



SPIRIT FINANCE CORPORATION

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SPIRIT FINANCE CORPORATION CODE OF BUSINESS CONDUCT AND ETHICS

INTRODUCTION

This Code of Business Conduct and Ethics (the “Code”) covers a wide range of business practices and procedures. It does not cover every issue that may arise, but it describes basic principles to guide all employees, officers and directors of Spirit Finance Corporation, its subsidiaries and affiliates (collectively, the “Company”).

All employees, officers and directors of the Company (collectively referred to herein as “Employees”) are expected to comply fully with the requirements of this Code and to conduct themselves in a manner to avoid even the appearance of improper behavior. Moreover, Employees should take steps to assure that agents and representatives of the Company follow applicable requirements of this Code.

If a law conflicts with a policy in this Code, you must comply with the law; however, if a local custom or policy conflicts with this Code, you must comply with the Code. If you have any questions about these conflicts, you should ask your supervisor how to handle the situation. Those who violate the standards in this Code will be subject to disciplinary action, which may include termination of employment by the Company. In certain circumstances, Employees may also be subject to civil liability to the Company or third parties and criminal prosecution.

1. **Compliance With Laws, Rules and Regulations.** Obeying the law, both in letter and in spirit, is the foundation on which this Company’s ethical standards are built. All Employees must respect and obey the laws of the cities and states in which we operate, including the federal laws of the United States and any other countries in which we may operate. Although not all Employees are expected to know the details of these laws, it is important to know enough to determine when to seek advice from supervisors, superiors or other appropriate personnel.

2. **Conflicts of Interest.** A “conflict of interest” exists when a person’s private interest interferes or conflicts in any way, or appears to interfere or conflict with the interests of the Company. Employees must avoid circumstances which might cause the Employee to place their own interest above their obligations to the Company. A conflict situation can arise when an Employee takes actions or has interests that may make it difficult for the Employee (i) to follow all responsibilities placed upon the Employee under this Code or (ii) to perform the Employee’s Company work objectively and effectively.

For the purposes of this Code, the interest of each Employee includes any interest of the Employee’s “immediate family,” as defined as spouse, children, parents, siblings, mothers and

fathers-in-laws, sons and daughters-in-law, and brothers and sisters-in-law and anyone who shares such person's home.

It is always a conflict of interest for an Employee to accept full-time, part-time or temporary employment with any organization which is a competitor of the Company. However, a non-employee director of the Company may accept employment from a competitor of the Company if disclosed to the Company's Board of Directors and not objected to by the Board. For purposes of this Code, a "competitor" of the Company is any entity that provides financing products similar to those of the Company on a regular and continual basis, and in amounts in excess of \$5.0 million to a single credit, to businesses in the Company's target market. Members of an Employee's "immediate family" may work for a competitor only with the written approval of the Audit Committee or Board of Directors of the Company.

It is also a conflict of interest if an Employee becomes affiliated with a customer, provider, supplier or other organization which does material business with the Company without the written approval of the Audit Committee or Board of Directors of the Company. For purposes of this Code, "material business" shall include any amount that exceeds \$60,000 to the customer, provider, supplier or other organization on an annualized basis. Being "affiliated" includes any ownership interest in any private company or more than one percent ownership interest in a public company which does business with the Company. Note that this approval of the Audit Committee or Board of Directors is also required for an Employee's immediate family.

The best policy is to avoid any direct or indirect business connection with our customers, suppliers or competitors, except on our behalf. Conflicts of interest may not always be clear-cut, so if you have a question, you should consult with either the Company's Chief Executive Officer, President, Chief Financial Officer, Chief Operating Officer, or any Senior Vice President (collectively, "Senior Management"). Any Employee who becomes aware of a conflict or potential conflict should bring it to the attention of a supervisor, manager or other appropriate personnel. If there is an issue regarding Senior Management, any Employee may contact the Company's Lead Independent Director.

3. **Director Affiliations and Interests.** A conflict of interest may arise when a director takes actions or has interests that may make it difficult to perform the director's work for the Company objectively and effectively. Conflicts of interest arise when a director, or a member of the director's immediate family, receives improper personal benefits because of the director's position with the company. If a Director has any interest in any organization which is doing business or proposes to do business with the Company, the interest should be disclosed to the Audit Committee or entire Board of Directors of the Company if the entire Board is taking action on such transaction.

4. **Trading in Company Securities or Securities of Customer Companies.** The purchase or sale of Company securities while aware of material nonpublic information, or the disclosure of material nonpublic information to others who then trade in the Company's securities, is prohibited by Company policy and the federal securities laws. Trading in Company securities by Employees must also be done in compliance with the Company's Insider Trading Policy Statement and Guidelines.

It is the policy of the Company that no Employee of the Company who is aware of material nonpublic information relating to the Company may, directly or through family members or other persons or entities (a) buy or sell securities of the Company (other than pursuant to a pre-approved trading plan), or engage in any other action to take personal advantage of that information, or (b) pass that information on to others outside of the Company, or “tip”, including family and friends. In addition, it is the policy of the Company that no director, officer or other employee of the Company who, in the course of working for the Company, learns of material nonpublic information about a company with which the Company does or may do business, including a customer or supplier of the Company or a company which has real estate that has been targeted for acquisition or financing by the Company, may trade in that company’s securities until the information becomes public or is no longer material.

Information is generally considered “material” if a reasonable investor would consider it important in making a decision to buy, hold or sell securities. Any information that could be expected to affect the Company’s stock price, whether it is positive or negative, should be considered material. Inside information typically includes, but is not limited to, knowledge of pending business transactions, including the mere fact that a customer may do business with the Company, corporate finance activity, mergers or acquisitions, unannounced earnings and financial results and other significant developments affecting a company.

Information is generally considered “nonpublic” unless it has been adequately disclosed to the public, which means that the information must be publicly disclosed and adequate time must have passed for the securities markets to absorb the information. To avoid the appearance of impropriety, as a general rule, information should not be considered fully absorbed by the marketplace until 48 hours after the information is released to the public. A longer period may be necessary for particularly significant or complex matters.

If you have any question regarding trading in the Company’s or its customers’ securities, please consult Senior Management.

5. Corporate Opportunities; Loyalty. Employees are prohibited from taking for themselves personally opportunities that could benefit the Company and that are discovered through the use of corporate property, information, or position, unless approved in advance by the Audit Committee of the Company’s Board of Directors. No Employee may use corporate property, information, or position for improper personal gain, and no Employee may compete with the Company directly or indirectly. Employees owe a duty of loyalty to the Company. This includes a duty to advance the Company’s legitimate interests when the opportunity to do so arises, as well as the duty to protect all property and interests of the Company and to protect the Company from competitive disadvantage.

6. Business Entertainment and Gifts. The purpose of business entertainment and gifts in a commercial setting is to create goodwill and sound working relationships, not to gain unfair advantage with customers or suppliers. No gift or entertainment should be offered, given, provided or accepted by any Employee, or any family member of an Employee, unless it: (1) is not a cash gift, (2) is consistent with customary business practices, (3) is not excessive in value, (4) cannot be construed as a bribe or payoff, and (5) does not violate any law or regulation. Each Employee should discuss with the Employee’s superior any material gifts or other benefits or

material proposed gifts or other benefits that have been offered to an Employee that might exceed the standards set forth herein. If any gift or entertainment could, under any circumstances, appear to violate the terms or spirit of this section or be otherwise inappropriate, it shall be reported to the person designated from time to time by the Chairman of the Board as the business conduct and ethics officer, who shall maintain a record thereof and who may determine that the gift or entertainment shall be refused, returned or otherwise adjusted.

7. **Travel and Entertainment Expenses.** We pay legitimate expenses for business trips. In general, trips should not be financed by others. Employees and officers may accept an occasional meal or entertainment in connection with furthering the Company's business interest, but only if it will be appropriate to reciprocate or if refusal would be discourteous.

8. **Competition and Fair Dealing.** We seek to outperform our competition fairly and honestly. We seek competitive advantages through superior performance, never through unethical or illegal business practices. Stealing proprietary information, or inducing an improper disclosure of such information by past or present employees of other companies is prohibited. Each Employee should endeavor to respect the rights of and deal fairly with the Company's customers, suppliers, competitors, shareholders, regulators, Employees and others. No Employee should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other intentional unfair-dealing practice.

9. **Equal Employment Opportunity.** We are committed to equal employment opportunity for all job applicants and Employees. No job applicant or Employee will be discriminated against because of race, religion, color, sex, sexual orientation, age, disability, national origin, veteran status, or any other characteristic protected by law. This prohibition of discrimination applies to practices in recruiting, hiring, employment, training, promotion, working conditions, compensation, benefits, job rules, discipline, and all other aspects of employment and employee relations.

10. **Non-Discrimination in Company Business.** In the conduct of Company business, Employees should respect the rights and cultural differences of others. It is the policy of the Company not to discriminate against any person on the basis of race, religion, national origin, color, age, sex, disability, sexual orientation, veteran status or other characteristic or status protected by applicable law.

11. **Harassment.** Equal opportunity includes maintaining a workplace that is free from harassment, intimidation, and hostility, and the Company is committed to maintaining such a work environment. Company policy prohibits sexual, racial, and other unlawful harassment in the workplace. The Company will not tolerate undue influence, offensive behavior, sexual harassment, intimidation or other disrespectful conduct by one employee toward another or by any employee toward a customer, tenant or supplier. For the specific procedures you should use to report harassment, consult the Employee Handbook.

12. **Confidentiality.** Employees must maintain the confidentiality within the Company of confidential information entrusted to them by the Company or its customers, except when disclosure is authorized by the Company or specifically required by applicable laws or

regulations. Whenever feasible, Employees should consult Senior Management if they believe they have a legal obligation to disclose confidential information. Confidential information includes all nonpublic information that might be of use to competitors, or harmful to the Company or its customers, if disclosed. It also includes information that suppliers and customers have entrusted to us. The obligation to preserve confidential information continues even after employment ends.

13. Protection and Proper Use of Company Assets. All Employees should endeavor to protect the Company's assets and ensure their efficient use. Theft, carelessness, and waste have a direct impact on the Company's profitability. Any suspected incident of fraud or theft should be immediately reported for investigation. Company funds should not be used for non-Company business, and loans of Company funds to Employees or guarantees of Employee loans by the Company are prohibited. Company equipment should not be used for non-Company business, though minor incidental personal use may be permitted. Employees should consult with their supervisors in this regard.

The obligation of Employees to protect the Company's assets includes its proprietary information. Proprietary information includes intellectual property such as trade secrets, patents, trademarks, and copyrights, as well as business, marketing and service plans, business processes, designs, databases, records, salary information and any unpublished financial data and reports. Unauthorized use or distribution of this information is a violation of Company policy. It could also be illegal and result in civil or even criminal penalties.

14. Record Keeping. The Company requires honest and accurate recording and reporting of information in order to make responsible business decisions and in order to properly report its activities.

All of the Company's books, records, accounts and financial statements must be maintained in reasonable detail, must appropriately reflect the Company's transactions and must conform both to applicable legal requirements and to the Company's system of internal controls. Unrecorded or "off the books" funds or assets shall not be maintained.

Many Employees regularly use business expense accounts, which must be documented and recorded accurately. If you are not sure whether a certain expense is legitimate, ask your supervisor.

Business records and communications often become public, and we should avoid exaggeration, derogatory remarks, guesswork, or inappropriate characterizations of people and companies that can be misunderstood. This applies equally to e-mail, internal memos, and formal reports. Records should always be retained or destroyed according to the Company's record retention policies. If an Employee is aware of an imminent ongoing investigation, audit or examination initiated by the Company, by the Company's auditors or by any governmental agency, that Employee should retain all records (including computer records) in the Employee's custody or control relating to the matter under review. If an Employee is not sure if a document can be destroyed, or if that Employee has any questions on the retention of records, please contact Senior Management.

15. **Amendment, Modification, and Waiver.** This Code may be amended, modified or waived by the Company's Board of Directors or an appropriate committee of the board. Any waiver of this Code for executive officers or directors may be made only by the Company's Board of Directors or a Board committee and will be promptly disclosed as required by law or stock exchange regulation. Other waivers must be approved by a member of Senior Management, in accordance with any applicable Company policy and must be promptly reported in writing to the Company's Disclosure Committee.

16. **Reporting Any Illegal or Unethical Behavior.**

(a) **Reporting.** Any Employee who suspects or knows of violations of this Code, illegal or unethical business or workplace conduct by Employees, or has unresolved concerns or complaints regarding questionable accounting or auditing matters of the Company, is encouraged to and should submit those concerns or complaints (anonymously, confidentially or otherwise) to the appropriate person or group of persons designated by the Company. If requested, such persons shall treat such submissions confidentially. More specifically, the following guidelines apply depending on the nature of the perceived unlawful act or unethical act:

i. Unlawful and/or Unethical Acts Involving Accounting or Auditing Matters

The Company's policy is to comply with all applicable financial reporting and accounting regulations applicable to the Company. If any Employee of the Company has concerns or complaints regarding any unlawful acts and/or any unethical act involving accounting or auditing matters, then the Employee should submit those concerns or complaints (anonymously, confidentially or otherwise) to the Audit Committee of the Board of Directors. The Audit Committee will, subject to its duties arising under applicable investigative needs, laws, regulations, and legal proceedings, treat such submissions confidentially. Such submissions should be delivered in writing and be forwarded in a sealed envelope to the Chairperson of the Audit Committee, in care of the Corporate Secretary. The envelope should be labeled with a legend such as "To be opened by the Audit Committee only." If an Employee would like to discuss any matter with the Audit Committee, the Employee should indicate this in the submission and include a telephone number at which the Employee might be contacted if the Audit Committee deems it appropriate.

ii. Unlawful Acts and/or Unethical Acts Not Involving Accounting or Auditing Matters

Employees are encouraged to talk to supervisors, managers or other appropriate personnel about observed illegal or unethical behaviors, and, when in doubt, about the best course of action in a particular situation. Any Employee who has a reasonable belief that an unlawful act and/or unethical act, which does not involve an accounting or auditing matter, has occurred, or is about to occur, should contact their supervisor or superiors. If the circumstances would not permit a report to such supervisor or superior, they may contact the Lead Independent Director, the Chairperson of the Audit Committee, or the

Chairperson of the Nominating and Governance Committee (“Nominating Committee”) of the Company’s Board of Directors at the following address:

Board of Directors
Spirit Finance Corporation
14631 N. Scottsdale Road, Suite 200
Scottsdale, AZ 85254-2711
Attn: Lead Independent Director/Audit Committee
Chairperson/Nominating and Governance
Committee Chairperson
(as applicable)

Any such concerns may be submitted in writing to the appropriate person anonymously. Any non-anonymous submissions shall be kept confidential, subject to the Company’s need to conduct an internal investigation, or compliance with applicable law, regulation or legal proceedings.

(b) ***Non-Retaliation.*** The Company prohibits retaliation of any kind against individuals who have made good faith reports or complaints of violations of this Code or other known or suspected illegal conduct or conduct that is unethical under Company policy.

(c) ***Communications With Non-Management Members of the Board of Directors.*** An Employee or other interested party who has an interest in communicating with non-management members of the Board of Directors may do so by directing the communication to the Lead Independent Director or the Chairperson of the Nominating Committee. The Lead Independent Director is the presiding director for non-management sessions of the Board of Directors.

Confidential messages for the Lead Independent Director or the Chairperson of the Nominating Committee, if different, may be delivered through written correspondence made to:

Board of Directors
Spirit Finance Corporation
14631 North Scottsdale Road, Suite 200
Scottsdale, AZ 85254-2711
Attn: Lead Independent Director/
Nominating and Governance Committee Chairperson
(as applicable)

17. **Compliance Procedures.** We must all work to ensure prompt and consistent action against violations of this Code. However, in some situations it is difficult to know right from wrong. Since we cannot anticipate every possible situation that may arise, Employees are encouraged to raise any questions regarding this Code or the enforcement of the Code to their appropriate supervisor, the Lead Independent Director, the Chairperson of the Audit Committee, or the Chairperson of the Nominating Committee.

18. **Financial Reporting Responsibilities.** It is critical that the Company's financial statements, and, should the Company become a public reporting company, its filings with the Securities and Exchange Commission, be accurate and timely. Depending on their position with the Company, Employees may be called upon to provide information to assure that the Company's financial reports are complete, fair and understandable. The Company expects all Employees to take this responsibility seriously and to provide prompt and accurate answers to inquiries related to the Company's disclosure requirements.

All Employees bear a special responsibility for promoting integrity throughout the Company. As such, each Employee agrees that the Employee will:

(a) act with honesty and integrity, avoiding actual or apparent conflicts of interest in personal and professional relationships;

(b) provide information that is accurate, complete, objective, relevant, timely and understandable to ensure full, fair, accurate, timely, and understandable disclosure in reports and documents that the Company files with, or submits to, government agencies and in other public communications;

(c) comply with rules and regulations of federal, state and local governments, and other appropriate regulatory agencies;

(d) act in good faith, responsibly, and with due care, competence and diligence, without misrepresenting material facts or allowing one's independent judgment to be impaired; and

(e) cooperate fully with the Company's internal and independent auditors.

19. **Compliance with Internal Controls and Disclosure Controls.** The Company has adopted a system of internal controls that must be strictly adhered to by all Employees providing financial and business transaction information to and within the Company. These internal controls are the backbone of the integrity of the Company's financial records and financial statements.

Employees shall promptly report to the Audit Committee any actual or suspected breaches or violations of the Company's internal controls. Employees shall promptly report to the Audit Committee any actual or suspected fraudulent or questionable transactions or occurrences. Potentially fraudulent transactions include, without limitation, embezzlement, forgery or alteration of checks and other documents, theft, misappropriation or conversion to personal use of Company assets, and falsification of records.

Employees are encouraged to bring to the attention of Senior Management or the Audit Committee any changes that the Employee believes may improve the Company's internal controls.

The Company has adopted a system of disclosure controls to assure that all important information regarding the business and prospects of the Company is brought to the attention of

the Chief Executive Officer, President, and Chief Financial Officer of the Company. The accuracy and timeliness of compliance is necessary to enable those officers to provide the financial statements and periodic report certifications required by federal law.

Employees shall strictly adhere to the system of disclosure controls, including the internal reporting responsibilities assigned to them by the Company. Employees shall promptly report in accordance with Company policy any material event or occurrence that arises in the course of their duties and responsibilities. General economic conditions need not be reported.

Employees shall be candid in discussing matters concerning internal controls and business disclosures with the Company's directors, management, internal and outside auditors, and outside counsel.