorded with respect to Black Bison loans as described in Note 6, the Manager voluntarily recommended, and the Company agreed, that the Manager would waive $133,194 of the total

$278,619 incentive fee that would otherwise be payable under the provisions described above with respect to dividends paid on the Company’s common stock during the year ended December 31, 2015, and accordingly the Manager received an incentive fee of $145,425 for such period.

Fees incurred under the Management Fee Agreement for the years ended December 31, 2015, 2014, and 2013 were $5.7 million, $3.5 million, and $2.6 million, respectively, and are reported in the General and Administrative line item on the Income Statement.

The Company pays Corridor, as the Company's Administrator pursuant to an Administrative Agreement, a fee equal to an annual rate of 0.04 percent of the value of the Company's Managed Assets, with a minimum annual fee of $30 thousand. Fees incurred under the Administrative Agreement for the years ended December 31, 2015, 2014, and 2013 were $224 thousand, $134 thousand, and $112 thousand, respectively, and are reported in the General and Administrative line item on the Income Statement.

12. FAIR VALUE OF OTHER SECURITIES

The major components of net realized and unrealized gain or loss on trading securities for the years ended December 31, 2015, 2014 and 2013 are as follows:

Major Components of Net Realized and Unrealized Loss on Trading Securities

	For the Years Ended December 31,		
	2015	2014	2013
Net unrealized loss on trading securities	$ —	$ —	$ —
Net realized loss on trading securities	—	—	(251,213)
Total net realized and unrealized loss on trading securities	$ —	$ —	$ (251,213)

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The following tables provide the fair value measurements of applicable Company assets and liabilities by level within the fair value hierarchy as of December 31, 2015, and December 31, 2014. These assets and liabilities are measured on a recurring basis.

December 31, 2015

	December 31, 2015	Fair Value		
		Level 1	Level 2	Level 3
Assets:				
Other equity securities	$ 8,393,683	$ —	$ —	$ 8,393,683
Total Assets	$ 8,393,683	$ —	$ —	$ 8,393,683

December 31, 2014

	December 31, 2014	Fair Value		
		Level 1	Level 2	Level 3
Assets:				
Other equity securities	$ 9,572,181	$ —	$ —	$ 9,572,181
Total Assets	$ 9,572,181	$ —	$ —	$ 9,572,181

The changes for all Level 3 securities measured at fair value on a recurring basis using significant unobservable inputs for the years ended December 31, 2015 and 2014, are as follows:

Level 3 Rollforward

For the Year Ended December 31, 2015	Fair Value Beginning Balance	Acquisitions	Disposals	Total Realized and Unrealized Gains/(Losses) Included in Net Income	Return of Capital Adjustments Impacting Cost Basis of Securities	Fair Value Ending Balance	Changes in Unrealized Losses, Included In Net Income, Relating to Securities Still Held (1)
Other equity securities	$ 9,217,181	$ —	$ —	$ (1,073,243)	$ 249,745	$ 8,393,683	$ (1,073,243)
Warrant investment	355,000	—	—	(355,000)	—	—	(355,000)
Total	$ 9,572,181	$ —	$ —	$ (1,428,243)	$ 249,745	$ 8,393,683	$ (1,428,243)
For the Year Ended December 31, 2014							
Other equity securities	$ 23,304,321	$ —	$ (13,245,379)	$ 139,612	$ (981,373)	$ 9,217,181	$ 139,612
Warrant Investment		97,500		257,500		355,000	257,500
Total	$ 23,304,321	$ 97,500	$ (13,245,379)	$ 397,112	$ (981,373)	$ 9,572,181	$ 397,112

(1) Located in Net realized and unrealized gain on other equity securities in the Consolidated Statements of Income

The Company utilizes the beginning of reporting period method for determining transfers between levels. There were no transfers between levels 1, 2 or 3 for the years ended December 31, 2015 and 2014.

In accordance with ASC 820, the Company fair values their derivative financial instruments. Please refer to Note 17, Interest Rate Hedge Swaps, for more information. Additionally, the Company had a non-recurring fair value measurement related to the acquisition of an asset retirement obligation, see Note 16, Asset Retirement Obligation, for more information.

In connection with the October 2014 sale of the Company's shares in VantaCore, a portion of the proceeds were placed in escrow and a receivable was recorded. Changes in the fair value of the escrow receivable are recorded as a net realized or unrealized gain or loss on other equity securities included within the Consolidated Statements of Income and Comprehensive Income. For the years ended December 31, 2015 and 2014, approximately $365 thousand and $5 thousand, were included as an unrealized gain, respectively.

Valuation Techniques and Unobservable Inputs

The Company’s other equity securities, which represent securities issued by private companies, are classified as Level 3 assets. Significant judgment is required in selecting the assumptions used to determine the fair values of these investments. See Note 2, Significant Accounting Policies, for additional discussion.

For the year ended December 31,2014, the Company’s Warrant Investment was valued using a binomial option pricing model. The key assumptions used in the binomial model are the fair value of equity of the underlying business; the Warrant's strike price; the expected volatility of equity; the time to the Warrant's expiry; the risk-free rate, and the expected dividend yields. Due to the inherent uncertainty of determining the fair value of the Warrant Investment, which does not have a readily available market, the assumptions used the binomial model to value the Company’s Warrant Investment were based on Level 2 and Level 3 inputs. The Company’s Warrant Investment was valued at $0 at December 31, 2015 due to the current reduction in Black Bison’s business activity that also resulted in the Provision for Loan Loss with respect to the Black Bison Loans discussed in further detail in Note 6.

As of December 31, 2015 and 2014, the Company’s investment in Lightfoot Capital Partners, LP and Lightfoot Capital Partners GP LLC, collectively, ("Lightfoot") is its only remaining significant private company investment. Lightfoot in turn owns a combination of public and private investments. Therefore, Lightfoot was valued using a combination of the following valuation techniques: (i) public share price of private companies' investments discounted for a lack of marketability, with the discount estimated at 11.8 percent to 15.2 percent and 17.7 percent to 22.8 percent as of December 31, 2015 and 2014, respectfully, and (ii) discounted cash flow analysis using an estimated discount rate of 14.0 percent to 16.0 percent and 13.0 percent to 15.0 percent as of December 31, 2015 and 2014, respectively. Due to the inherent uncertainty of determining the fair value of investments that do not have a readily available market value, the fair value of the Company’s investment may fluctuate from period to period. Additionally, the fair value of the Company’s investment may differ from the values that would have been used had a ready market existed for such investment and may differ materially from the values that the Company may ultimately realize.

As of both December 31, 2015 and 2014, the Company held a 6.6 percent and 1.5 percent equity interest in Lightfoot LP and Lightfoot GP, respectively.

Certain condensed combined unaudited financial information of the unconsolidated affiliate, Lightfoot, is presented in the following tables (in thousands).

	December 31, 2015 *(Unaudited)*	December 31, 2014 *(Unaudited)*
Assets		
Current assets	$ 24,276	$ 25,783
Noncurrent assets	696,461	382,957
Total Assets	$ 720,737	$ 408,740
Liabilities		
Current liabilities	$ 19,993	$ 14,318
Noncurrent liabilities	246,808	113,810
Total Liabilities	$ 266,801	$ 128,128
Partner's equity	453,936	280,612
Total liabilities and partner's equity	$ 720,737	$ 408,740

	For the Years Ending December 31, *(Unaudited)*	
	2015	2014
Revenues	$ 81,789	$ 54,906
Operating expenses	76,755	62,764
Other income (expenses)	12,469	15,459
Income from Operations	$ 17,503	$ 7,601
Less: Net Income attributable to noncontrolling interests	(8,901)	(761)
Net Income attributable to Partner's Capital	$ 8,602	$ 6,840

The following section describes the valuation methodologies used by the Company for estimating fair value for financial instruments not recorded at fair value, but fair value is included for disclosure purposes only, as required under disclosure guidance related to the fair value of financial instruments.

Cash and Cash Equivalents — The carrying value of cash, amounts due from banks, federal funds sold and securities purchased under resale agreements approximates fair value.

Escrow Receivable — The escrow receivable due to the Company as of December 31, 2015, which relates to the sale of VantaCore, is anticipated to be released upon satisfaction of certain post-closing obligations and the expiration of certain time periods (50 percent was released 12 months after the October 1, 2014 closing date (i.e. October 1, 2015), and the other 50 percent to be released 18 months after close (i.e. April 1, 2016)). The fair value of the escrow receivable is reflected net of a discount for the potential that the full amount due to the Company would not be realized.

Financing Notes Receivable — The financing notes receivable are valued on a non-recurring basis. The financing notes receivable are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. Financing Notes with carrying values that are not expected to be recovered through future cash flows are written-down to their estimated net realizable value.

Long-term Debt — The fair value of the Company's long-term debt is calculated, for disclosure purposes, by discounting future cash flows by a rate equal to the expected market rate for an equivalent transaction.

Line of Credit — The carrying value of the line of credit approximates the fair value due to its short-term nature.

Carrying and Fair Value Amounts

	Level within fair value hierarchy	December 31, 2015		December 31, 2014	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets:					
Cash and cash equivalents	Level 1	$ 14,618,740	$ 14,618,740	$ 7,578,164	$ 7,578,164
Escrow receivable	Level 2	$ 1,392,917	$ 1,392,917	$ 2,438,500	$ 2,438,500
Financing notes receivable (Note 6)	Level 2	$ 7,675,626	$ 7,675,626	$ 20,687,962	$ 20,687,962
Hedged Derivative Asset (Note 17)	Level 2	$ 98,259	$ 98,259	$ 351,807	$ 351,807
Financial Liabilities:					
Long-term debt	Level 2	$ 217,375,153	$ 193,573,834	$ 67,060,000	$ 67,060,000
Line of credit	Level 2	$ —	$ —	$ 32,141,277	$ 32,141,277

13. INTANGIBLES

The Company recorded an intangible lease asset, related to the PNM Lease Agreement, for the fair value of the amount by which the remaining contractual lease payments exceed market lease rates at the time of acquisition. The intangible lease asset was being amortized on a straight-line basis over the life of the lease term, which expired on April 1, 2015. Annual amortization of the intangible lease asset totaling $73 thousand for the year ended December 31, 2015 and $292 thousand for the years ended December 31, 2014 and December 31, 2013, is reflected in the accompanying Consolidated Statements of Income as a reduction to lease revenue. These same amounts are included in Amortization expense in the accompanying Consolidated Statements of Cash Flows. Refer to Note 4 for further discussion around the PNM Purchase Agreement.

Intangible Lease Asset

	December 31, 2015	December 31, 2014
Intangible lease asset	$ —	$ 1,094,771
Accumulated amortization	—	(1,021,784)
Net intangible lease asset	$ —	$ 72,987

14. CREDIT FACILITIES

Credit Facilities of the REIT

On September 26, 2014, the Company entered into a $30 million revolving credit facility (the "Regions Revolver") with certain lenders and Regions Bank, as an agent for such lenders. Then in conjunction with the MoGas Transaction on November 24, 2014, increased the credit facility to $90 million at the REIT level, and $3.0 million at the subsidiary entity level. For the first six months, subsequent to the increase, the facility bore interest on the outstanding balance at a rate of LIBOR plus 3.50 percent. Beginning on May 24, 2015 and through July 7, 2015, the interest rate was determined by a pricing grid where the applicable interest rate was LIBOR plus 2.75 percent to 3.50 percent, depending on the Company's leverage ratio at such time. On June 29, 2015, the Company borrowed against the Regions Revolver in the amount of $42 million in conjunction with the GIGS transaction.

On July 8, 2015, the Company amended and upsized its existing $93 million credit facility with Regions Bank (as lender and administrative agent for the other participating lenders) to provide borrowing commitments of $153 million, consisting of (i) an increase in the Regions Revolver at the CorEnergy parent entity level to $105 million, (ii) a $45 million term loan at the CorEnergy parent entity level (the "Regions Term Loan") and (iii) a $3 million revolving credit facility at the subsidiary entity level (the "MoGas Revolver" as detailed below and, collectively with the upsized Regions Revolver and the Regions Term Loan, the "Regions Credit Facility"). Upon closing the Regions Credit Facility, CorEnergy drew $45 million on the Regions Term Loan to pay off the balance on the Regions Revolver that had been used in funding the GIGS acquisition in June 2015. The Company now has approximately $95.8 million of available borrowing capacity on the Regions Revolver.

The Regions Credit Facility has a maturity date of December 15, 2019 for both the Regions Revolver and the Regions Term Loan. Borrowings under the Regions Credit Facility will generally bear interest on the outstanding principal amount using a LIBOR pricing grid that is expected to equal a LIBOR rate plus an applicable margin of 2.75 percent - 3.75 percent (3.07% percent as of December 31, 2015), based on the Company's senior secured recourse leverage ratio. Total availability is subject to a borrowing base. The Term Note requires quarterly principal payments of $900 thousand which began on September 30, 2015. The Regions Credit Facility contains, among other restrictions, certain financial covenants including the maintenance of certain financial ratios, as well as default and cross-default provisions customary for transactions of this nature (with applicable customary grace periods).

Upon the occurrence of an event of default, payment of all amounts outstanding under the Regions Credit Facility shall become immediately due and payable.

The Regions Credit Facility is secured by substantially all of the assets owned by the Company and its subsidiaries other than (i)the assets held by Mowood, LLC, Omega Pipeline Company, Pinedale Corridor, LP and Pinedale, GP Inc. (the "Unrestricted Subs") and (ii) the equity investments in the Unrestricted Subs.

As of December 31, 2015, and December 31, 2014, approximately $3.3 million and $1.3 million, respectively, in net deferred debt issuance costs related to the Regions Credit Facility are included in the accompanying Consolidated Balance Sheets. For the years ended December 31, 2015 and 2014, $927 thousand and $217 thousand, respectively, of deferred debt cost amortization is included in interest expense within the accompanying Consolidated Statements of Income. As of December 31, 2015, the Company was in compliance with all covenants of the Regions Credit Facility.

On May 8, 2013, the Company entered into a $20 million revolving line of credit with KeyBank. The primary term of the facility wasthree years with the option for a one-year extension. Outstanding balances under the revolving credit facility (the "KeyBank Revolver") accrued interest at a variable annual rate equal to LIBOR plus 4.0 percent or the Prime Rate plus 2.75 percent. The facility was for the purpose of funding general working capital needs and if necessary, to provide short-term financing for the acquisition of additional real property assets. The amount available to be drawn under this facility was subject to a borrowing base limitation. The agreement was terminated on September 26, 2014.

As of December 31, 2015, and December 31, 2014, approximately $0 in net deferred debt issuance costs, related to the KeyBank Revolver, are included in the accompanying Consolidated Balance Sheets. The deferred costs were initially amortized over the anticipated four-year term of the Key Bank Revolver facility. For the years ended December 31, 2015, December 31, 2014, and December 31, 2013, $0, $47 thousand, and $42 thousand of deferred debt issuance cost amortization, respectively, is included in interest expense within the accompanying Consolidated Statements of Income. Upon termination in 2014, the remaining deferred debt issuance costs totaling approximately $161 thousand were expensed in full.

The annual remaining principal payment requirements as of December 31, 2015 per the contractual maturities of our Regions Credit Facilities are as follows:

Year	Total Payments
2016	$ 3,600,000
2017	3,600,000
2018	3,600,000
2019	32,400,000
2020	—
Thereafter	—
Total	$ 43,200,000

Pinedale Facility

On December 20, 2012, Pinedale LP closed on a$70 million secured term credit facility with KeyBank serving as a lender and as administrative agent on behalf of other lenders participating in the credit facility. Outstanding balances under the original KeyBank Term Facility generally accrued interest at a variable annual rate equal to LIBOR plus 3.25 percent. The credit facility remained in effect up until December 31, 2015, with an option to extend through December 31, 2016. The Company elected not to extend the KeyBank Term Facility through December 31, 2016. The Company did however extend the facility through March 30, 2016 and made an additional principal payment of $1.0 million on December 31, 2015. During the extension period, borrowings under this credit facility will bear interest on the outstanding principal amount at LIBOR plus 4.25 percent. The credit facility is secured by the Pinedale LGS asset. Under the original agreement Pinedale LP was obligated to pay all accrued interest monthly and was further obligated to make monthly principal payments, which began on March 7, 2014, in the amount of $294 thousand or 0.42 percent of the principal balance as of March 1, 2014. Going forward, Pinedale LP is required to make principal payments according to the extension agreement. The entire remaining principal is due on March 30, 2016.

The registrant has provided to KeyBank a guarantee against certain inappropriate conduct by or on behalf of Pinedale LP or us. The credit agreement contains, among other restrictions, specific financial covenants including the maintenance of certain financial coverage ratios and a minimum net worth requirement. The Company is required to maintain a restricted collateral account into which Ultra Wyoming makes all lease payments under the Pinedale Lease Agreement. Payments of principal and interest pursuant to the credit facility are drawn by KeyBank directly from the restricted collateral account prior to transferring the remaining cash to the Pinedale LP operating account. The balance in the restricted collateral account at December 31, 2015 was $0.

Pinedale LP's credit facility with KeyBank limits distributions by Pinedale LP to the Company. Distributions by Pinedale LP to the Company are permitted to the extent required for the Company to maintain its REIT qualification, so long as Pinedale LP's obligations to KeyBank have not been accelerated following an Event of Default (as defined in the credit facility). The KeyBank Term Facility also requires that Pinedale LP maintain minimum net worth levels and certain leverage ratios, which along with other provisions of the credit facility limit cash dividends and loans to the Company. At December 31, 2015, the net assets of Pinedale LP were $137.6 million. As of December 31, 2015, Pinedale LP was in compliance with all of the financial covenants of the secured term credit facility.

As of December 31, 2015 and 2014, approximately $156 thousand and $501 thousand, respectively, in net deferred debt issuance costs related to the KeyBank Term Facility are included in the accompanying Consolidated Balance Sheets. The deferred costs will be amortized over the remaining term of the KeyBank Term Facility extension. For the years ended December 31, 2015, 2014, and 2013, $500 thousand, $517 thousand, and $515 thousand of deferred debt cost amortization is included in interest expense within the accompanying Consolidated Statements of Income.

The Company has executed interest rate swap derivatives to add stability to our interest expense and to manage our exposure to interest rate movements on our LIBOR based borrowings. Interest rate swaps involve the receipt of variable-rate 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. See Note 17 for further information regarding interest rate swap derivatives.

The annual remaining principal payment requirements as of December 31, 2015 per the contractual maturities of our Pinedale Credit Facilities are as follows:

Year	Total Payments
2016	$ 62,532,000
2017	—
2018	—
2019	—
2020	—
Thereafter	—
Total	$ 62,532,000

MoGas Revolver

In conjunction with the MoGas Transaction, MoGas and UPS, as co-borrowers, entered into a revolving credit agreement dated November 24, 2014 (the “MoGas Revolver”), with certain lenders, including Regions Bank as agent for such lenders. Pursuant to the MoGas Revolver, the co-borrowers may borrow, prepay and re-borrow loans up to $3.0 million outstanding at any time. The MoGas Revolver is secured by the assets held at MoGas and has a maturity date of November 24, 2018. Interest accrues under the MoGas Revolver at the same rate and pursuant to the same terms as it accrues under the Regions Revolver. As of December 31, 2015, there were no outstanding borrowings against the MoGas Revolver. As of December 31, 2015, the co-borrowers are in compliance of all covenants of the MoGas Revolver.

Mowood/Omega Credit Facility

On October 15, 2013, Mowood and Omega entered into a Revolving Note Payable Agreement (“2013 Note Payable Agreement”), replacing a prior$1.3 million secured Note Payable Agreement (as amended), under which interest accrued and was payable monthly at LIBOR plus 4 percent and which expired on October 29, 2013. The 2013 Note Payable Agreement had a maximum borrowing base of $1.5 million. Borrowings on the 2013 Note Payable Agreement are secured by Mowood’s and Omega's assets. Interest accrued at the Prime Lending Rate as published in the Wall Street Journal, plus 0.5 percent, and was payable monthly, and in full, with accrued interest, on the termination date of October 15, 2014.

On October 15, 2014, Mowood and Omega renewed the 2013 Note Payable Agreement by entering into a Revolving Note Payable Agreement ("2014 Note Payable Agreement"), extending the maturity date to January 31, 2015. Then on January 30, 2015, Mowood and Omega modified the 2014 Note Payable Agreement to extend the maturity date to July 31, 2015. On July 31, 2015, the 2014 Note Payable Agreement was allowed to expire and a new $1.5 million revolving line of credit ("Mowood/Omega Revolver") was established with Regions Bank. The new Mowood/Omega Revolver will be used for working capital and general business purposes, is guaranteed and secured by the assets of Mowood and has a maturity of July 31, 2016. Interest accrues at LIBOR plus 4 percent and is payable monthly in arrears with no unused fee. There was no outstanding balance at December 31, 2015.

15. CONVERTIBLE DEBT

On June 29, 2015, the Company completed a public offering of$115 million aggregate principal amount of 7.00% Convertible Senior Notes Due 2020 (the "Convertible Notes"). The Convertible Notes mature on June 15, 2020 and bear interest at a rate of 7.0 percent per annum, payable semi-annually in arrears on June 15 and December 15 of each year, beginning on December 15, 2015. For the year ended December 31, 2015, there is $4.1 million of interest expense resulting from the Convertible Notes. The Convertible Notes were issued with an underwriters discount of $3.7 million which will be amortized over the life of the Notes. The amount of amortization included in interest expense for the year ended December 31, 2015 is $381 thousand.

As of December 31, 2015 and 2014, approximately $219 thousand and $0, respectively, in net deferred debt issuance costs related to the Convertible Notes are included in the accompanying Consolidated Balance Sheets. For the year ended December 31, 2015 there is $22 thousand of deferred debt cost amortization included in interest expense within the accompanying Consolidated Statements of Income. Including the impact of the convertible debt discount and related deferred debt issuance costs, the effective interest rate on the Convertible Notes is approximately 7.7 percent.

The Company may not redeem the Convertible Notes prior to the maturity date. Holders may convert their Convertible Notes into shares of the Company’s common stock at their option until the close of business on the second scheduled trading day immediately preceding the maturity date. The initial conversion rate for the Convertible Notes will be 30.3030 shares of Common Stock per $1,000 principal amount of the Convertible Notes, equivalent to an initial conversion price of$33.0 per share of Common Stock. Such conversion rate will be subject to adjustment in certain events as specified in the Indenture.

The Convertible Notes may not be redeemed prior to the maturity date; however, upon the occurrence of a fundamental change (as defined in the Indenture), holders may require the Company to repurchase all or a portion of the Convertible Notes for cash at a price equal to 100 percent of the principal amount of the Convertible Notes to be purchased plus any accrued and unpaid interest, if any, to, but excluding, the applicable fundamental change repurchase date as prescribed in the Indenture. In addition, in certain circumstances the Company will increase the conversion rate for a holder that converts the Convertible Notes in connection with any of a specified set of corporate events, each of which is deemed to constitute a make whole adjustment event pursuant to the terms of the Indenture.

The Convertible Notes rank equal in right of payment to any other current and future unsecured obligations of the Company and senior in right of payment to any other current and future indebtedness of the Company that is contractually subordinated to the Convertible Notes. The Convertible Notes are structurally subordinated to all liabilities (including trade payables) of the Company’s subsidiaries. The Convertible Notes are effectively junior to all of the Company’s existing or future secured debt, to the extent of the value of the collateral securing such debt.

16. ASSET RETIREMENT OBLIGATION

A component of the consideration exchanged to purchase the GIGS assets from Energy XXI USA, Inc. in June 2015, was the assumption of the seller’s asset retirement obligation associated with such assets. The ARO represents the estimated costs of decommissioning the GIGS pipelines and onshore oil receiving and separation facilities in Grand Isle, Louisiana at retirement. In accordance with ASC 410-20, *Asset Retirement Obligations,* we recognized an ARO at an agreed-upon fair value on the date of acquisition of $12.5 million. A corresponding asset retirement cost was capitalized as part of the carrying amount of the related long-lived assets and will be depreciated over the assets' remaining useful lives.

The liability was initially measured using the amount agreed upon between the parties in an arm's length transaction, which under ASC 410-20, represents fair value. During negotiations with EXXI and to arrive at an agreed-upon amount, we commissioned an independent third-party study whereby the cost of decommissioning GIGS' offshore pipelines were estimated as though they were decommissioned in place for Federal Waters and as though they were removed in State Waters. In accordance with State and Federal requirements, the pipelines are pigged, flushed with ends cut, plugged and buried. Onshore estimates include complete removal of the facility. The piping and tanks are cleaned of hydrocarbons. All surface piping, tanks, equipment, concrete and gravel are dismantled and removed to three feet below the ground surface. Concrete and gravel are removed and the site is graded to a smooth contour. The liability will be adjusted annually for ARO accretion expense and periodically for changes in the amount or timing of the estimated future cash flows. Future expected cash flows will be based on subjective estimates and assumptions, which inherently include significant uncertainties which are beyond our control. These assumptions represent Level 3 inputs, as further discussed in Note 2.

In periods subsequent to the initial measurement of an ARO, we recognize period-to-period changes in the liability resulting from either (a) the passage of time or (b) revisions to either the timing or the amount of the original estimate of undiscounted cash flows. Consequently, the ARO has been accreted for the passage of time. For the years ended December 31, 2015, 2014 and 2013, $339 thousand, $0 and $0 of accretion expense was recorded, respectively.

Our tenant, EXXI Tenant, has an ARO related to the platform which is currently attached to the GIGS pipelines. If in the future, EXXI is unable to fulfill their obligation, we may be required to assume the liability for the related asset removal costs.

The following table is a reconciliation of the asset retirement obligation as of December 31, 2015:

Asset Retirement Obligation

	For the Years Ended		
	December 31, 2015	December 31, 2014	December 31, 2013
Beginning asset retirement obligation	$ —	$ —	$ —
Liabilities assumed	12,500,000	—	—
Expenditures	—	—	—
ARO accretion expense	339,042	—	—
Ending asset retirement obligation	**$ 12,839,042**	**$ —**	**$ —**

17. INTEREST RATE HEDGE SWAPS

Derivative Financial Instruments

Currently, the Company uses interest rate swaps to manage its interest raterisk. 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 forward interest rate curves. The fair values of interest rate swaps are determined using the market standard methodology of netting the discounted future fixed cash payments and the discounted expected variable cash receipts. The variable cash receipts are based on an expectation of future interest rates (forward curves) derived from observable market interest rate forward curves.

To comply with the provisions of ASC 820, the Company incorporates credit valuation adjustments to appropriately reflect both its own nonperformance risk and the respective counterparty's nonperformance risk in the fair value measurements. In adjusting the fair value of its derivative contracts for the effect of nonperformance risk, the Company has considered the impact of netting and any applicable credit enhancements, such as collateral postings, thresholds, mutual puts, and guarantees. In conjunction with the FASB's fair value measurement guidance in ASC 820, the Company made an accounting policy election to measure the credit risk of its derivative financial instruments that are subject to master netting agreements on a net basis by counterparty portfolio.

Although the Company has determined that the majority of the inputs used to value its derivatives fall within Level 2 of the fair value hierarchy, the credit valuation adjustments associated with its derivatives utilize Level 3 inputs, such as estimates of current credit spreads to evaluate the likelihood of default by itself and its counterparties. However, as of December 31, 2015, the Company has assessed the significance of the impact of the credit valuation adjustments on the overall valuation of its derivative positions and has determined that the credit valuation adjustments are not significant to the overall valuation of its derivatives. As a result, the Company has determined that its derivative valuations in their entirety are classified in Level 2 of the fair value hierarchy.

The table below presents the Company's hedged derivative asset measured at fair value on a recurring basis as well as their classification on the Consolidated Balance Sheets as of December 31, 2015, and December 31, 2014, aggregated by the level in the fair value hierarchy within which those measurements fall. Hedges that are valued as receivable by the Company are considered Asset Derivatives and those that are valued as payable by the Company are considered Liability Derivatives.

Balance Sheet Line Item	Balance Sheet Classification	Fair Value Hierarchy Level 1	Level 2	Level 3
			December 31, 2015	
Hedged derivative liability	Liability	$ —	$ 98,259	$ —
			December 31, 2014	
Hedged derivative receivable	Asset	$ —	$ 351,807	$ —

Level 1 - quoted prices in active markets for identical investments
Level 2 - other significant observable inputs (including quoted prices for similar investments, market corroborated inputs, etc.)
Level 3 - significant unobservable inputs (including the Company's own assumptions in determining the fair value of investments)

Risk Management Objective of Using Derivatives

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

Cash Flow Hedges of Interest Rate Risk

The Company's objectives in using interest rate derivatives are to add stability to interest expense and to manage its exposure to interest rate movements. To accomplish this objective, the Company primarily uses interest rate swaps and caps as part of its 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 the Company making fixed-rate payments over the life of the agreements without exchange of the underlying notional amount. Interest rate caps designated as cash flow hedges involve the receipt of variable amounts from a counterparty if interest rates rise above the strike rate on the contract in exchange for an upfront premium.

The effective portion of changes in the fair value of derivatives designated and that qualify as cash flow hedges is recorded in Accumulated Other Comprehensive Income ("AOCI") and is subsequently reclassified into earnings in the period that the hedged forecasted transaction affects earnings. The Company elected to designate its interest rate swaps as cash flow hedges in April 2013 and such derivatives are being used to hedge the variable cash flows associated with existing variable-rate debt. The ineffective portion of the change in fair value of the derivatives is recognized directly in earnings. For the years ended December 31, 2015, and December 31, 2014, there was a loss due to ineffectiveness of approximately $1 thousand recorded in earnings. For the year ended December 31, 2013, there was a gain due to ineffectiveness of approximately $6 thousand recorded in earnings.

Amounts reported in AOCI related to derivatives will be reclassified to interest expense as interest payments are made on the Company's variable-rate debt. Over the next 12 months, the Company estimates that an additional $22 thousand will be reclassified as an increase to interest expense.

As of December 31, 2015, the Company had the following outstanding interest rate derivatives that were designated as cash flow hedges of interest rate risk:

Outstanding Derivatives Designated as Cash Flow Hedges of Interest Rate Risk

Interest Rate Derivative	Number of Instruments	Notional Amount Outstanding	Effective Date	Termination Date	Floating Rate Received	Fixed Rate Paid
Interest Rate Swap	2	$52,500,000	February 5, 2013	December 5, 2017	1-month US Dollar LIBOR	0.865%

Non-Designated Hedges

Derivatives not designated as hedges are not speculative and are used to manage the Company's exposure to interest rate movements and other identified risks. Changes in the fair value of derivatives not designated in hedging relationships are recorded directly in earnings and were equal to net losses of approximately $0, $0 and $75 thousand for the years ended December 31, 2015, December 31, 2014, and December 31, 2013, respectively.

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

The tables below present the effect of the Company's derivative financial instruments on the Income Statement for the years ended December 31, 2015, December 31, 2014 and December 31, 2013.

	For the Years Ended December 31,		
Derivatives in Cash Flow Hedging Relationship	2015	2014	2013
Amount of Gain (Loss) Recognized in AOCI on Derivative (Effective Portion)	$ (611,879)	$ (705,826)	$ 741,344
Amount of Gain (Loss) Reclassified from AOCI on Derivatives (Effective Portion) Recognized in Net Income[1]	(287,999)	(305,945)	(217,821)
Amount of Gain (Loss) Recognized in Income on Derivative (Ineffective Portion, Amounts Excluded from Effectiveness Testing)[1]	(1,284)	(897)	5,969
Derivatives Not Designated as Hedging Instruments			
Amount of Gain (Loss) Recognized in Income on Derivative[2]	$ —	$ —	$ (75,200)

(1) Included in "Interest Expense" on the face of the Consolidated Statements of Income and Comprehensive Income.

(2) The gain or (loss) recognized in income on derivatives includes changes in fair value of the derivatives as well as the periodic cash settlements and interest accruals for derivatives not designated as hedging instruments.

Tabular Disclosure of Offsetting Derivatives

The table below presents a gross presentation, the effects of offsetting, and a net presentation of the Company's derivatives as of December 31, 2015, and December 31, 2014. The net amounts of derivative assets or liabilities can be reconciled to the tabular disclosure of fair value. The tabular disclosure of fair value provides the location that derivative assets and liabilities are presented on the Balance Sheets. There were no offsetting derivative liabilities as of December 31, 2015, and December 31, 2014.

Offsetting Derivatives

				Gross Amounts Not Offset in the Balance Sheet		
	Gross Amounts of Recognized Assets	Gross Amounts Offset in the Balance Sheets	Net Amounts of Assets presented in the Balance Sheets	Financial Instruments	Cash Collateral Received	Net Amount
Offsetting Derivative Assets as of December 31, 2015	$ 98,259	$ —	$ 98,259	$ —	$ —	$ 98,259
Offsetting Derivative Assets as of December 31, 2014	$ 351,807	$ —	$ 351,807	$ —	$ —	$ 351,807

Credit-Risk Related Contingent Features

The Company has agreements with some of its derivative counterparties that contain a provision where if the Company defaults on any of its indebtedness, including default where repayment of the indebtedness has not been accelerated by the lender, then the Company could also be declared in default on its derivative obligations.

As of December 31, 2015, the Company did not have any derivatives that were in a net liability position. Therefore, the credit risk-related contingent features discussed above would not apply as of December 31, 2015.

18. STOCKHOLDER'S EQUITY

REDEEMABLE PREFERRED STOCK

The Company's authorized preferred stock consists of 10 million shares having a par value of $0.001 per share. On January 27, 2015, the Company sold, in an underwritten public offering, 2,250,000 depositary shares, each representing 1/100th of a share of 7.375% Series A Cumulative Redeemable Preferred Stock ("Series A Preferred"). Pursuant to this offering, the Company issued 22,500 whole shares of Series A Preferred and received net cash proceeds of approximately $54.2 million. The depositary shares pay an annual dividend of $1.84375 per share, equivalent to 7.375 percent of the $25.00 liquidation preference. The depositary shares may be redeemed on or after January 27, 2020, at the Company's option, in whole or in part, at the $25.00 liquidation preference plus all accrued and unpaid dividends to, but not including, the date of redemption. The depositary shares have no stated maturity, are not subject to any sinking fund or mandatory redemption and are not convertible into any other securities of the Company except in connection with certain changes of control. Holders of the depositary shares generally have no voting rights, except for limited voting rights if the Company fails to pay dividends for six or more quarters (whether or not consecutive) and in certain other circumstances. The depositary shares representing the Series A Preferred trade on the NYSE under the ticker "CORRPrA." The aggregate par value of the preferred shares at December 31, 2015, is $23. See Note 22, Subsequent Events, for further information regarding the declaration of a dividend on the 7.375% Series A Cumulative Redeemable Preferred Stock.

COMMON STOCK

As of December 31, 2015, the Company had 11,939,697 of common shares issued and outstanding. Effective December 1, 2015, the Company completed a one-for-five reverse common stock split. As a result, every five issued and outstanding shares of common stock of the Company converted into one share of common stock. The par value of each share of common stock and the number of authorized shares remained unchanged. On December 31, 2015, the Company's board of director's authorized a share repurchase program for the Company to buy up to $10.0 million of its common stock. The Company plans to repurchase shares from time to time through open market transactions, including through block purchases, in privately negotiated transactions or otherwise. The timing, manner, price and amount of any repurchases are to be determined by senior management, depending on market prices and other conditions. We are not obligated to repurchase any shares of stock under the program and may terminate the program at any time. See Note 22, Subsequent Events, for further information regarding the declaration of a dividend on the common stock.

SHELF REGISTRATION

On January 23, 2015, we had a shelf registration statement declared effective by the SEC, pursuant to which we may publicly offer additional securities consisting of senior and/or subordinated debt securities, shares of preferred stock (or depositary shares representing fractional interests therein), shares of common stock, warrants or rights to purchase any of the foregoing securities, and units consisting of two or more of these classes or series of securities, with an aggregate offering price of up to $300.0 million. The following summarizes transactions that have occurred through December 31, 2015, under the January 23, 2015, shelf:

- DRIP Shares - As of December 31, 2015, we have issued 28,510 shares of common stock under the Company's dividend reinvestment plan that reduced availability by approximately $818 thousand.
- June 2015 - In connection with the purchase of the GIGS we completed a follow-on offering of 2,587,500 shares of common stock that reduced availability by $77.6 million.
- June 2015 - In connection with the purchase of the GIGS we issued convertible senior notes that reduced availability by $115.0 million. See Note 15, Convertible Debt, for additional information.

As of December 31, 2015, the remaining availability under our January 2015 shelf registration statement was approximately $106.6 million of maximum aggregate offering price of securities. See Note 22, Subsequent Events, for further information regarding the $600 million shelf registration statement that was declared effective by the SEC on February 18, 2016.

19. EARNINGS PER SHARE

Basic earnings per share data is computed based on the weighted average number of shares of common stock outstanding during the periods. Diluted EPS data is computed based on the weighted average number of shares of common stock outstanding, including all potentially issuable shares of common stock. Diluted EPS for the year ended December 31, 2015 excludes the impact to income and the number of shares outstanding from the conversion of the 7.00% Convertible Senior Notes, because to do so would be antidilutive.

Earnings Per Share

	For the Years Ended December 31,		
	2015	2014	2013
Net income attributable to CorEnergy stockholders	$ 12,319,911	$ 7,013,856	$ 4,502,339
Less: preferred dividend requirements	3,848,828	—	—
Net income attributable to common stockholders	$ 8,471,083	$ 7,013,856	$ 4,502,339
Weighted average shares - basic	10,685,892	6,605,715	4,829,879
Basic earnings per share	$ 0.79	$ 1.06	$ 0.93
Net income attributable to common stockholders (from above)	$ 8,471,083	$ 7,013,856	$ 4,502,339
Add: After tax effect of convertible interest	—	—	—
Income attributable for dilutive securities	$ 8,471,083	$ 7,013,856	$ 4,502,339
Weighted average shares - diluted	10,685,892	6,605,715	4,829,879
Diluted earnings per share	$ 0.79	$ 1.06	$ 0.93

20. WARRANTS

The Company issued 945,594 warrants (representing the right to purchase one share of the Company's common stock for $11.41 per common share on a pre-Reverse Stock Split basis) on February 7, 2007, all of which expired unexercised on February 6, 2014, and are no longer outstanding as of December 31, 2015.

21. QUARTERLY FINANCIAL DATA *(Unaudited)*

	For the Fiscal 2015 Quarters Ended			
	March 31	June 30	September 30	December 31
Revenue				
Lease revenue	$ 7,336,101	$ 6,799,879	$ 16,966,056	$ 16,984,036
Sales revenue	2,341,655	1,665,908	1,434,694	1,717,787
Financing revenue	660,392	668,904	182,604	185,650
Transportation revenue	3,649,735	3,546,979	3,557,096	3,591,459
Total Revenue	13,987,883	12,681,670	22,140,450	22,478,932
Expenses				
Cost of sales (excluding depreciation expense)	1,248,330	569,958	382,851	618,073
Depreciation, amortization and ARO accretion expense	4,048,832	3,495,986	5,836,665	5,385,068
Provision for loan losses	—	—	7,951,137	5,833,000
Transportation, maintenance and general and administrative	991,608	1,076,352	856,050	935,775
Operating expenses	206,360	195,673	264,812	83,095
General and administrative	2,568,519	1,905,329	2,837,762	2,434,094
Total Expenses	9,063,649	7,243,298	18,129,277	15,289,105
Income (Loss) from Operations, before income taxes	$ 4,924,234	$ 5,438,372	$ 4,011,173	$ 7,189,827
Other Income (Expense)				
Net distributions and dividend income	$ 590,408	$ 193,410	$ 241,563	$ 245,374
Net realized and unrealized gain (loss) on other equity securities	449,798	43,385	(1,408,751)	(148,045)
Interest expense	(1,147,272)	(1,126,888)	(3,854,913)	(3,652,111)
Total Other Income (Expense)	(107,066)	(890,093)	(5,022,101)	(3,554,782)
Income (Loss) before income taxes	4,817,168	4,548,279	(1,010,928)	3,635,045
Taxes				
Current tax expense	435,756	104,479	105,020	276,755
Deferred tax expense (benefit)	(115,391)	(153,342)	(1,953,973)	(646,857)
Income tax expense (benefit), net	320,365	(48,863)	(1,848,953)	(370,102)
Net Income	4,496,803	4,597,142	838,025	4,005,147
Less: Net Income attributable to non-controlling interest	410,175	412,004	410,806	384,221
Net Income attributable to CorEnergy Stockholders	$ 4,086,628	$ 4,185,138	$ 427,219	$ 3,620,926
Preferred dividend requirements	737,500	1,037,109	1,037,109	1,037,110
Net Income (Loss) attributable to Common Stockholders	$ 3,349,128	$ 3,148,029	$ (609,890)	$ 2,583,816
Net Income	$ 4,496,803	$ 4,597,142	$ 838,025	$ 4,005,147
Other comprehensive income (loss):				
Changes in fair value of qualifying hedges attributable to CorEnergy stockholders	(276,107)	18,202	(223,176)	218,576
Changes in fair value of qualifying hedges attributable to non-controlling interest	(64,555)	4,256	(52,180)	51,104
Net Change in Other Comprehensive Income (Loss)	$ (340,662)	$ 22,458	$ (275,356)	$ 269,680
Total Comprehensive Income	4,156,141	4,619,600	562,669	4,274,827
Less: Comprehensive income attributable to non-controlling interest	345,620	416,260	358,626	435,325
Comprehensive Income attributable to CorEnergy Stockholders	$ 3,810,521	$ 4,203,340	$ 204,043	$ 3,839,502
Earnings (Loss) Per Common Share:				
Basic	$ 0.36	$ 0.33	$ (0.05)	$ 0.22
Diluted	$ 0.36	$ 0.33	$ (0.05)	$ 0.22

	For the Fiscal 2014 Quarters Ended			
	March 31	June 30	September 30	December 31
Revenue				
Lease revenue	$ 6,762,408	$ 7,065,677	$ 7,191,187	$ 7,204,493
Sales revenue	3,259,530	1,813,607	1,741,209	2,894,556
Financing revenue	25,619	139,728	413,482	498,984
Transportation revenue	—	—	—	1,298,093
Total Revenue	10,047,557	9,019,012	9,345,878	11,896,126
Expenses				
Cost of sales (excluding depreciation expense)	2,707,358	1,384,998	1,284,711	1,914,901
Depreciation, amortization and ARO accretion expense	3,146,978	3,220,253	3,252,604	3,575,420
Provision for loan losses	—	—	—	—
Transportation, maintenance and general and administrative	—	—	—	458,872
Operating expenses	222,741	213,533	210,009	194,627
General and administrative	1,432,955	1,334,960	1,841,493	3,263,345
Total Expenses	7,510,032	6,153,744	6,588,817	9,407,165
Operating Income	$ 2,537,525	$ 2,865,268	$ 2,757,061	$ 2,488,961
Other Income (Expense)				
Net distributions and dividend income	$ 5,056	$ 5,988	$ 1,688,830	$ 136,909
Net realized and unrealized gain (loss) on other equity securities	1,294,182	2,084,026	(865,470)	(2,978,764)
Interest expense	(826,976)	(819,360)	(977,635)	(1,051,151)
Total Other Income (Expense)	472,262	1,270,654	(154,275)	(3,893,006)
Income (Loss) before income taxes	3,009,787	4,135,922	2,602,786	(1,404,045)
Taxes				
Current tax expense	854,075	—	486,054	2,503,808
Deferred tax expense (benefit)	(340,562)	742,879	(161,171)	(4,310,646)
Income tax expense (benefit), net	513,513	742,879	324,883	(1,806,838)
Net Income	2,496,274	3,393,043	2,277,903	402,793
Less: Net Income attributable to non-controlling interest	391,114	387,135	389,485	388,423
Net Income attributable to CorEnergy Stockholders	$ 2,105,160	$ 3,005,908	$ 1,888,418	$ 14,370
Preferred dividend requirements	—	—	—	—
Net Income (Loss) attributable to Common Stockholders	$ 2,105,160	$ 3,005,908	$ 1,888,418	$ 14,370
Net Income	$ 2,496,274	$ 3,393,043	$ 2,277,903	$ 402,793
Other comprehensive income (loss):				
Changes in fair value of qualifying hedges attributable to CorEnergy stockholders	(70,620)	(270,838)	214,602	(197,245)
Changes in fair value of qualifying hedges attributable to non-controlling interest	(16,511)	(63,324)	50,175	(46,120)
Net Change in Other Comprehensive Income (Loss)	$ (87,131)	$ (334,162)	$ 264,777	$ (243,365)
Total Comprehensive Income	2,409,143	3,058,881	2,542,680	159,428
Less: Comprehensive income attributable to non-controlling interest	374,603	323,811	439,660	342,303
Comprehensive Income attributable to CorEnergy Stockholders	$ 2,034,540	$ 2,735,070	$ 2,103,020	$ (182,875)
Earnings (Loss) Per Common Share:				
Basic	$ 0.35	$ 0.48	$ 0.30	$ 0.00
Diluted	$ 0.35	$ 0.48	$ 0.30	$ 0.00

22. SUBSEQUENT EVENTS

The Company performed an evaluation of subsequent events through the date of the issuance of these financial statements and determined that no additional items require recognition or disclosure, except for the following:

Common Stock Dividend Declaration

On January 26, 2016, our Board of Directors declared the 2015 fourth quarter dividend of $0.750 per share for CorEnergy common stock. The dividend was paid on February 29, 2016, to shareholders of record on February 12, 2016.

Preferred Stock Dividend Declaration

On January 26, 2016, our Board of Directors also declared a cash dividend of $0.4609375 per depositary share for the Company’s 7.375% Series A Cumulative Redeemable Preferred Stock for the quarter ending December 31, 2015. The preferred stock dividend was paid on February 29, 2016 to shareholders of record on February 12, 2016.

Shelf Registration Statement

On February 18, 2016 we had a new shelf registration statement, with an aggregate offering price of up to $600 million, declared effective by the SEC, pursuant to which we may publicly offer additional securities consisting of (i) common stock, (ii) preferred stock, (iii) fractional interests in shares of our preferred stock represented by depositary shares, (iv) senior and/or subordinated debt securities, (v) subscription rights to purchase shares of our common stock, preferred stock (or depositary shares representing a fractional interest therein) and/or debt securities, (vi) warrants representing rights to purchase shares of our common stock, preferred stock (or depositary shares representing a fractional interest therein) and/or debt securities, or (vii) units consisting of a combination of any of the foregoing. We refer to the foregoing collectively as our securities. We may offer our securities in one or more offerings and in one or more classes or series, separately or together.

Omega Department of Defense contract

On January 28, 2016, Omega was awarded a new 10 year contract with the Department of Defense, to provide natural gas and gas distribution assets to Fort Leonard Wood through Omega’s approximately 70 mile (unaudited) pipeline distribution system on the military base.

Black Bison Foreclosure

Effective February 29, 2016, the Company foreclosed on 100 percent of the equity of BB Intermediate, the holding company of Black Bison Water Services, LLC, the borrower of the Black Bison financing notes receivable.

Pinedale Facility

CorEnergy has obtained a Consent from its lenders under the Regions Credit Facility, which will permit the Company to utilize the revolving credit facility to refinance the Pinedale LP secured term credit facility. CorEnergy, along with Prudential, expect to refinance their pro rata shares of the Pinedale LP secured term credit facility prior to March 30, 2016.

SWD Enterprises Covenant Breach

Due to reduced drilling activity in SWD Enterprises' area of operations, they have breached certain covenants. The Company is in discussions with SWD Enterprises related to resolution of the breach.

SCHEDULE I - CONDENSED FINANCIAL INFORMATION OF REGISTRANT
CorEnergy Infrastructure Trust, Inc.

CONDENSED BALANCE SHEETS	December 31, 2015	December 31, 2014
Assets		
Leased property, net of accumulated depreciation of $559,078 and $374,699	$ 4,234,578	$ 4,418,957
Leased property held for sale, net of accumulated depreciation of $0 and $5,878,933	—	8,247,916
Investments	458,088,998	219,883,494
Cash and cash equivalents	10,089,436	3,599,935
Due from subsidiary	8,317,719	12,236,050
Note receivable from subsidiary	92,730,000	95,300,000
Intangible lease asset, net of accumulated amortization of $0 and $1,021,784	—	72,987
Deferred debt issuance costs, net of accumulated amortization of $674,658 and $69,772	2,450,323	1,645,887
Deferred lease costs, net of accumulated amortization of $16,123 and $10,808	63,653	68,968
Income tax receivable	4,394	319,122
Prepaid expenses and other assets	116,475	147,114
Total Assets	$ 576,095,576	$ 345,940,430
Liabilities and Equity		
Current Maturities of Long-Term Debt	3,600,000	—
Accounts payable and other accrued liabilities	1,300,792	1,339,739
Management fees payable	1,763,747	1,164,399
Due to affiliate	153,640	274,715
Line of credit	—	32,000,000
Unearned revenue	—	711,230
Long-Term Debt	151,243,153	
Total Liabilities	$ 158,061,332	$ 35,490,083
Equity		
Series A Cumulative Redeemable Preferred Stock 7.375%, $56,250,000 liquidation preference ($2,500 per share, $0.001 par value), 10,000,000 authorized; 22,500 and 0 issued and outstanding as of December 31, 2015, and December 31, 2014	$ 56,250,000	$ —
Capital stock, non-convertible, $0.001 par value; 11,939,697 and 9,321,010 shares issued and outstanding at December 31, 2015, and December 31, 2014 (100,000,000 shares authorized)	11,940	46,605
Additional paid-in capital	361,581,507	309,950,440
Accumulated retained earnings	—	—
Accumulated other comprehensive income	190,797	453,302
Total Equity	418,034,244	310,450,347
Total Liabilities and Equity	$ 576,095,576	$ 345,940,430

See accompanying Schedule I Notes to Condensed Financial Statements.

SCHEDULE I - CONDENSED FINANCIAL INFORMATION OF REGISTRANT - CorEnergy Infrastructure Trust, Inc. - *Continued*

CONDENSED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME	**For the Years Ended December 31,**		
	2015	**2014**	**2013**
Revenue			
Lease revenue	$ 638,243	$ 2,552,976	$ 2,552,976
Earnings (loss) from subsidiary	10,894,003	6,730,060	5,720,413
Total Revenue	11,532,246	9,283,036	8,273,389
Expenses			
Depreciation expense	754,050	2,463,062	2,463,052
Amortization expense	5,316	5,318	5,320
General and administrative	1,426,598	1,061,421	1,509,297
Total Expenses	2,185,964	3,529,801	3,977,669
Operating Income (Loss)	$ 9,346,282	$ 5,753,235	$ 4,295,720
Other Income (Expense)			
Net distributions and dividend income	$ 13,542	$ 13,117	$ 6,681
Net realized and unrealized gain (loss) on trading securities	—	—	—
Net realized and unrealized gain (loss) on other equity securities	—	—	—
Interest on loans to subsidiaries	9,294,537	1,100,349	752,305
Interest income (expense)	(6,334,450)	147,155	(49,214)
Total Other Income (Expense)	2,973,629	1,260,621	709,772
Income (Loss) before income taxes	12,319,911	7,013,856	5,005,492
Taxes			
Current tax expense (benefit)	—	—	(540,111)
Deferred tax expense (benefit)	—	—	1,043,264
Income tax expense (benefit), net	—	—	503,153
Net Income (Loss)	12,319,911	7,013,856	4,502,339
Other comprehensive income:			
Changes in fair value of qualifying hedges	(262,505)	(324,101)	777,403
Total Comprehensive Income	$ 12,057,406	$ 6,689,755	$ 5,279,742

See accompanying Schedule I Notes to Condensed Financial Statements.

SCHEDULE I - CONDENSED FINANCIAL INFORMATION OF REGISTRANT - CorEnergy Infrastructure Trust, Inc. - *Continued*

CONDENSED STATEMENTS OF CASH FLOW	For the Years Ended December 31,		
	2015	2014	2013
Net cash provided by (used in) operating activities	$ 18,060,382	$ (2,047,777)	$ (8,040,654)
Investing Activities			
Proceeds from sale of leased property held for sale	7,678,246	—	—
Issuance of note to subsidiary	—	(90,000,000)	—
Principal payments received from notes to subsidiaries	2,570,000	—	—
Investment in consolidated subsidiaries	(261,597,946)	(96,570,263)	(1,651,956)
Cash distributions from consolidated subsidiaries	23,392,442	18,559,328	19,337,911
Net cash provided by (used in) investing activities	$ (227,957,258)	$ (168,010,935)	$ 17,685,955
Financing Activities			
Debt financing costs	(1,439,929)	(1,600,908)	(30,002)
Net offering proceeds on Series A preferred stock	54,210,476	—	—
Net offering proceeds on common stock	73,184,679	141,797,913	(523,094)
Net offering proceeds on convertible debt	111,262,500	—	—
Dividends paid on Series A preferred stock	(3,503,125)	—	—
Dividends paid on common stock	(28,528,224)	(15,187,976)	(8,946,941)
Advances on revolving line of credit	42,000,000	32,000,000	—
Payments on revolving line of credit	(74,000,000)	—	—
Proceeds from term debt	45,000,000	—	—
Principal payments on term debt	(1,800,000)	—	—
Net cash provided by (used in) financing activities	$ 216,386,377	$ 157,009,029	$ (9,500,037)
Net Change in Cash and Cash Equivalents	$ 6,489,501	$ (13,049,683)	$ 145,264
Cash and Cash Equivalents at beginning of period	3,599,935	16,649,618	16,504,354
Cash and Cash Equivalents at end of period	$ 10,089,436	$ 3,599,935	$ 16,649,618
Supplemental Disclosure of Cash Flow Information			
Income taxes paid (net of refunds)	$ 314,728	$ 192,938	$ 3,761,161
Non-Cash Investing Activities			
Change in accounts payable and accrued expenses related to acquisition expenditures	$ —	$ (344,065)	$ (1,407,724)
Non-Cash Financing Activities			
Change in accounts payable and accrued expenses related to the issuance of equity	$ (72,685)	$ 72,685	$ (523,094)
Change in accounts payable and accrued expenses related to debt financing costs	$ (30,607)	$ (176,961)	$ 220,000
Reinvestment of distributions by common stockholders in additional common shares	$ 817,915	$ 140,108	$ 108,119

See accompanying Schedule I Notes to Condensed Financial Statements.

NOTES TO SCHEDULE I CONDENSED FINANCIAL STATEMENTS

NOTE A - BASIS OF PRESENTATION

In the parent-company-only financial statements, the Company's investment in subsidiaries is stated at cost plus equity in undistributed earnings of subsidiaries since the date of acquisition. The parent-company-only financial statements should be read in conjunction with the Company's consolidated financial statements.

NOTE B - DIVIDENDS FROM SUBSIDIARIES

Cash dividends paid to CorEnergy Infrastructure Trust, Inc. from the Company's consolidated subsidiaries were$23.4 million, $18.6 million, and $19.3 million for the years ended December 31, 2015, December 31, 2014, and December 31, 2013, respectively.

SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION - CorEnergy Infrastructure Trust, Inc.

			Initial Cost to Company		Cost Capitalized Subsequent to Acquisition	Gross Amount Carried at Close of Period 12/31/15					
Description	Location	Date Acquired	Land	Building & Fixtures	Improvements	Land	Building & Fixtures	Total	Accumulated Depreciation	Investment in Real Estate, net, at 12/31/15	Encumbrances
Pinedale LGS[1]	Pinedale, WY	2012	$ 105,485,063	$ 125,119,062	—	$ 105,485,063	$ 125,119,062	$ 230,604,125	$ 26,893,218	$ 203,710,907	$ 62,532,000
Portland Terminal Facility[2]	Portland, OR	2014	13,700,000	27,961,956	10,000,000	13,700,000	37,961,956	51,661,956	2,625,606	49,036,350	7,141,946 [5]
UPS	St. Louis, MO	2014	210,000	1,188,000	—	210,000	1,188,000	1,398,000	32,670	1,365,330	193,265 [5]
Grand Isle Gathering System [3] [4]	Gulf of Mexico	2015	960,000	258,471,397	—	960,000	258,471,397	259,431,397	4,317,769	255,113,628	35,864,789 [5]
			$ 120,355,063	$ 412,740,415	$ 10,000,000	$ 120,355,063	$ 422,740,415	$ 543,095,478	$ 33,869,263	$ 509,226,215	$ 105,732,000

(1) In connection with the asset acquisition, CorEnergy and Pinedale LP incurred acquisition costs of $2,557,910, which are included in the total asset balance.

(2) In connection with the asset acquisition, LCP Oregon Holdings incurred acquisition costs of $1,777,956, which are included in the total asset balance.

(3) In connection with the asset acquisition, Grand Isle Gathering System incurred acquisition costs of $1,931,396, which are included in the total asset balance.

(4) Included in the Building and Fixtures amount is $12,500,000 and included in Accumulated Depreciation is $202,536 relating to the Asset Retirement Obligation, which was included as non-cash consideration in the purchase of the asset.

(5) These 3 properties are covered by the Regions Credit Facility. The amount outstanding at that facility at December 31, 2015, is $43,200,000, which has been allocated out pro rata among these properties based on total gross amount carried at the close of December 31, 2015.

NOTES TO SCHEDULE III - CONSOLIDATED REAL ESTATE AND ACCUMULATED DEPRECIATION

Reconciliation of Real Estate and Accumulated Depreciation

	For the Years Ended December 31,		
	2015	2014	2013
Investment in real estate:			
Balance, beginning of year	$ 293,823,903	$ 244,975,206	$ 244,686,333
Addition: Acquisitions and developments	263,398,424	48,848,697	288,873
Deduction: Dispositions and other	(14,126,849)	—	—
Balance, end of year	$ 543,095,478	$ 293,823,903	$ 244,975,206
Accumulated depreciation:			
Balance, beginning of year	$ 25,295,958	$ 12,754,588	$ 1,607,624
Addition: Depreciation	15,021,908	12,541,370	11,146,964
Deduction: Dispositions and other	(6,448,603)	—	—
Balance, end of year	$ 33,869,263	$ 25,295,958	$ 12,754,588

The aggregate cost of the properties is approximately $9,646,148 lower for federal income tax purposes at December 31, 2015. The tax basis of the properties is unaudited.

SCHEDULE IV - MORTGAGE LOANS ON REAL ESTATE - CorEnergy Infrastructure Trust, Inc.

Description	Interest Rate		Final Maturity	Monthly Payment Amount (2)	Prior Liens	Face Value	Carrying Amount of Mortgage		Principal Amount of Loans Subject to Delinquent Principal or Interest
First Mortgages									
Campbell County - Wyoming (Reed, Gillette, Lemay)	12.00%	(1)	3/31/2024	$ —	None	$ 12,000,000	$ 1,857,000	(3)	$ 12,000,000
Billings, Dunn, and McKenzie Counties, North Dakota (Morlock Well)	12.00%		12/31/2024	$ 40,000	None	4,000,000	3,993,376		—
Second Mortgages									
Campbell County - Wyoming (Reed, Gillette, Lemay)	12.00%	(1)	3/31/2024	$ —	None	3,300,000	—	(3)	3,300,000
Billings, Dunn, and McKenzie Counties, North Dakota (Morlock Well)	13.00%		12/31/2024	$ 10,833	None	1,000,000	1,026,645		—
						$ 20,300,000	$ 6,877,021		$ 15,300,000

(1) Interest rate increases by 2% of the previous year's rate.

(2) Equal monthly installments comprised of interest.

(3) Due to decreased economic activity, a provision for loan loss was recorded for these loans. See Note 6 for further information.

NOTES TO SCHEDULE IV - CONSOLIDATED MORTGAGE LOANS ON REAL ESTATE

Reconciliation of Mortgage Loans on Real Estate

	For the Years Ended December 31,		
	2015	2014	2013
Beginning balance	$ 20,435,170	$ —	$ —
Additions:			
New loans	—	20,300,000	—
Net deferred costs	(8,211)	(86,508)	—
Interest receivable	302,395	220,349	—
Total Additions	$ 294,184	$ 20,433,841	$ —
Deductions:			
Principal repayments	$ 100,000	$ —	$ —
Amortization of deferred costs	(6,804)	1,329	—
Principal, Interest and Deferred Costs Write Down 1	$ 13,759,137	$ —	$ —
Total deductions	$ 13,852,333	$ 1,329	$ —
Ending balance	$ 6,877,021	$ 20,435,170	$ —

(1) This amount relates to the amounts written down relating to the Mortgage Loans. The amount of provision for loan loss on the Income Statement has an extra $25,000 that relates to a write down of a prepaid asset relating to Black Bison

CORENERGY INFRASTRUCTURE TRUST, INC.

SIGNATURES

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

CORENERGY INFRASTRUCTURE TRUST, INC.
(Registrant)

By: /s/ Rebecca M. Sandring
Rebecca M. Sandring
Chief Accounting Officer, Treasurer and Secretary
(Principal Accounting Officer and Principal Financial 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/ Richard C. Green Richard C. Green	Executive Chairman of the Board	March 14, 2016
/s/ David J. Schulte David J. Schulte	Chief Executive Officer and Director (Principal Executive Officer)	March 14, 2016
/s/ Rebecca M. Sandring Rebecca M. Sandring	Chief Accounting Officer (Principal Accounting and Principal Financial Officer), Treasurer and Secretary	March 14, 2016
/s/ Barrett Brady Barrett Brady	Director	March 14, 2016
/s/ Conrad S. Ciccotello Conrad S. Ciccotello	Director	March 14, 2016
/s/ Charles E. Heath Charles E. Heath	Director	March 14, 2016
/s/ Catherine A. Lewis Catherine A. Lewis	Director	March 14, 2016

CORENERGY INFRASTRUCTURE TRUST, INC.

ARTICLES OF AMENDMENT AND RESTATEMENT

FIRST: CorEnergy Infrastructure Trust, Inc., a Maryland corporation (the "Corporation"), desires to amend and restate its charter as currently in effect and as hereinafter amended.

SECOND: The following provisions are all the provisions of the charter currently in effect and as hereinafter amended:

ARTICLE I

INCORPORATOR

The undersigned, H. Kevin Birzer, whose address is 10801 Mastin Boulevard, Suite 222, Overland Park, Kansas 66210, being at least 18 years of age, formed a corporation under the general laws of the State of Maryland on September 8, 2005.

ARTICLE II

NAME

The name of the corporation (the "Corporation") is:

CorEnergy Infrastructure Trust, Inc.

ARTICLE III

PURPOSE

The purposes for which the Corporation is formed are to engage in any lawful act or activity (including, without limitation or obligation, engaging in business as a real estate investment trust under the Internal Revenue Code of 1986, as amended, or any successor statute (the "Code")) for which corporations may be organized under the general laws of the State of Maryland as now or hereafter in force. For purposes of these Articles, "REIT" means a real estate investment trust under Sections 856 through 860 of the Code.

ARTICLE IV

PRINCIPAL OFFICE IN STATE AND RESIDENT AGENT

The address of the principal office of the Corporation in this State is c/o The Corporation Trust Incorporated, 351 West Camden Street, Baltimore, Maryland 21201. The name and address of the resident agent of the Corporation are The Corporation Trust Incorporated, 351 West Camden Street, Baltimore, Maryland 21201. The resident agent is a Maryland corporation.

ARTICLE V

PROVISIONS FOR DEFINING, LIMITING AND REGULATING CERTAIN POWERS OF THE CORPORATION AND OF THE STOCKHOLDERS AND DIRECTORS

Section 5.1 Number, Classification and Election of Directors. The business and affairs of the Corporation shall be managed under the direction of the Board of Directors. The number of directors of the Corporation is six, which number may be increased or decreased only by the Board of Directors pursuant to the Bylaws of the Corporation (the "Bylaws"), but shall never be less than the minimum number required by the Maryland General Corporation Law (the "MGCL").

The directors may increase the number of directors and may fill any vacancy, whether resulting from an increase in the number of directors or otherwise, on the Board of Directors in the manner provided in the Bylaws.

The Corporation elects, at such time as it becomes eligible to make the election provided for under Section 3-802(b) of the MGCL, that, except as may be provided by the Board of Directors in setting the terms of any class or series of Preferred Stock (as hereinafter defined), any and all vacancies on the Board of Directors may be filled only by the affirmative vote of a majority of the remaining directors in office, even if the remaining directors do not constitute a quorum, and any director elected to fill a vacancy shall serve for the remainder of the full term of the directorship in which such vacancy occurred and until a successor is duly elected and qualifies.

On the first date on which there are at least three directors, the directors (other than any director elected solely by holders of one or more classes or series of Preferred Stock in connection with dividend arrearages) shall be classified, with respect to the terms for which they severally hold office, into three classes as determined by the Board of Directors, with Class I directors to hold office initially for a term expiring at the first annual meeting of stockholders subsequent to their election, Class II directors to hold office initially for a term expiring at the second annual meeting of stockholders subsequent to their election, and Class III directors to hold office initially for a term expiring at the third annual meeting of stockholders subsequent to their election, with each director to hold office until her or his successor is duly elected and qualifies. At each annual meeting of the stockholders, commencing with the first annual meeting of stockholders subsequent to the classification of directors, the successors to the class of directors whose term expires at such meeting shall be elected to hold office for a term expiring at the third succeeding annual meeting of stockholders following the meeting at which they were elected and until their successors are duly elected and qualify.

Section 5.2 Extraordinary Actions. Except as specifically provided in Section 5.6 (relating to removal of directors), and in Article VIII (relating to certain amendments to the Charter (as defined herein)), notwithstanding any provision of law permitting or requiring any action to be taken or approved by the affirmative vote of the holders of shares entitled to cast a greater number of votes, any such action shall be effective and valid if declared advisable by the Board of

Directors and taken or approved by the affirmative vote of holders of shares entitled to cast a majority of all the votes entitled to be cast on the matter.

Section 5.3 Authorization by Board of Stock Issuance. The Board of Directors may authorize the issuance from time to time of shares of stock of the Corporation of any class or series, whether now or hereafter authorized, or securities or rights convertible into shares of its stock of any class or series, whether now or hereafter authorized, for such consideration, if any, as the Board of Directors may deem advisable (or without consideration in the case of a stock split or stock dividend), subject to such restrictions or limitations, if any, as may be set forth in the charter of the Corporation (the "Charter") or the Bylaws.

Section 5.4 Preemptive Rights and Appraisal Rights. Except as may be provided by the Board of Directors in setting the terms of classified or reclassified shares of stock pursuant to Section 6.4 or as may otherwise be provided by contract, no holder of shares of stock of the Corporation shall, as such holder, have any preemptive right to purchase or subscribe for any additional shares of stock of the Corporation or any other security of the Corporation which it may issue or sell. No holder of stock of the Corporation shall be entitled to exercise the rights of an objecting stockholder under Title 3, Subtitle 2 of the MGCL or any successor statute unless the Board of Directors, upon the affirmative vote of a majority of the entire Board of Directors, shall determine that such rights apply, with respect to all or any classes or series of stock, or any proportion of the shares thereof, to a particular transaction or all transactions occurring after the date of such determination in connection with which holders of such shares would otherwise be entitled to exercise such rights.

Section 5.5 Determinations by Board. The determination as to any of the following matters, made in good faith by or pursuant to the direction of the Board of Directors consistent with the Charter, shall be final and conclusive and shall be binding upon the Corporation and every holder of shares of its stock: the amount of the net income of the Corporation for any period and the amount of assets at any time legally available for the payment of dividends, redemption of its stock or the payment of other distributions on its stock; the amount of paid-in surplus, net assets, other surplus, annual or other cash flow, funds from operations, net profit, net assets in excess of capital, undivided profits or excess of profits over losses on sales of assets; the amount, purpose, time of creation, increase or decrease, alteration or cancellation of any reserves or charges and the propriety thereof (whether or not any obligation or liability for which such reserves or charges shall have been created shall have been paid or discharged); any interpretation of the terms, preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends or other distributions, qualifications or terms or conditions of redemption of any class or series of stock of the Corporation; the fair value, or any sale, bid or asked price to be applied in determining the fair value, of any asset owned or held by the Corporation or of any shares of stock of the Corporation; the number of shares of stock of any class or series of the Corporation; any matter relating to the acquisition, holding and disposition of any assets by the Corporation; or any other matter relating to the business and affairs of the Corporation or required or permitted by applicable law, the Charter or Bylaws or otherwise to be determined by the Board of Directors.

Section 5.6 Removal of Directors. Subject to the rights of holders of one or more classes or series of Preferred Stock to elect or remove one or more directors, any director, or the entire Board of Directors, may be removed from office at any time only for cause and only by the affirmative vote of at least two-thirds of the votes entitled to be cast generally in the election of directors. For the purpose of this paragraph, “cause” shall mean, with respect to any particular director, conviction of a felony or a final judgment of a court of competent jurisdiction holding that such director caused demonstrable, material harm to the Corporation through bad faith or active and deliberate dishonesty.

Section 5.7 REIT Qualification. If the Corporation elects to qualify for federal income tax treatment as a REIT, the Board of Directors shall use its reasonable best efforts to take such actions as are necessary or appropriate to preserve the status of the Corporation as a REIT; however, if the Board of Directors determines that it is no longer in the best interests of the Corporation to continue to be qualified as a REIT, the Board of Directors may revoke or otherwise terminate the Corporation’s REIT election pursuant to Section 856(g) of the Code. The Board of Directors also may determine that compliance with any restriction or limitation on stock ownership and transfers set forth in Article VII is no longer required for REIT qualification.

Section 5.8 Advisor Agreements. Subject to such approval of stockholders and other conditions, if any, as may be required by any applicable statute, rule or regulation, the Board of Directors may authorize the execution and performance by the Corporation of one or more agreements with any person, corporation, association, company, trust, partnership (limited or general) or other organization whereby, subject to the supervision and control of the Board of Directors, any such other person, corporation, association, company, trust, partnership (limited or general) or other organization shall render or make available to the Corporation managerial, investment, advisory and/or related services, office space and other services and facilities (including, if deemed advisable by the Board of Directors, the management or supervision of the investments of the Corporation) upon such terms and conditions as may be provided in such agreement or agreements (including, if deemed fair and equitable by the Board of Directors, the compensation payable thereunder by the Corporation).

ARTICLE VI

STOCK

Section 6.1 Authorized Shares. The Corporation has authority to issue 110,000,000 shares of stock, consisting of 100,000,000 shares of Common Stock, $.001 par value per share (“Common Stock”), and 10,000,000 shares of Preferred Stock, $.001 par value per share (“Preferred Stock”). The aggregate par value of all authorized shares of stock having par value is $110,000. If shares of one class or series of stock are classified or reclassified into shares of another class or series of stock pursuant to this Article VI, the number of authorized shares of the former class or series shall be automatically decreased and the number of shares of the latter class or series shall be automatically increased, in each case by the number of shares so classified or reclassified, so that the aggregate number of shares of stock of all classes or series that the Corporation has authority to issue shall not be more than the total number of shares of stock set forth in the first sentence of this paragraph. The Board of Directors, without any action by the stockholders of the Corporation, may amend the 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 the Corporation has authority to issue.

Section 6.2 Common Stock. Each share of Common Stock shall entitle the holder thereof to one vote. The Board of Directors may reclassify any unissued shares of Common Stock from time to time in one or more classes or series of stock.

Section 6.3 Preferred Stock. The Board of Directors may classify any unissued shares of Preferred Stock and reclassify any previously classified but unissued shares of Preferred Stock of any series from time to time, in one or more classes or series of stock.

Section 6.4 Classified or Reclassified Shares. Prior to issuance of classified or reclassified shares of any class or series, the Board of Directors by resolution shall: (a) designate that class or series to distinguish it from all other classes and series of stock of the Corporation; (b) specify the number of shares to be included in the class or series; (c) set or change, subject to the express terms of any class or series of stock of the Corporation outstanding at the time, the preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends or other distributions, qualifications and terms and conditions of redemption for each class or series; and (d) cause the Corporation to file articles supplementary with the State Department of Assessments and Taxation of Maryland ("SDAT"). Any of the terms of any class or series of stock set or changed pursuant to clause (c) of this Section 6.4 may be made dependent upon facts or events ascertainable outside the Charter (including determinations by the Board of Directors or other facts or events within the control of the Corporation) and may vary among holders thereof, provided that the manner in which such facts, events or variations shall operate upon the terms of such class or series of stock is clearly and expressly set forth in the articles supplementary or other charter document filed with the SDAT.

Section 6.5 Charter and Bylaws. The rights of all stockholders and the terms of all stock are subject to the provisions of the Charter and the Bylaws. The Board of Directors of the Corporation shall have the exclusive power to make, alter, amend or repeal the Bylaws.

ARTICLE VII

RESTRICTION ON TRANSFER AND OWNERSHIP OF SHARES

Section 7.1 Definitions. For the purpose of this Article VII, the following terms shall have the following meanings:

Aggregate Stock Ownership Limit. The term "Aggregate Stock Ownership Limit" shall mean 9.8 percent in value of the aggregate of the outstanding shares of Capital Stock, or such other percentage determined by the Board of Directors in accordance with Section 7.2.8 of the Charter.

Beneficial Ownership. The term "Beneficial Ownership" shall mean ownership of Capital Stock by a Person, whether the interest in the shares of Capital Stock is held directly or indirectly (including by a nominee), and shall include interests that would be treated as owned through the application of Section 544 of the Code, as modified by Section 856(h)(1)(B) of the

Code. The terms “Beneficial Owner,” “Beneficially Owns” and “Beneficially Owned” shall have the correlative meanings.

Business Day. The term “Business Day” shall mean any day, other than a Saturday or Sunday, that is neither a legal holiday nor a day on which banking institutions in New York City are authorized or required by law, regulation or executive order to close.

Capital Stock. The term “Capital Stock” shall mean all classes or series of stock of the Corporation, including, without limitation, Common Stock and Preferred Stock.

Charitable Beneficiary. The term “Charitable Beneficiary” shall mean one or more beneficiaries of the Trust as determined pursuant to Section 7.3.6, provided that each such organization must be described in Section 501(c)(3) of the Code and contributions to each such organization must be eligible for deduction under each of Sections 170(b)(1)(A), 2055 and 2522 of the Code.

Common Stock Ownership Limit. The term “Common Stock Ownership Limit” shall mean 9.8 percent (in value or in number of shares, whichever is more restrictive) of the aggregate of the outstanding shares of Common Stock of the Corporation, or such other percentage determined by the Board of Directors in accordance with Section 7.2.8 of the Charter.

Constructive Ownership. The term “Constructive Ownership” shall mean ownership of Capital Stock by a Person, whether the interest in the shares of Capital Stock is held directly or indirectly (including by a nominee), and shall include interests that would be treated as owned through the application of Section 318(a) of the Code, as modified by Section 856(d)(5) of the Code. The terms “Constructive Owner,” “Constructively Owns” and “Constructively Owned” shall have the correlative meanings.

Excepted Holder. The term “Excepted Holder” shall mean a stockholder of the Corporation for whom an Excepted Holder Limit is created by these Articles or by the Board of Directors pursuant to Section 7.2.7.

Excepted Holder Limit. The term “Excepted Holder Limit” shall mean, provided that the affected Excepted Holder agrees to comply with the requirements established by the Board of Directors pursuant to Section 7.2.7 and subject to adjustment pursuant to Section 7.2.8, the percentage limit established by the Board of Directors pursuant to Section 7.2.7.

Initial Date. The term “Initial Date” shall mean the date upon which the Articles of Amendment and Restatement containing this Article VII are accepted for record by the SDAT.

Market Price. The term “Market Price” on any date shall mean, with respect to any class or series of outstanding shares of Capital Stock, the Closing Price for such Capital Stock on such date. The “Closing Price” on any date shall mean the last sale price for such Capital Stock, regular way, or, in case no such sale takes place on such day, the average of the closing bid and asked prices, regular way, for such Capital Stock, in either case as reported in the principal consolidated transaction reporting system with respect to securities listed or admitted to trading on the NYSE or, if such Capital Stock is not listed or admitted to trading on the NYSE, as reported on the principal consolidated transaction reporting system with respect to securities listed on the principal national securities exchange on which such Capital Stock is listed or admitted to trading or, if such Capital Stock is not listed or admitted to trading on any national securities exchange, the last quoted price, or, if not so quoted, the average of the high bid and low asked prices in the over-the-counter market, as reported by the National Association of Securities Dealers, Inc. Automated Quotation System or, if such system is no longer in use, the principal other automated quotation system that may then be in use or, if such Capital Stock is not quoted by any such organization, the average of the closing bid and asked prices as furnished by a professional market maker making a market in such Capital Stock selected by the Board of Directors of the Corporation or, in the event that no trading price is available for such Capital Stock, the fair market value of the Capital Stock, as determined in good faith by the Board of Directors of the Corporation.

NYSE. The term "NYSE" shall mean the New York Stock Exchange.

Person. The term "Person" shall mean an individual, corporation, partnership, estate, trust (including a trust qualified under Sections 401(a) or 501(c)(17) of the Code), a portion of a trust permanently set aside for or to be used exclusively for the purposes described in Section 642(c) of the Code, association, private foundation within the meaning of Section 509(a) of the Code, joint stock company or other entity and also includes a group as that term is used for purposes of Section 13(d)(3) of the Securities Exchange Act of 1934, as amended, and a group to which an Excepted Holder Limit applies.

Prohibited Owner. The term "Prohibited Owner" shall mean, with respect to any purported Transfer, any Person who, but for the provisions of this Article VII, would Beneficially Own or Constructively Own shares of Capital Stock in violation of Section 7.2.1, and if appropriate in the context, shall also mean any Person who would have been the record owner of the shares that the Prohibited Owner would have so owned.

Restriction Termination Date. The term "Restriction Termination Date" shall mean the first day after the Initial Date on which the Corporation determines pursuant to Section 5.7 of the Charter that it is no longer in the best interests of the Corporation to attempt to, or continue to, qualify as a REIT or that compliance with the restrictions and limitations on Beneficial Ownership, Constructive Ownership and Transfers of shares of Capital Stock set forth herein is no longer required in order for the Corporation to qualify as a REIT.

Transfer. The term "Transfer" shall mean any issuance, sale, transfer, gift, assignment, devise or other disposition, as well as any other event that causes any Person to acquire Beneficial Ownership or Constructive Ownership, or any agreement to take any such actions or cause any such events, of Capital Stock or the right to vote or receive dividends on Capital Stock, including (a) the granting or exercise of any option (or any disposition of any option), (b) any disposition of any securities or rights convertible into or exchangeable for Capital Stock or any interest in Capital Stock or any exercise of any such conversion or exchange right and (c) Transfers of interests in other entities that result in changes in Beneficial or Constructive Ownership of Capital Stock; in each case, whether voluntary or involuntary, whether owned of record, Constructively Owned or Beneficially Owned and whether by operation of law or otherwise. The terms "Transferring" and "Transferred" shall have the correlative meanings.

Trust. The term "Trust" shall mean any trust provided for in Section 7.3.1.

Trustee. The term “Trustee” shall mean the Person unaffiliated with the Corporation and a Prohibited Owner, that is appointed by the Corporation to serve as trustee of the Trust.

Section 7.2 Capital Stock.

Section 7.2.1 Ownership Limitations. During the period commencing on the Initial Date and prior to the Restriction Termination Date, but subject to Section 7.4:

(a) Basic Restrictions.

(i) (1) No Person, other than an Excepted Holder, shall Beneficially Own or Constructively Own shares of Capital Stock in excess of the Aggregate Stock Ownership Limit, (2) no Person, other than an Excepted Holder, shall Beneficially Own or Constructively Own shares of Common Stock in excess of the Common Stock Ownership Limit and (3) no Excepted Holder shall Beneficially Own or Constructively Own shares of Capital Stock in excess of the Excepted Holder Limit for such Excepted Holder.

(ii) No Person shall Beneficially or Constructively Own shares of Capital Stock to the extent that such Beneficial or Constructive Ownership of Capital Stock would result in the Corporation being “closely held” within the meaning of Section 856(h) of the Code (without regard to whether the ownership interest is held during the last half of a taxable year), or otherwise failing to qualify as a REIT (including, but not limited to, Beneficial or Constructive Ownership that would result in the Corporation 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 the Corporation from such tenant would cause the Corporation to fail to satisfy any of the gross income requirements of Section 856(c) of the Code).

(iii) Any Transfer of shares of Capital Stock that, if effective, would result in the Capital Stock being beneficially owned by less than 100 Persons (determined under the principles of Section 856(a)(5) of the Code) shall be void ab initio, and the intended transferee shall acquire no rights in such shares of Capital Stock.

(b) Transfer in Trust. If any Transfer of shares of Capital Stock occurs which, if effective, would result in any Person Beneficially Owning or Constructively Owning shares of Capital Stock in violation of Section 7.2.1(a)(i) or (ii),

(i) then that number of shares of the Capital Stock the Beneficial or Constructive Ownership of which otherwise would cause such Person to violate Section 7.2.1(a)(i) or (ii)(rounded to the nearest whole share) shall be automatically transferred to a Trust for the benefit of a Charitable Beneficiary, as described in Section 7.3, effective as of the close of business on the Business Day prior to the date of such Transfer, and such Person shall acquire no rights in such shares; or

(ii) if the transfer to the Trust described in clause (i) of this sentence would not be effective for any reason to prevent the violation of Section 7.2.1(a)(i) or (ii), then the Transfer of that number of shares of Capital Stock that otherwise would cause any Person to violate Section 7.2.1(a)(i) or (ii) shall be void ab initio, and the intended transferee shall acquire no rights in such shares of Capital Stock.

(iii) To the extent that, upon a transfer of shares of Capital Stock pursuant to this Section 7.2.1(b), a violation of any provision of this Article VII would nonetheless be continuing (for example where the ownership of shares of Capital Stock by a single Charitable Trust would violate the 100 stockholder requirement applicable to REITs), then shares of Capital Stock shall be transferred to that number of Charitable Trusts, each having a distinct Charitable Trustee and a Charitable Beneficiary or Beneficiaries that are distinct from those of each other Charitable Trust, such that there is no violation of any provision of this Article VII.

Section 7.2.2 Remedies for Breach. If the Board of Directors of the Corporation or any duly authorized committee thereof shall at any time determine in good faith that a Transfer or other event has taken place that results in a violation of Section 7.2.1 or that a Person intends to acquire or has attempted to acquire Beneficial or Constructive Ownership of any shares of Capital Stock in violation of Section 7.2.1 (whether or not such violation is intended), the Board of Directors or a committee thereof shall take such action as it deems advisable to refuse to give effect to or to prevent such Transfer or other event, including, without limitation, causing the Corporation to redeem shares, refusing to give effect to such Transfer on the books of the Corporation or instituting proceedings to enjoin such Transfer or other event; provided, however, that any Transfer or attempted Transfer or other event in violation of Section 7.2.1 shall automatically result in the transfer to the Trust described above, and, where applicable, such Transfer (or other event) shall be void ab initio as provided above irrespective of any action (or non-action) by the Board of Directors or a committee thereof.

Section 7.2.3 Notice of Restricted Transfer. Any Person who acquires or attempts or intends to acquire Beneficial Ownership or Constructive Ownership of shares of Capital Stock that will or may violate Section 7.2.1(a) or any Person who would have owned shares of Capital Stock that resulted in a transfer to the Trust pursuant to the provisions of Section 7.2.1(b) shall immediately give written notice to the Corporation of such event or, in the case of such a proposed or attempted transaction, give at least 15 days prior written notice, and shall provide to the Corporation such other information as the Corporation may request in order to determine the effect, if any, of such Transfer on the Corporation's status as a REIT.

Section 7.2.4 Owners Required To Provide Information. From the Initial Date and prior to the Restriction Termination Date:

(a) every owner of five percent or more (or such lower percentage as required by the Code or the Treasury Regulations promulgated thereunder) of the outstanding shares of Capital Stock, within 30 days after the end of each taxable year, shall give written notice to the Corporation stating the name and address of such owner, the number of shares of Capital Stock Beneficially Owned and a description of the manner in which such shares are held. Each such owner shall provide to the Corporation such additional information as the Corporation may request in order to determine the effect, if any, of such Beneficial Ownership on the Corporation's status as a REIT and to ensure compliance with the Aggregate Stock Ownership Limit; and

(b) each Person who is a Beneficial or Constructive Owner of Capital Stock and each Person (including the stockholder of record) who is holding Capital Stock for a Beneficial or Constructive Owner shall provide to the Corporation such information as the Corporation may request, in good faith, in order to determine the Corporation's status as a REIT and to comply with requirements of any taxing authority or governmental authority or to determine such compliance.

Section 7.2.5 Remedies Not Limited. Subject to Section 5.7 of the Charter, nothing contained in this Section 7.2 shall limit the authority of the Board of Directors of the Corporation to take such other action as it deems necessary or advisable to protect the Corporation and the interests of its stockholders in preserving the Corporation's status as a REIT.

Section 7.2.6 Ambiguity. In the case of an ambiguity in the application of any of the provisions of this Section 7.2, Section 7.3, or any definition contained in Section 7.1, the Board of Directors of the Corporation shall have the power to determine the application of the provisions of this Section 7.2 or Section 7.3 or any such definition with respect to any situation based on the facts known to it. In the event Section 7.2 or 7.3 requires an action by the Board of Directors and the Charter fails to provide specific guidance with respect to such action, the Board of Directors shall have the power to determine the action to be taken so long as such action is not contrary to the provisions of Sections 7.1, 7.2 or 7.3. Absent a decision to the contrary by the Board of Directors (which the Board may make in its sole and absolute discretion), if a Person would have (but for the remedies set forth in Section 7.2.2) acquired Beneficial or Constructive Ownership of Stock in violation of Section 7.2.1, such remedies (as applicable) shall apply first to the shares of Stock which, but for such remedies, would have been Beneficially Owned or Constructively Owned (but not actually owned) by such Person, pro rata among the Persons who actually own such shares of Stock based upon the relative number of the shares of Stock held by each such Person.

Section 7.2.7 Exceptions.

(a) Subject to Section 7.2.1(a)(ii), the Board of Directors of the Corporation, in its sole discretion, may exempt (prospectively or retroactively) a Person from the Aggregate Stock Ownership Limit and the Common Stock Ownership Limit, as the case may be, and may establish or increase an Excepted Holder Limit for such Person if:

(i) the Board of Directors obtains such representations and undertakings from such Person as are reasonably necessary to ascertain that no individual's Beneficial or Constructive Ownership of such shares of Capital Stock will violate Section 7.2.1(a)(ii);

(ii) such Person does not and represents that it will not own, actually or Constructively, an interest in a tenant of the Corporation (or a tenant of any entity owned or controlled by the Corporation) that would cause the Corporation to own, actually or Constructively, more than a 9.9% interest (as set forth in Section 856(d)(2)(B) of the Code) in such tenant and the Board of Directors obtains such representations and undertakings from such Person as are reasonably necessary to ascertain this fact (for this purpose, a tenant from whom the Corporation (or an entity owned or controlled by the Corporation) derives (and is expected to continue to derive) a sufficiently small amount of revenue such that, in the opinion of the Board of Directors of the Corporation, rent from such tenant would not adversely affect the Corporation's ability to qualify as a REIT shall not be treated as a tenant of the Corporation); and

(iii) such Person agrees that any violation or attempted violation of such representations or undertakings (or other action which is contrary to the restrictions contained in Sections 7.2.1 through 7.2.6) will result in such shares of Capital Stock being automatically transferred to a Trust in accordance with Sections 7.2.1(b) and 7.3.

(b) Prior to granting any exception pursuant to Section 7.2.7(a), the Board of Directors of the Corporation may require a ruling from the Internal Revenue Service, or an opinion of counsel, in either case in form and substance satisfactory to the Board of Directors in its sole discretion, as it may deem necessary or advisable in order to determine or ensure the Corporation's status as a REIT. Notwithstanding the receipt of any ruling or opinion, the Board of Directors may impose such conditions or restrictions as it deems appropriate in connection with granting such exception.

(c) Subject to Section 7.2.1(a)(ii), an underwriter which participates in a public offering or a private placement of Capital Stock (or securities convertible into or exchangeable for Capital Stock) may Beneficially Own or Constructively Own shares of Capital Stock (or securities convertible into or exchangeable for Capital Stock) in excess of the Aggregate Stock Ownership Limit, the Common Stock Ownership Limit, or both such limits, but only to the extent necessary to facilitate such public offering or private placement.

(d) The Board of Directors may only reduce the Excepted Holder Limit for an Excepted Holder: (1) with the written consent of such Excepted Holder at any time, or (2) pursuant to the terms and conditions of the agreements and undertakings entered into with such Excepted Holder in connection with the establishment of the Excepted Holder Limit for that Excepted Holder. No Excepted Holder Limit shall be reduced to a percentage that is less than the Common Stock Ownership Limit.

Section 7.2.8 Increase or Decrease in Common Stock Ownership or Aggregate Stock Ownership Limits. Subject to Section 7.2.1 (a)(ii), the Board of Directors may from time to time increase the Common Stock Ownership Limit and the Aggregate Stock Ownership Limit for one or more Persons and decrease the Common Stock Ownership Limit and the Aggregate Stock Ownership Limit for all other Persons; provided, however, that the decreased Common Stock Ownership Limit or Aggregate Stock Ownership Limit will not be effective for any Person whose percentage ownership in Stock is in excess of such decreased Common Stock Ownership Limit or Aggregate Stock Ownership Limit until such time as such Person's percentage of Stock equals or falls below the decreased Common Stock Ownership Limit and/or Aggregate Stock Ownership Limit, but any further acquisition of Stock by such person will be in violation of the Common Stock Ownership Limit or Aggregate Stock Ownership Limit and, provided further, that the new Common Stock Ownership Limit and/or Aggregate Stock Ownership Limit would not allow five or fewer Persons to Beneficially Own more than 49.9% in value of the outstanding Stock.

Section 7.2.9 Legend. Each certificate for shares of Capital Stock shall bear substantially the following legend:

> The shares represented by this certificate are subject to restrictions on Beneficial and Constructive Ownership and Transfer for the purpose, among others, of the Corporation's maintenance of its status

as a Real Estate Investment Trust under the Internal Revenue Code of 1986, as amended (the "Code"). Subject to certain further restrictions and except as expressly provided in the Corporation's Charter, (i) no Person may Beneficially or Constructively Own shares of the Corporation's Common Stock in excess of the Common Stock Ownership Limit unless such Person is an Excepted Holder (in which case the Excepted Holder Limit shall be applicable); (ii) no Person may Beneficially or Constructively Own shares of Capital Stock of the Corporation in excess of the Aggregate Stock Ownership Limit, unless such Person is an Excepted Holder (in which case the Excepted Holder Limit shall be applicable); (iii) no Person may Beneficially or Constructively Own Capital Stock that would result in the Corporation being "closely held" under Section 856(h) of the Code or otherwise cause the Corporation to fail to qualify as a REIT; and (iv) no Person may Transfer shares of Capital Stock if such Transfer would result in the Capital Stock of the Corporation being owned by fewer than 100 Persons. Any Person who Beneficially or Constructively Owns or attempts to Beneficially or Constructively Own shares of Capital Stock which causes or will cause a Person to Beneficially or Constructively Own shares of Capital Stock in excess or in violation of the above limitations must immediately notify the Corporation. If any of the restrictions on transfer or ownership are violated, the shares of Capital Stock represented hereby will be automatically transferred to a Trustee of a Trust for the benefit of one or more Charitable Beneficiaries. In addition, the Corporation may redeem shares upon the terms and conditions specified by the Board of Directors in its sole discretion if the Board of Directors determines that ownership or a Transfer or other event may violate the restrictions described above. Furthermore, upon the occurrence of certain events, attempted Transfers in violation of the restrictions described above may be void ab initio. All capitalized terms in this legend have the meanings defined in the Charter of the Corporation, as the same may be amended from time to time, a copy of which, including the restrictions on transfer and ownership, will be furnished to each holder of Capital Stock of the Corporation on request and without charge. Requests for such a copy may be directed to the Secretary of the Corporation at its Principal Office.

Instead of the foregoing legend, the certificate may state that the Corporation will furnish a full statement about certain restrictions on transferability to a stockholder on request and without charge.

Section 7.3 Transfer of Capital Stock in Trust.

Section 7.3.1 Ownership in Trust. Upon any purported Transfer or other event described in Section 7.2.1(b) that would result in a transfer of shares of Capital Stock to a

Trust, such shares of Capital Stock shall be deemed to have been transferred to the Trustee as trustee of a Trust for the exclusive benefit of one or more Charitable Beneficiaries. Such transfer to the Trustee shall be deemed to be effective as of the close of business on the Business Day prior to the purported Transfer or other event that results in the transfer to the Trust pursuant to Section 7.2.1(b). The Trustee shall be appointed by the Corporation and shall be a Person unaffiliated with the Corporation and any Prohibited Owner. Each Charitable Beneficiary shall be designated by the Corporation as provided in Section 7.3.6.

Section 7.3.2 Status of Shares Held by the Trustee. Shares of Capital Stock held by the Trustee shall be issued and outstanding shares of Capital Stock of the Corporation. The Prohibited Owner shall have no rights in the shares held by the Trustee. The Prohibited Owner shall not benefit economically from ownership of any shares held in trust by the Trustee, shall have no rights to dividends or other distributions and shall not possess any rights to vote or other rights attributable to the shares held in the Trust.

Section 7.3.3 Dividend and Voting Rights. The Trustee shall have all voting rights and rights to dividends or other distributions with respect to shares of Capital Stock held in the Trust, which rights shall be exercised for the exclusive benefit of the Charitable Beneficiary. Any dividend or other distribution paid prior to the discovery by the Corporation that the shares of Capital Stock have been transferred to the Trustee shall be paid by the recipient of such dividend or distribution to the Trustee upon demand and any dividend or other distribution authorized but unpaid shall be paid when due to the Trustee. Any dividend or distribution so paid to the Trustee shall be held in trust for the Charitable Beneficiary. The Prohibited Owner shall have no voting rights with respect to shares held in the Trust and, subject to Maryland law, effective as of the date that the shares of Capital Stock have been transferred to the Trustee, the Trustee shall have the authority (at the Trustee's sole discretion) (i) to rescind as void any vote cast by a Prohibited Owner prior to the discovery by the Corporation that the shares of Capital Stock have been transferred to the Trustee and (ii) to recast such vote in accordance with the desires of the Trustee acting for the benefit of the Charitable Beneficiary; provided, however, that if the Corporation has already taken irreversible corporate action, then the Trustee shall not have the authority to rescind and recast such vote. Notwithstanding the provisions of this Article VII, until the Corporation has received notification that shares of Capital Stock have been transferred into a Trust, the Corporation shall be entitled to rely on its share transfer and other stockholder records for purposes of preparing lists of stockholders entitled to vote at meetings, determining the validity and authority of proxies and otherwise conducting votes of stockholders.

Section 7.3.4 Sale of Shares by Trustee. Within 20 days of receiving notice from the Corporation that shares of Capital Stock have been transferred to the Trust, the Trustee of the Trust shall sell the shares held in the Trust to a person, designated by the Trustee, whose ownership of the shares will not violate the ownership limitations set forth in Section 7.2.1(a). Upon such sale, the interest of the Charitable Beneficiary in the shares sold shall terminate and the Trustee shall distribute the net proceeds of the sale to the Prohibited Owner and to the Charitable Beneficiary as provided in this Section 7.3.4. The Prohibited Owner shall receive the lesser of (1) 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 Trust (*e.g.*, in the case of a gift, devise or other such transaction), the Market Price of the shares on the day of the event causing the shares to be held in the Trust and (2) the price per share received by the Trustee (net of any commissions and other expenses of sale) from the sale or other disposition of the shares held in the Trust. The Trustee may reduce the amount payable to the Prohibited Owner by the amount of dividends and distributions which have been paid to the Prohibited Owner and are owed by the Prohibited Owner to the Trustee pursuant to Section 7.3.3 of this Article VII. Any net sales proceeds in excess of the amount payable to the Prohibited Owner shall be immediately paid to the Charitable Beneficiary. If, prior to the discovery by the Corporation that shares of Capital Stock have been transferred to the Trustee, such shares are sold by a Prohibited Owner, then (i) such shares shall be deemed to have been sold on behalf of the Trust and (ii) 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 this Section 7.3.4, such excess shall be paid to the Trustee upon demand.

Section 7.3.5 Purchase Right in Stock Transferred to the Trustee. Shares of Capital Stock transferred to the Trustee shall be deemed to have been offered for sale to the Corporation, or its designee, at a price per share equal to the lesser of (i) the price per share in the transaction that resulted in such transfer to the Trust (or, in the case of a devise or gift, the Market Price at the time of such devise or gift) and (ii) the Market Price on the date the Corporation, or its designee, accepts such offer. The Corporation may reduce the amount payable to the Prohibited Owner by the amount of dividends and distributions which has been paid to the Prohibited Owner and are owed by the Prohibited Owner to the Trustee pursuant to Section 7.3.3 of this Article VII. The Corporation may pay the amount of such reduction to the Trustee for the benefit of the Charitable Beneficiary. The Corporation shall have the right to accept such offer until the Trustee has sold the shares held in the Trust pursuant to Section 7.3.4. Upon such a sale to the Corporation, the interest of the Charitable Beneficiary in the shares sold shall terminate and the Trustee shall distribute the net proceeds of the sale to the Prohibited Owner.

Section 7.3.6 Designation of Charitable Beneficiaries. By written notice to the Trustee, the Corporation shall designate one or more nonprofit organizations to be the Charitable Beneficiary of the interest in the Trust such that (i) the shares of Capital Stock held in the Trust would not violate the restrictions set forth in Section 7.2.1(a) in the hands of such Charitable Beneficiary and (ii) each such organization must be described in Section 501(c)(3) of the Code and contributions to each such organization must be eligible for deduction under each of Sections 170(b)(1)(A), 2055 and 2522 of the Code. Neither the failure of the Corporation to make such designation nor the failure of the Corporation to appoint the Trustee before the automatic transfer provided in Section 7.2.1(b) shall make such transfer ineffective, provided that the Corporation thereafter makes such designation and appointment.

Section 7.4 NYSE Transactions. Nothing in this Article VII shall preclude the settlement of any transaction entered into through the facilities of the NYSE or any other national securities exchange or automated inter-dealer quotation system. The fact that the settlement of any transaction occurs shall not negate the effect of any other provision of this Article VII and any transferee in such a transaction shall be subject to all of the provisions and limitations set forth in this Article VII.

Section 7.5 Enforcement. The Corporation is authorized specifically to seek equitable relief, including injunctive relief, to enforce the provisions of this Article VII.

Section 7.6 Non-Waiver. No delay or failure on the part of the Corporation or the Board of Directors in exercising any right hereunder shall operate as a waiver of any right of the Corporation or the Board of Directors, as the case may be, except to the extent specifically waived in writing.

ARTICLE VIII

AMENDMENTS

The Corporation reserves the right from time to time to make any amendment to the Charter, now or hereafter authorized by law, including any amendment altering the terms or contract rights, as expressly set forth in the Charter, of any shares of outstanding stock. All rights and powers conferred by the Charter on stockholders, directors and officers are granted subject to this reservation. Except as set forth below and except for those amendments permitted to be made without stockholder approval under Maryland law or by specific provision in the Charter, any amendment to the Charter shall be valid only if declared advisable by the Board of Directors and approved by the affirmative vote of holders of shares entitled to cast a majority of all the votes entitled to be cast on the matter. Notwithstanding the foregoing, any amendment to Section 5.6 or to this sentence of the Charter shall be valid only if declared advisable by the Board of Directors and approved by the affirmative vote of holders of shares entitled to cast at least two-thirds of all the votes entitled to be cast on the matter.

ARTICLE IX

LIMITATION OF LIABILITY; INDEMNIFICATION AND ADVANCE OF EXPENSES

Section 9.1 Limitation of Liability. To the maximum extent that Maryland law in effect from time to time permits limitation of the liability of directors and officers of a corporation, no present or former director or officer of the Corporation shall be liable to the Corporation or its stockholders for money damages.

Section 9.2 Indemnification and Advance of Expenses. The Corporation shall have the power, to the maximum extent permitted by Maryland law in effect from time to time, to obligate itself to indemnify, and to pay or reimburse reasonable expenses in advance of final disposition of a proceeding to, (a) any individual who is a present or former director or officer of the Corporation or (b) any individual who, while a director or officer of the Corporation and at the request of the Corporation, serves or has served as a director, officer, partner or trustee of another corporation, real estate investment trust, partnership, joint venture, trust, employee benefit plan or any other enterprise from and against any claim or liability to which such person may become subject or which such person may incur by reason of his or her service in any such capacity. The Corporation shall have the power, with the approval of the Board of Directors, to provide such indemnification and advancement of expenses to a person who served a predecessor of the Corporation in any of the capacities described in (a) or (b) above and to any employee or agent of the Corporation or a predecessor of the Corporation.

Section 9.3 Amendment or Repeal. Neither the amendment nor repeal of this Article IX, nor the adoption or amendment of any other provision of the Charter or Bylaws inconsistent with this Article IX, shall apply to or affect in any respect the applicability of the preceding sections of this Article IX with respect to any act or failure to act which occurred prior to such amendment, repeal or adoption.

THIRD: The amendment to and restatement of the charter as hereinabove set forth have been duly advised by the Board of Directors and approved by the stockholders of the Corporation as required by law.

FOURTH: The current address of the principal office of the Corporation is as set forth in Article IV of the foregoing amendment and restatement of the charter.

FIFTH: The name and address of the Corporation's current resident agent is as set forth in Article IV of the foregoing amendment and restatement of the charter.

SIXTH: The number of directors of the Corporation are as set forth in Article V of the foregoing amendment and restatement of the charter, and the names of the directors currently in office are Richard C. Green, David J. Schulte, Charles E. Heath, Conrad S. Ciccotello, Catherine A. Lewis, and Barrett Brady.

SEVENTH: The undersigned President acknowledges these Articles of Amendment and Restatement to be the corporate act of the Corporation and as to all matters or facts required to be verified under oath, the undersigned President acknowledges that, to the best of his knowledge, information and belief, these matters and facts are true in all material respects and that this statement is made under the penalties for perjury.

Section 9.4 [SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Corporation has caused these Articles of Amendment and Restatement to be signed in its name and on its behalf by its President and attested to by its Secretary on this 10th day of January, 2014.

CORENERGY INFRASTRUCTURE TRUST, INC.

By: /s/ David J. Schulte

David J. Schulte

President and Chief Executive Officer

ATTEST:

/s/ Rebecca M. Sandring

Rebecca M. Sandring

Chief Accounting Officer/Treasurer

CORENERGY INFRASTRUCTURE TRUST, INC.

ARTICLES OF AMENDMENT

CorEnergy Infrastructure Trust, Inc., a Maryland corporation (the "Corporation"), hereby certifies to the State Department of Assessments and Taxation of Maryland that:

FIRST: The charter of the Corporation (the "Charter") is hereby amended to provide that:

Upon the Effective Time (as defined below), every five (5) shares of common stock, $0.001 par value per share (the " Common Stock"), of the Corporation which were issued and outstanding immediately prior to the Effective Time shall, automatically and without any action on the part of the respective holders thereof, be changed into one (1) issued and outstanding share of Common Stock, $0.005 par value per share (the "Reverse Stock Split"). No fractional shares shall be issued in connection with the Reverse Stock Split. Stockholders who otherwise would be entitled to receive fractional shares of Common Stock shall be entitled to receive cash (without interest or deduction) from the Corporation's transfer agent in lieu of such fractional share interests upon the submission of a transmission letter by a stockholder holding the shares in book-entry form and, where shares are held in certificated form, upon the surrender of the stockholder's Old Certificates (as defined below), in an amount equal to the product obtained by multiplying (a) the closing price per share of the Common Stock as reported on the New York Stock Exchange as of the date of the Effective Time, by (b) the fraction of one share owned by the stockholder. Each certificate that immediately prior to the Effective Time represented shares of Common Stock ("Old Certificates"), shall thereafter represent that number of shares of Common Stock into which the shares of Common Stock represented by the Old Certificate shall have been combined, subject to the elimination of fractional share interests as described above.

SECOND: The foregoing amendment to the Charter was approved by a majority of the entire Board of Directors of the Corporation as required by the Maryland General Corporation Law (the "MGCL"). Pursuant to Section 2-309(e) of the MGCL, no stockholder approval was required.

THIRD: There has been no increase in the authorized stock of the Corporation effected by the amendment to the Charter as set forth above.

FOURTH: These Articles of Amendment shall be effective at 5:01 p.m. Eastern Standard Time on December 1, 2015 (the " Effective Time").

FIFTH: The undersigned officer of the Corporation acknowledges these Articles of Amendment to be the corporate act of the Corporation and, as to all matters or facts required to be verified under oath, the undersigned officer acknowledges that, to the best of his knowledge, information and belief, these matters and facts are true in all material respects and that this statement is made under the penalties for perjury.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Corporation has caused these Articles of Amendment to be signed by its Chief Executive Officer and President and attested to by its Secretary this 1st day of December, 2015.

CORENERGY INFRASTRUCTURE TRUST, INC.

By: /s/ David J. Schulte

David J. Schulte

President and Chief Executive Officer

ATTEST:

/s/ Rebecca M. Sandring

Rebecca M. Sandring

Chief Accounting Officer/Treasurer

CORENERGY INFRASTRUCTURE TRUST, INC.

ARTICLES OF AMENDMENT

CorEnergy Infrastructure Trust, Inc., a Maryland corporation (the "Corporation"), hereby certifies to the State Department of Assessments and Taxation of Maryland that:

FIRST: The charter of the Corporation (the "Charter") is hereby amended to provide that:

Upon the Effective Time (as defined below), the par value of the shares of common stock of the Corporation issued and outstanding immediately prior to the Effective Time shall be decreased from $0.005 per share to $0.001 per share.

SECOND: The foregoing amendment to the Charter was approved by a majority of the entire Board of Directors of the Corporation as required by the Maryland General Corporation Law (the "MGCL"). Pursuant to Section 2-605(a)(2) of the MGCL, no stockholder approval was required.

THIRD: There has been no increase in the authorized stock of the Corporation effected by the amendment to the Charter as set forth above.

FOURTH: These Articles of Amendment shall be effective at 5:02 p.m. Eastern Standard Time on December 1, 2015 (the " Effective Time").

FIFTH: The undersigned officer of the Corporation acknowledges these Articles of Amendment to be the corporate act of the Corporation and, as to all matters or facts required to be verified under oath, the undersigned officer acknowledges that, to the best of his knowledge, information and belief, these matters and facts are true in all material respects and that this statement is made under the penalties for perjury.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Corporation has caused these Articles of Amendment to be signed by its Chief Executive Officer and President and attested to by its Secretary this 1st day of December, 2015.

CORENERGY INFRASTRUCTURE TRUST, INC.

By: /s/ David J. Schulte

David J. Schulte

President and Chief Executive Officer

ATTEST:

/s/ Rebecca M. Sandring

Rebecca M. Sandring

Chief Accounting Officer/Treasurer

Exhibit 10.2.4

CORRIDOR InfraTrust Management

February 24, 2016

CorEnergy Infrastructure Trust, Inc.
1100 Walnut Street, Suite 3350
Kansas City, Missouri 64106

Re: Management Fee under Management Agreement for CorEnergy Infrastructure Trust, Inc.

Ladies and Gentlemen:

Reference is made to that certain Management Agreement, dated as of May 8, 2015 and effective as of May 1, 2015, by and between CorEnergy Infrastructure Trust, Inc., a Maryland corporation (the "Company"), and Corridor InfraTrust Management, LLC, a Delaware limited liability company (the "Manager") (as may be further amended, restated, supplemented or otherwise modified from time to time, the "Management Agreement"). Capitalized terms used and not defined herein are used as defined in the Management Agreement. The Company and the Manager have entered into this Letter Agreement to waive a portion of the payment right set forth in Section 8(b) of the Management Agreement applicable to the dividend paid during the calendar year ending December 31, 2015.

This letter documents that the Manager has recommended, and the Company has agreed, that the Manager shall only be paid an Incentive Fee of $145,425 as a result of the dividend paid during the Company's December 31, 2015 calendar year. This agreed upon incentive fee payment constitutes a waiver by the Manager of $133,194 of Incentive Fee that would otherwise be due to the Manager from the Company.

The Company and the Manager mutually acknowledge and agree that this modification to the Incentive Fee payment right represents a discretionary action on the part of the Manager that is not required under the terms of the Management Agreement and that, except as specifically set forth herein, all other provisions of the Management Agreement shall remain in full force and effect and shall not be affected by this Letter Agreement. Please acknowledge your agreement to the foregoing by signing this Letter Agreement as indicated below.

Very truly yours,

CORRIDOR INFRATRUST MANAGEMENT, LLC:

By: /s/ Richard C. Green, Jr.
Name: Richard C. Green, Jr.
Title: Managing Director

Agreed and accepted:

CORENERGY INFRASTRUCTURE TRUST, INC.:

By: /s/ David J. Schulte
Name: David J. Schulte
Title: President

EXHIBIT 10.19.3

Adopted by Board of Directors
Effective as of December 1, 2015

AMENDMENT NO. 2
TO
DIRECTOR COMPENSATION PLAN
OF
CORENERGY INFRASTRUCTURE TRUST, INC.

WHEREAS, the Director Compensation Plan (the "Director Plan") of CorEnergy Infrastructure Trust, Inc. (the "Company") was approved by the Company's Board of Directors as of April 5, 2014, and was approved by stockholders at the Company's 2014 Annual Meeting on May 28, 2014; and

WHEREAS, Amendment No. 1 to the Director Plan was approved the Board of Directors of the Company, effective as of September 15, 2014, to: (i) correct a typographical error in the introductory paragraph of the Director Plan; (ii) allow the Company the flexibility of funding the stock retainer payments called for by the Director Plan either by issuing shares of the Company's Common Stock, par value $0.001 per share (the "Common Stock"), or by funding the acquisition of shares in the open market for a designated account for each Compensated Director (as defined in the Director Plan); and (iii) provide that the Director Plan shall have a term of ten (10) years, ending on April 1, 2024; and

WHEREAS, at a meeting held on October 28, 2015, the Board of Directors of the Company approved this further amendment to the Director Plan in conjunction with the approval of a one for five (1-for-5) reverse split of the Company's outstanding shares of Common Stock, which will become effective as of 5:01 p.m., Eastern Time, on December 1, 2015 (the "Reverse Stock Split"); and

WHEREAS, the Board of Directors has received the advice of counsel that a further amendment of the Director Plan on the terms set forth herein should not be deemed a "material" amendment requiring the approval of the Company's stockholders.

NOW, THEREFORE, pursuant to the action of the Board of Directors of the Company on October 28, 2015 approving this amendment in connection with the Reverse Stock Split, the Director Plan is hereby amended as follows:

Section 6 of the Director Plan is hereby deleted in its entirety and restated to read as follows:

6. **Aggregate Number of Shares Subject to the Plan.** The aggregate number of shares of the Company's common stock that may be granted to Compensated Directors pursuant to this Plan shall be 20,000 shares, subject to appropriate adjustment, as determined by the Board, in the event of any changes in the outstanding shares of the Company's stock or in the capital structure of the Company by reason of any stock dividends, stock splits, reverse stock splits, recapitalizations, reorganizations, mergers, consolidations, combinations, exchanges, or other relevant changes in the Company's capitalization occurring after the Effective Date.

All other terms and provisions of the Director Plan shall remain as stated therein and this Amendment No. 2 shall be effective as of 5:02 p.m., Eastern Time, on December 1, 2015.

FIRST AMENDMENT TO AMENDED AND RESTATED
REVOLVING CREDIT AGREEMENT

THIS FIRST AMENDMENT TO AMENDED AND RESTATED REVOLVING CREDIT AGREEMENT (herein called the "Amendment") made as of November 4, 2015 by and among CORENERGY INFRASTRUCTURE TRUST, INC., a Maryland corporation ("Borrower"), the Guarantors which are, or may become signatory to the Credit Agreement (as defined below), REGIONS BANK, as Agent, and the Lenders party hereto.

W I T N E S S E T H:

WHEREAS, Borrower, Guarantors, Agent and Lenders entered into that certain Amended and Restated Revolving Credit Agreement dated as of July 8, 2015 (the "Original Credit Agreement"), for the purpose and consideration therein expressed, whereby Lenders became obligated to make loans to Borrower as therein provided; and

WHEREAS, Borrower, Guarantors, Agent and Lenders desire to amend the Original Credit Agreement as set forth herein;

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements contained herein and in the Original Credit Agreement, in consideration of the loans which may hereafter be made by Lenders to Borrower, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto do hereby agree as follows:

ARTICLE I.
DEFINITIONS AND REFERENCES

§ 1.1. Terms Defined in the Original Credit Agreement. Unless the context otherwise requires or unless otherwise expressly defined herein, the terms defined in the Original Credit Agreement shall have the same meanings whenever used in this Amendment.

§ 1.2. Other Defined Terms. Unless the context otherwise requires, the following terms when used in this Amendment shall have the meanings assigned to them in this Section 1.2.

"Amendment" means this First Amendment to Amended and Restated Revolving Credit Agreement.

"Amendment Documents" means this Amendment.

"Credit Agreement" means the Original Credit Agreement as amended hereby.

ARTICLE II.
AMENDMENTS TO ORIGINAL AGREEMENT

§ 2.1. Defined Terms.

(a) A new defined term, "Adjusted Funds From Operations", is hereby added to Section 1.1 of the Original Credit Agreement in proper alphabetical order to read as follows:

> Adjusted Funds From Operations. Funds from Operations plus transaction costs, amortization of debt issuance costs, deferred leasing costs, above-market rent, and certain costs of a nonrecurring nature, less maintenance, capital expenditures (if any), amortization of debt premium and other adjustments as deemed appropriate by Borrower.

(b) The defined term and the definition of "Applicable FFO Percentage" in Section 1.1 of the Original Credit Agreement is amended and restated in its entirety to read as follows:

> Applicable FFO Percentage. The "Applicable FFO Percentage" shall mean 100% of Funds from Operations for the 12 month period ending on the last day of each fiscal quarter.

§ 2.2. Distributions. Section 8.6 of the Original Credit Agreement is amended and restated in its entirety to read as follows:

> 8.6 Distributions.
>
> No Distributions shall be made by Borrower or the Restricted Subsidiaries, except as permitted in this §8.6. Distributions are permitted as follows: (a) Borrower's Restricted Subsidiaries may make distributions to Borrower; and (b) if the Loans have not been declared due and payable in full following an Event of Default as provided in §12.1, Borrower may make Distributions equal to the greater of (i) the amount required in order to maintain REIT Status and (ii) the Applicable AFFO Percentage. The "Applicable AFFO Percentage" shall mean 100% of Adjusted Funds From Operations for the 12 month period ending on the last day of each fiscal quarter.

ARTICLE III.
CONDITIONS OF EFFECTIVENESS

§ 3.1. Effective Date. This Amendment shall become effective as of September 30, 2015 (the "Effective Date") upon satisfaction of the following conditions precedent on or prior to the date hereof:

(a) Each of the Amendment Documents shall have been duly executed and delivered by the respective parties thereto, shall be in full force and effect and shall be in form and substance satisfactory to the Agent. Agent shall have received a fully executed copy of each such document.

(b) All action on the part of each Loan Party necessary for the valid execution, delivery and performance by such Loan Party of this Amendment and the other Amendment Documents (as applicable) to which such Person is or is to become a party shall have been duly and effectively taken, and evidence thereof satisfactory to Agent shall have been provided to Agent.

(c) Borrower and the other Loan Parties shall have performed and complied with all terms and conditions herein required to be performed or complied with by them on or prior to the Effective Date, and on the Effective Date there shall exist no Default or Event of Default.

(d) The representations and warranties made by Borrower and each of the other Loan Parties in the Loan Documents or otherwise made by or on behalf of Borrower and each of the other Loan Parties in connection therewith on the date thereof shall have been true and correct in all material respects when made and shall also be true and correct in all material respects on the Effective Date.

ARTICLE IV.

REPRESENTATIONS AND WARRANTIES

§ 4.1. Representations and Warranties of Borrower. In order to induce each Lender to enter into this Amendment, Borrower and each of the other Loan Parties (as applicable) represent and warrant and, to the extent set forth in certain Sections of the Credit Agreement, covenants to Agent and Lenders as follows:

(a) The representations and warranties made by Borrower and each of the other Loan Parties in the Amendment Documents or otherwise made by or on behalf of Borrower and each of the other Loan Parties in connection therewith on the date thereof were true and correct in all material respects when made and are true and correct in all material respects on the Effective Date.

(b) The execution, delivery and performance of this Amendment and the other Amendment Documents to which the Loan Parties, or any of them, are or are to become a party and the transactions contemplated hereby and thereby (i) are within the authority of such Person, (ii) have been duly authorized by all necessary proceedings on the part of such Person, (including any required stockholder, partner or member approval), (iii) do not and will not conflict with or result in any breach or contravention of any provision of law, statute, rule or regulation to which such Person is subject or any judgment, order, writ, injunction, license or permit applicable to such Person, except for such conflicts or breaches that, individually and the aggregate, could not reasonably be expected to have a Material Adverse Effect, (iv) do not and will not conflict with or constitute a default (whether with the passage of time or the giving of notice, or both) under any provision of the Organizational Documents of, or any mortgage, indenture, agreement, contract or other instrument binding upon, such Person or any of its properties or to which such Person is subject, except for such conflicts or defaults that, individually and in the aggregate, could not reasonably be expected to have a Material Adverse Effect and (v) do not and will not result in or require the imposition of any Lien or other encumbrance on any of the properties, assets or rights of such Person except for the Liens and security title granted by the Loan Documents.

(c) The execution, delivery and performance by the Loan Parties, or any of them, of this Amendment and the other Amendment Documents to which they are or are to become a party and the transactions contemplated hereby and thereby do not require the approval or consent of, or filing with, any Person or the authorization, consent or approval of, or any license or permit issued by, or any filing or registration with, or the giving of any notice to, any court, department, board, commission or other governmental agency or authority other than those already obtained and the filing of the Security Documents in the appropriate records office with respect thereto.

(d) The execution and delivery of this Amendment and the other Amendment Documents to which the Loan Parties, or any of them, are or are to become a party are valid and legally binding obligations of such Person enforceable in accordance with the respective terms and provisions hereof and thereof, except as enforceability is limited by bankruptcy, insolvency, reorganization, moratorium or other laws relating to or affecting generally the enforcement of creditors' rights and except to the extent that availability of the remedy of specific performance or injunctive relief is subject to the discretion of the court before which any proceeding therefor may be brought.

(e) The most recent financial statements of Borrower delivered to Lenders pursuant to Section 7.4(a) and (b) of the Credit Agreement fairly present in all material respects the financial condition of Borrower and its Subsidiaries as of such date and the results of the operations of Borrower and its Subsidiaries, for such period. Copies of such financial statements have heretofore been delivered to each Lender. As of the Effective Date there has occurred no materially adverse change in the financial condition or business of Borrower and its Subsidiaries, taken as a whole, as shown on or reflected in the balance sheet of Borrower or its Subsidiaries as of June 30, 2015, or its statement of income or cash flows for the fiscal quarter then ended, other than changes in the ordinary course of business that have not had any materially adverse effect either individually or in the aggregate on the business or financial condition of Borrower and Restricted Subsidiaries and any Unrestricted Subsidiary with assets in excess of $5,000,000.

(f) No Default or Event of Default has occurred and is continuing as of the Effective Date and after giving effect to this Amendment.

ARTICLE V.

MISCELLANEOUS

§ 5.1. Ratification of Agreements. The Original Credit Agreement as hereby amended is hereby ratified and confirmed in all respects. The Loan Documents, as they may be amended or affected by the various Amendment Documents, are hereby ratified and confirmed in all respects. Any reference to the Credit Agreement in any Loan Document shall be deemed to be a reference to the Original Credit Agreement as hereby amended. The execution, delivery and effectiveness of this Amendment and the other Amendment Documents shall not, except as expressly provided herein or therein, operate as a waiver of any right, power or remedy of Lenders under the Credit Agreement, the Notes, or any other Loan Document nor constitute a waiver of any provision of the Credit Agreement, the Notes or any other Loan Document.

§ 5.2. Survival of Agreements. All representations, warranties, covenants and agreements of any Loan Party herein shall survive the execution and delivery of this Amendment and the performance hereof, including without limitation the making or granting of the Loans and the issuance and delivery of the new Notes, and shall further survive until all of the Obligations are paid in full. All statements and agreements contained in any certificate or instrument delivered by any Loan Party hereunder or under the Credit Agreement to any Lender shall be deemed to constitute representations and warranties by, and/or agreements and covenants of, Loan Parties under this Amendment and under the Credit Agreement.

§ 5.3. Loan Documents. This Amendment is, and the other Amendment Documents are each a Loan Document, and all provisions in the Credit Agreement pertaining to Loan Documents apply hereto and thereto.

§ 5.4. **GOVERNING LAW. THIS AMENDMENT AND EACH OF THE OTHER AMENDMENT DOCUMENTS, EXCEPT AS OTHERWISE SPECIFICALLY PROVIDED THEREIN, ARE CONTRACTS UNDER THE LAWS OF THE STATE OF NEW YORK AND SHALL FOR ALL PURPOSES BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF SUCH STATE (EXCLUDING THE LAWS APPLICABLE TO CONFLICTS OR CHOICE OF LAW), AND ANY AND ALL MATTERS IN DISPUTE BETWEEN THE PARTIES TO THIS AMENDMENT ARISING FROM OR RELATING TO THE SUBJECT MATTER HEREOF SHALL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.**

§ 5.5. Counterparts. This Amendment may be executed in several counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Amendment by telecopy or electronic communication shall be effective as delivery of a manually executed counterpart of this Amendment.

§ 5.6. Indemnification. Borrower and each other Loan Party waives, discharges, and forever releases Agent, each Lender and each Lender Party from and of any and all claims, causes of action, allegations or assertions that Borrower has or may have had at any time up through and including the date of this Amendment, against any or all of the foregoing, regardless of whether any such claims, causes of action, allegations or assertions are known to such Loan Party or whether any such claims, causes of action, allegations or assertions arose as result of actions or omissions of Agent, any Lender or any Lender Party in connection with the Loan Documents, or any amendments, extensions or modifications thereto, or Agent's administration of the debt evidenced by the loan documents or otherwise.

§ 5.7. Entire Agreement. This Amendment, the other Amendment Documents, the other Loan Documents and any other documents executed in connection herewith or therewith express the entire understanding of the parties with respect to the transactions contemplated hereby. Neither this Amendment nor any term hereof may be changed, waived, discharged or terminated, except as provided in Section 27 of the Credit Agreement.

IN WITNESS WHEREOF, the undersigned have duly executed this Agreement as of the date first set forth above.

BORROWER:

CORENERGY INFRASTRUCTURE TRUST, INC.,
a Maryland corporation

By: /s/ Richard C. Green
Name: Richard C. Green
Title: Executive Chairman

[SIGNATURES CONTINUED ON FOLLOWING PAGES]

GUARANTORS:

CORRIDOR PRIVATE HOLDINGS, INC.,
a Delaware corporation

By: /s/ Rebecca M. Sandring
Name: Rebecca M. Sandring
Title: Chief Accounting Officer, Treasurer and Secretary

CORRIDOR PUBLIC HOLDINGS, INC., a Delaware corporation

By: /s/ Rebecca M. Sandring
Name: Rebecca M. Sandring
Title: Chief Accounting Officer, Treasurer and Secretary

CORENERGY OPERATING PARTNERSHIP, LP,
a Delaware limited partnership
By its general partner
CorEnergy GP, LLC

By: /s/ Rebecca M. Sandring
Name: Rebecca M. Sandring
Title: Chief Accounting Officer, Treasurer and Secretary

MOWOOD CORRIDOR, INC.,
a Delaware corporation

By: /s/ Rebecca M. Sandring
Name: Rebecca M. Sandring
Title: Chief Accounting Officer, Treasurer and Secretary

HUNTON GP, LLC,
a Delaware limited liability company

By: /s/ Rebecca M. Sandring
Name: Rebecca M. Sandring
Title: Chief Accounting Officer, Treasurer and Secretary

HUNTON CORRIDOR, LP,
a Delaware limited partnership
By its general partner
Hunton GP, LLC

By: /s/ Rebecca M. Sandring
Name: Rebecca M. Sandring
Title: Chief Accounting Officer, Treasurer and Secretary

GRAND ISLE GP, INC.,
a Delaware corporation

By: /s/ Rebecca M. Sandring
Name: Rebecca M. Sandring
Title: Chief Accounting Officer, Treasurer and Secretary

GRAND ISLE CORRIDOR, LP,
a Delaware limited partnership
By its general partner
Grand Isle GP, Inc.

By: /s/ Rebecca M. Sandring
Name: Rebecca M. Sandring
Title: Chief Accounting Officer, Treasurer and Secretary

GUARANTORS:

LCP OREGON HOLDINGS, LLC,
a Delaware limited liability company

By: /s/ Rebecca M. Sandring
Name: Rebecca M. Sandring
Title: Chief Accounting Officer, Treasurer and Secretary

CORRIDOR BISON, LLC,
a Delaware limited liability company

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a Delaware corporation

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Title: Chief Accounting Officer, Treasurer and Secretary

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a Delaware limited liability company

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Title: Chief Accounting Officer, Treasurer and Secretary

CORRIDOR MOGAS, INC.,
a Delaware corporation

By: /s/ Rebecca M. Sandring
Name: Rebecca M. Sandring
Title: Chief Accounting Officer, Treasurer and Secretary

GRAND ISLE LP, INC.,
a Delaware corporation

By: /s/ Rebecca M. Sandring
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Title: Chief Accounting Officer, Treasurer and Secretary

FOUR WOOD CORRIDOR, LLC,
a Delaware limited liability company

By: /s/ Rebecca M. Sandring
Name: Rebecca M. Sandring
Title: Chief Accounting Officer, Treasurer and Secretary

[SIGNATURES CONTINUED ON FOLLOWING PAGES]

REGIONS BANK, as a Lender and as Agent

By: /s/ Richard S Kaufman
Name: Richard S. Kaufman
Title: Senior Vice President

BANK OF AMERICA, N.A., as a Lender

By: /s/ Michael T. Letsch
Name: Michael T. Letsch
Title: Senior Vice President

WELLS FARGO BANK, N.A., as a Lender

By: /s/ Yann Blindert
Name: Yann Blindert
Title: Director

BOKF, NA DBA
BANK OF KANSAS CITY, as a Lender
By:
Name:
Title:

ARVEST BANK, as a Lender
By: /s/ Barry P. Sullivan
Name: Barry P. Sullivan
Title: Senior Vice President

ACADEMY BANK, N.A., as a Lender
By: /s/ Jason Hilpipre
Name: Jason Hilpipre
Title: Vice President

UMB BANK, N.A. as a Lender

By: /s/ Jess M. Adams
Name: Jess M. Adams
Title: Vice President

Exhibit 10.20.5

LIMITED CONSENT AND AMENDMENT

RECITALS:

Reference is hereby made to that certain Amended and Restated Revolving Credit Agreement dated as of July 8, 2015 among CorEnergy Infrastructure Trust, Inc. ("Borrower"), the Guarantors which are, or may become signatory to the Credit Agreement (as defined below), Regions Bank, as Agent, and the Lenders named therein, as amended by First Amendment to Amended and Restated Revolving Credit Agreement dated November 4, 2015 (as amended, the "Credit Agreement"). Terms used and not defined herein shall have the meanings given them in the Credit Agreement.

Borrower owns 81.05% of the outstanding equity in Pinedale Corridor, LP, a Delaware limited partnership ("Pinedale"), an Unrestricted Subsidiary, and proposes to make an Investment of up to $49,000,000 in Pinedale through its general partner Pinedale GP, Inc. ("Pinedale GP"), an Unrestricted Subsidiary (the "CORR Capital Investment"), the proceeds of the CORR Capital Investment to be used by Pinedale to repay outstanding Indebtedness of Pinedale maturing March 30, 2016 under that certain Term Credit Agreement dated December 7, 2012 among Pinedale, as borrower, KeyBank National Association, as a lender and agent, and the other lenders party thereto (as amended, the "Pinedale Term Loan Facility"). The proposed CORR Capital Investment in Pinedale would be prohibited by §8.3 of the Credit Agreement, and Borrower has requested that Lenders consent to the proposed CORR Capital Investment. The undersigned each agree that the proposed CORR Capital Investment would not violate §2.7 of the Credit Agreement.

LIMITED CONSENT:

Subject to the conditions and limitations set forth herein, Agent and the Lenders party hereto hereby consent to the proposed CORR Capital Investment by Borrower in Pinedale, provided:

1) Not more than $44,000,000 of the proposed CORR Capital Investment shall consist of proceeds of Loans;

2) Such proposed CORR Capital Investment shall be made on or before March 30, 2016, and contemporaneous therewith, The Prudential Insurance Company of America, a New Jersey corporation ("Prudential"), which indirectly owns 18.95% of the outstanding equity in Pinedale, shall make an Investment (directly or indirectly) equal to the Capital Investment divided by 0.8105 times 0.1895 (up to $11,225,000) in Pinedale (the "Prudential Capital Investment", and together with the CORR Capital Investment, the "Capital Investments"), and Pinedale shall use the proceeds of the Capital Investments to repay in full all outstanding obligations and indebtedness under the Pinedale Term Loan Facility; it being understood and agreed that the form of the Capital Investments may constitute Indebtedness of Pinedale;

3) Following the making of the Capital Investments, Borrower shall not permit Pinedale to issue or incur any Indebtedness (other than the Capital Investments, if they constitute Indebtedness) unless (i) Lenders whose aggregate Percentage exceeds sixty-six and two thirds percent (66 2/3%) consent to such Indebtedness; provided that such consent shall not be unreasonably delayed or conditioned; provided, that it shall not be unreasonable

for any Lender to withhold its consent if such Indebtedness contains (x) any restrictions or limitations on cash distributions from Pinedale to the Borrower (including any rights of the providers of such Indebtedness to limit, restrict, stop or capture such cash distributions upon the occurrence of certain events) more onerous than those contained in the Pinedale Term Loan Facility and in effect prior to December 31, 2015, or (y) any other material terms (other than pricing) more onerous than the material terms of the Pinedale Term Loan Facility as in effect prior to December 31, 2015 and (ii) contemporaneous with the issuance or incurrence of such Indebtedness (x) Pinedale makes a Distribution of the proceeds of such Indebtedness to Borrower, in an aggregate amount at least equal to (A) the CORR Capital Investment minus (B) Distributions by Pinedale to Borrower after March 31, 2016, but only to the extent a corresponding repayment of the Outstanding Revolving Loans was made therefrom, and (y) Borrower uses the proceeds of such Distributions to prepay Outstanding Revolving Loans;

4) Following the making of the CORR Capital Investment, and continuing until such time as Borrower shall have received from Pinedale the full amount of the CORR Capital Investment, the references to "$40,000,000" in Section 8.3(i) of the Credit Agreement shall be deemed to refer instead to "$0"; following Borrower's receipt of such return of capital, such references in such Section 8.3(i) shall thereafter again refer to "$40,000,000";

5) The reference to "900,000" in Section 3.1(a) of the Credit Agreement is hereby amended to refer instead to "$1,615,000"; and

6) The definition of "Adjusted EBITDA" set forth in Section 1.1 of the Credit Agreement is hereby amended by adding the following clause at the end thereof: "plus, for any calculation of Adjusted EBITDA for any fiscal period that includes the fiscal quarter ending March 31, 2016, an amount equal to $2,553,075".

EFFECTIVENESS

This Limited Consent shall become effective as of the date hereof when and only when (i) Agent shall have received, at its office a counterpart of this Limited Consent executed and delivered by the Borrower, Agent and Required Lenders, and (ii) Borrower shall have paid to each Lender that executes this Limited Consent a consent fee (the "Consent Fee") equal to 0.10% of the sum of (x) such Lender's Revolving Commitment plus (y) such Lender's Outstanding Term Loan plus (z) such Lender's commitment under the MGP/UPS Credit Facility; provided, if Borrower does not pay the Consent Fee on or before March 4, 2016, this Limited Consent shall not become effective and shall be void *ab initio*.

Following the effectiveness hereof, this Limited Consent shall automatically terminate on March 30, 2016 if the proposed Capital Investment is not made on or before such date.

LIMITATIONS AND CONDITIONS:

1. The Credit Agreement and the other Loan Documents are hereby ratified and confirmed in all respects by the Borrower. The Borrower hereby ratifies and confirms in all respects any and all Liens on any and all Collateral granted by it pursuant to any Security Documents to which it is a party. The Borrower hereby represents and warrants that after giving effect to

this Limited Consent, (i) all representations and warranties contained in §6 of the Credit Agreement and in the other Loan Documents, after giving effect to the limited consent herein and the events related thereto, are true and correct in all material respects on and as of the date hereof (or, if stated to have been made expressly as of an earlier date, were true and correct as of such date), (ii) no Default has occurred and is continuing on and as of the date hereof, or would result from the execution and delivery of this Limited Consent by the Borrower and (iii) no Material Adverse Effect has occurred. Except as expressly waived or agreed herein, all covenants, obligations and agreements of the Borrower and each Guarantor contained in the Credit Agreement and other Loan Documents shall remain in full force and effect in accordance with their terms. Without limitation of the foregoing, the consents, waivers and agreements set forth herein are limited precisely to the extent set forth herein and shall not be deemed to (a) be a consent or agreement to, or waiver or modification of, any other term or condition of the Credit Agreement or any of the documents referred to therein, or (b) except as expressly set forth herein, prejudice any right or rights which Agent or any Lender may now have or may have in the future under or in connection with the Credit Agreement or any of the documents referred to therein. Except as expressly modified hereby, the terms and provisions of the Credit Agreement and any other documents or instruments executed in connection with any of the foregoing, are and shall remain in full force and effect, and the same are hereby ratified and confirmed by the Borrower in all respects.

2. The Borrower agrees to reimburse and save Agent and Lenders harmless from and against liabilities for the payment of all out-of-pocket costs and expenses arising in connection with the preparation, execution, delivery, amendment, modification, waiver and enforcement of, or the preservation of any rights under, this Limited Consent, including, without limitation, the reasonable fees and expenses of legal counsel to Agent which may be payable in respect of, or in respect of any modification of, this Limited Consent.

3. This Limited Consent and the rights and obligations of the parties hereunder shall be construed in accordance with and be governed by the laws of the State of New York.

4. This Limited Consent and the documents referred to herein represent the entire understanding of the parties hereto regarding the subject matter hereof and supersede all prior and contemporaneous oral and written agreements of the parties hereto with respect to the subject matter hereof.

5. This Limited Consent is a "Loan Document" as defined and described in the Credit Agreement and all of the terms and provisions of the Credit Agreement relating to Loan Documents shall apply hereto.

6. This Limited Consent may be separately executed in counterparts and by the different parties hereto in separate counterparts, each of which when so executed shall be deemed to constitute one and the same agreement. Delivery of an executed signature page by facsimile or other electronic transmission shall be effective as delivery of a manual executed counterpart.

This Limited Consent is dated effective as of March 4, 2016.

IN WITNESS WHEREOF, the undersigned have duly executed this Agreement as of the date first set forth above.

BORROWER:

CORENERGY INFRASTRUCTURE TRUST, INC.,
a Maryland corporation

By: /s/ Richard C. Green
Name: Richard C. Green
Title: Executive Chairman

[SIGNATURES CONTINUED ON FOLLOWING PAGES]

[Execution of Limited Consent Continued]

GUARANTORS:

CORRIDOR PRIVATE HOLDINGS, INC.,
a Delaware corporation

By: /s/ Richard C. Green
Name: Name: Richard C. Green
Title: Chairman

CORRIDOR PUBLIC HOLDINGS, INC., a Delaware corporation

By: /s/ Richard C. Green
Name: Name: Richard C. Green
Title: Chairman

CORENERGY OPERATING PARTNERSHIP, LP,
a Delaware limited partnership
By its general partner
CorEnergy GP, LLC

By: /s/ Richard C. Green
Name: Name: Richard C. Green
Title: Chairman

MOWOOD CORRIDOR, INC.,
a Delaware corporation

By: /s/ Richard C. Green
Name: Name: Richard C. Green
Title: Chairman

HUNTON GP, LLC,
a Delaware limited liability company

By: /s/ Richard C. Green
Name: Name: Richard C. Green
Title: Chairman

HUNTON CORRIDOR, LP,
a Delaware limited partnership
By its general partner
Hunton GP, LLC

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Name: Name: Richard C. Green
Title: Chairman

GRAND ISLE GP, INC.,
a Delaware corporation

By: /s/ Richard C. Green
Name: Name: Richard C. Green
Title: Chairman

GRAND ISLE CORRIDOR, LP,
a Delaware limited partnership
By its general partner
Grand Isle GP, Inc.

By: /s/ Richard C. Green
Name: Name: Richard C. Green
Title: Chairman

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Name: Name: Richard C. Green
Title: Chairman

FOUR WOOD CORRIDOR, LLC,
a Delaware limited liability company
By: /s/ Richard C. Green
Name: Name: Richard C. Green
Title: Chairman

[SIGNATURES CONTINUED ON FOLLOWING PAGES]

REGIONS BANK, as a Lender and as Agent

By: /s/ Richard S. Kaufman
Name: Richard S. Kaufman
Title: Senior Vice President

BANK OF AMERICA, N.A., as a Lender

By: /s/ Michael T. Letsch
Name: Michael T. Letsch
Title: Senior Vice President

WELLS FARGO BANK, N.A., as a Lender

By:
Name:
Title:

BOKF, NA DBA
BANK OF KANSAS CITY, as a Lender
By: /s/ Bryan W. Palmer
Name: Bryan W. Palmer
Title: Vice President

ARVEST BANK, as a Lender
By: /s/ Barry P. Sullivan
Name: Barry P. Sullivan
Title: Senior Vice President

ACADEMY BANK, N.A., as a Lender
By: /s/ Jason Hilpipre
Name: Jason Hilpipre
Title: Vice President

UMB BANK, N.A. as a Lender

By: /s/ Jess M. Adams
Name: Jess M. Adams
Title: Vice President

EXHIBIT 12.1 - Computation of Ratio of Earnings to Combined Fixed Charges and Preferred Stock Dividends - CorEnergy Infrastructure Trust, Inc.

	For the Years Ended December 31,			For the Years Ended November 30,		One-Month Transition Period Ended December 31,
	2015	2014	2013	2012	2011	2012
Earnings:						
Pre-tax income from continuing operations before adjustment for income or loss from equity investees	$ 11,782,422	$ 6,973,693	$ 2,967,257	$ 19,857,050	$ 3,153,327	$ (515,658)
Fixed charges(1)	$ 9,781,184	$ 3,675,122	$ 3,288,378	$ 81,123	$ 36,508	$ 416,137
Amortization of capitalized interest	$ —	$ —	$ —	$ —	$ —	$ —
Distributed income of equity investees	$ 1,270,754	$ 1,836,783	$ 584,814	$ (279,395)	$ 651,673	$ 2,325
Pre-tax losses of equity investees for which charges arising from guarantees are included in fixed charges	$ —	$ —	$ —	$ —	$ —	$ —
Subtract:						
Interest capitalized	$ —	$ —	$ —	$ —	$ —	$ —
Preference security dividend requirements of consolidated subsidiaries	$ —	$ —	$ —	$ —	$ —	$ —
Noncontrolling interest in pre-tax income of subsidiaries that have not incurred fixed charges	$ —	$ —	$ —	$ —	$ —	$ —
Earnings	22,834,360	12,485,598	6,840,449	19,658,778	3,841,508	(97,196)
Combined Fixed Charges and Preference Dividends:						
Fixed charges(1)	$ 9,781,184	$ 3,675,122	$ 3,288,378	$ 81,123	$ 36,508	$ 416,137
Preferred security dividend(2)	3,848,828	—	—	—	—	—
Combined fixed charges and preference dividends	13,630,012	3,675,122	3,288,378	81,123	36,508	416,137
Ratio of earnings to fixed charges	2.33	3.40	2.08	242.70	103.84	(0.23)
Ratio of earnings to combined fixed charges and preference dividends	1.68	3.40	2.08	242.70	103.84	(0.23)
Combined Fixed Charges Deficiency						(513,333)

(1) Fixed charges consist of interest expense, as defined under U.S. generally accepted accounting principles, on all indebtedness

(2) This line represents the amount of preferred stock dividends accumulated as of December 31, 2015

Exhibit 21.1

Subsidiaries of CorEnergy Infrastructure Trust, Inc.
As of December 31, 2015

Subsidiary	State of Incorporation or Formation
CorEnergy BBWS, Inc.	Delaware
Corridor Bison, LLC	Delaware
Corridor Leeds Path West, Inc.	Delaware
Corridor MoGas, Inc.	Delaware
Corridor Private Holdings, Inc.	Delaware
Corridor Public Holdings, Inc.	Delaware
Four Wood Corridor, LLC	Delaware
Grand Isle Corridor, LP	Delaware
Grand Isle GP, Inc.	Delaware
Grand Isle LP, Inc.	Delaware
LCP Oregon Holdings, LLC	Delaware
MoGas Pipeline LLC	Delaware
Mowood Corridor, Inc.	Delaware
Mowood, LLC	Delaware
Omega Pipeline Company, LLC	Delaware
Pinedale Corridor, LP	Delaware
Pinedale GP, Inc.	Delaware
United Property Systems, LLC	Delaware

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements:

(1) Registration Statement (Form S-8 No. 333-198799) pertaining to the CorEnergy Infrastructure Trust, Inc. Director Compensation Plan, and
(2) Registration Statement (Form S-3 No. 333-209045) of CorEnergy Infrastructure Trust, Inc.

of CorEnergy Infrastructure Trust, Inc. of our reports dated March 14, 2016, with respect to the consolidated financial statements and schedules of CorEnergy Infrastructure Trust, Inc., and the effectiveness of internal control over financial reporting of CorEnergy Infrastructure Trust, Inc. included in this Annual Report (Form 10-K) of CorEnergy Infrastructure Trust, Inc. for the year ended December 31, 2015.

/s/ Ernst & Young LLP

Kansas City, Missouri

March 14, 2016

Exhibit 31.1

CERTIFICATIONS

I, David J. Schulte, certify that:

1. I have reviewed this Annual Report on Form 10-K of CorEnergy Infrastructure 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: March 14, 2016

/s/ David J. Schulte

David J. Schulte

Chief Executive Officer

Exhibit 31.2

CERTIFICATIONS

I, Rebecca M. Sandring, certify that:

1. I have reviewed this Annual Report on Form 10-K of CorEnergy Infrastructure 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: March 14, 2016

/s/ Rebecca M. Sandring

Rebecca M. Sandring

Chief Accounting Officer/Treasurer

Exhibit 32.1

SECTION 906 CERTIFICATION

Pursuant to U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2001, the undersigned officers of CorEnergy Infrastructure Trust, Inc. (the "Company"), hereby certify that the Annual Report on Form 10-K for the year ended December 31, 2015, filed with the Securities and Exchange Commission on the date hereof (the "Report"), fully complies with the requirements of Section13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, as amended, and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ David J. Schulte

David J. Schulte
Chief Executive Officer
Date: March 14, 2016

/s/ Rebecca M. Sandring

Rebecca M. Sandring
Chief Accounting Officer, Treasurer
Date: March 14, 2016

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of this report. **A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.**