

CEDAR REALTY TRUST, INC.

Form 424B5

February 07, 2013

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Registration No. 333-179956

The information in this preliminary prospectus supplement and the accompanying prospectus is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell these securities and are not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

PROSPECTUS SUPPLEMENT

(To prospectus dated May 2, 2012)

Subject to Completion

Preliminary Prospectus Supplement dated February 7, 2013

Shares

CEDAR REALTY TRUST, INC.

7.25% Series B Cumulative Redeemable Preferred Stock

(Liquidation Preference \$25.00 Per Share)

We are offering _____ shares of our 7.25% Series B Cumulative Redeemable Preferred Stock, or the Series B Preferred Stock. The shares of Series B Preferred Stock offered by this prospectus supplement are a further issuance of, will form a single series with, and will have the same terms as our outstanding shares of Series B Preferred Stock.

Our Series B Preferred Stock is listed on the New York Stock Exchange, or the NYSE, under the symbol CDR PrB. Application will be made to list the additional shares offered by this prospectus supplement on the NYSE under the same symbol. On February 6, 2013, there were 5,649,589 shares of our Series B Preferred Stock issued and outstanding and the last reported sale price for our Series B Preferred Stock on the NYSE was \$24.21 per share.

Distributions on the Series B Preferred Stock are cumulative and payable quarterly, with the next quarterly payment scheduled for February 20, 2013, at the rate of 7.25% of the liquidation preference per annum, or \$1.8125 per share of Series B Preferred Stock per annum. The February 20, 2013 distribution is payable to stockholders of record at the close of business on February 8, 2013. As the result, holders of shares of Series B Preferred Stock offered hereby will not be entitled to receive the February 20, 2013 distribution, but will be entitled to receive the full amount of all distributions payable in respect of the Series B Preferred Stock from and after February 20, 2013.

The Series B Preferred Stock will generally not be redeemable before May 22, 2017 except in limited circumstances to preserve our status as a real estate investment trust, or REIT, and except as described below upon the occurrence of a Change of Control (as defined in Description of the Series B Preferred Stock Special Optional Redemption). On and after May 22, 2017, we may, at our option, redeem the shares of Series B Preferred Stock, in whole or in part, by paying

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\$25.00 per share, plus any accrued and unpaid distributions to, but not including, the date of redemption. In addition, upon the occurrence of a Change of Control, we may, at our option, redeem the Series B Preferred Stock, in whole or in part and within 120 days after the first date on which such Change of Control occurred, by paying \$25.00 per share, plus any accrued and unpaid distributions to, but not including, the date of redemption. If we exercise any of our redemption rights, holders of the Series B Preferred Stock will not have the conversion rights described below. The Series B Preferred Stock has no maturity date and is not subject to any sinking fund or mandatory redemption provisions and will remain outstanding indefinitely unless redeemed by us or converted in connection with a Change of Control by holders of the Series B Preferred Stock.

Upon the occurrence of a Change of Control, each holder of Series B Preferred Stock will have the right (unless, prior to the Change of Control Conversion Date, we have provided or provide notice of our election to redeem the Series B Preferred Stock) to convert some or all of the Series B Preferred Stock held by such holder on the Change of Control Conversion Date into a number of shares of our common stock per share of Series B Preferred Stock to be converted equal to the lesser of:

the quotient obtained by dividing (i) the sum of the \$25.00 liquidation preference plus the amount of any accrued and unpaid distributions to, but not including, the Change of Control Conversion Date (unless the Change of Control Conversion Date is after a record date for the Series B Preferred Stock distribution payment and prior to the corresponding Series B Preferred Stock distribution payment date, in which case no additional amount for such accrued and unpaid distribution will be included in this sum) by (ii) the Common Stock Price; and

10.2041 (the Stock Cap), subject to certain adjustments.

Holders of the Series B Preferred Stock generally have no voting rights, except for limited voting rights, including if we fail to pay distributions on the Series B Preferred Stock for six or more quarterly periods (whether or not consecutive) or the Series B Preferred Stock is not listed on the NYSE or another national securities exchange for a period of at least 180 consecutive days.

The shares of Series B Preferred Stock are subject to certain restrictions on ownership and transfer designed to preserve our qualification as a REIT, for federal income tax purposes. See Description of the Series B Preferred Stock Restrictions on Ownership and Transfer.

The Series B Preferred Stock has not been rated and is subject to the risks associated with non-rated securities. Investing in the Series B Preferred Stock involves risks that are described in the Risk Factors sections beginning on page S-8 of this prospectus supplement, page 3 of the accompanying prospectus and page 16 of our Annual Report on Form 10-K for the year ended December 31, 2011.

	Per Share	Total ⁽²⁾
Public offering price ⁽¹⁾	\$	\$
Underwriting discount	\$	\$
Proceeds, before expenses, to us	\$	\$

(1) Plus accumulated dividends from February , 2013 if settlement occurs after that date.

(2) Assumes no exercise of the underwriters' option to purchase additional shares described below.

The underwriters may also exercise their option to purchase up to an additional shares of Series B Preferred Stock from us, at the public offering price, less the underwriting discount, for 30 days after the date of this prospectus supplement.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The Series B Preferred Stock will be ready for delivery through the facilities of The Depository Trust Company on or about February , 2013.

Joint Book-Running Managers

Wells Fargo Securities

BofA Merrill Lynch

The date of this prospectus supplement is February , 2013.

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In this prospectus supplement, the terms "Company," "we," "us" or "our" include Cedar Realty Trust, Inc. and its consolidated subsidiaries, including Cedar Realty Trust Partnership, L.P., or the operating partnership.

You should rely only on the information contained or incorporated by reference in this prospectus supplement, the accompanying prospectus and any free writing prospectus prepared by us. We have not, and the underwriters have not, authorized any person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus supplement, the accompanying prospectus and any free writing prospectus prepared by us, as well as the documents incorporated by reference, is accurate only as of their respective dates or on other dates which are specified in those documents. Our business, financial condition, results of operations and prospects may have changed since those dates.

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PROSPECTUS SUPPLEMENT SUMMARY

This summary may not contain all of the information that is important to you. You should carefully read this entire prospectus supplement and the accompanying prospectus including the sections entitled Risk Factors beginning on page S-8 of this prospectus supplement and page 3 of the accompanying prospectus, as well as the information appearing under the caption Item 1.A Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2011, before making a decision to invest in the Series B Preferred Stock. You should also read the documents we have referred you to in Incorporation of Certain Information by Reference. This summary is qualified in its entirety by the more detailed information and financial statements, including the notes thereto, appearing elsewhere or incorporated by reference in this prospectus supplement and the accompanying prospectus.

The Company

We are a fully-integrated real estate investment trust that focuses primarily on ownership and operation of supermarket-anchored shopping centers straddling the Washington D.C. to Boston corridor. At September 30, 2012, we owned and managed a portfolio of 67 operating properties (excluding properties held for sale/conveyance) totaling approximately 9.6 million square feet of gross leasable area, or GLA. In addition, we had an ownership interest in 22 operating properties, with approximately 3.7 million square feet of GLA, through our joint venture with RioCan Real Estate Investment Trust, or RioCan, in which we had a 20% interest. The entire managed portfolio, including the Cedar/RioCan properties, was approximately 92.6% leased at September 30, 2012. We conduct our business and own (either directly or through subsidiaries) substantially all of our properties through Cedar Realty Trust Partnership, L.P., or the operating partnership, in which we owned at September 30, 2012 an approximate 99.6% interest, and are its sole general partner. Our principal executive offices are located at 44 South Bayles Avenue, Port Washington, NY 11050, our telephone number is (516) 767-6492 and our website address is www.cedarrealtytrust.com. The contents of our website are not a part of this prospectus supplement or the accompanying prospectus.

Recent Developments

On October 10, 2012, we concluded definitive agreements with RioCan to exit the 20% Cedar / 80% RioCan joint venture that owns 22 retail properties. Pursuant to the agreements, we exchanged our 20% interest in the joint venture for (1) a 100% ownership interest in Franklin Village, located in Franklin, Massachusetts, at an agreed-upon value of approximately \$75.1 million, including the assumption of related in-place mortgage financing of approximately \$43.1 million, and (2) approximately \$40.0 million in cash, which was initially used to reduce the outstanding balance under the operating partnership's secured revolving credit facility. We continued to manage the properties acquired by RioCan subject to a management agreement which terminated effective January 31, 2013. With respect to our common stock owned by RioCan, RioCan will remain subject to all the standstill provisions that it agreed to in October 2009 when it first acquired shares of our common stock, for so long as it owns its shares of the Company.

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The Offering

The following is a brief summary of certain terms of this offering. For a more complete description of the terms of the Series B Preferred Stock, see [Description of the Series B Preferred Stock](#) in this prospectus supplement and [Description of Preferred Stock](#) in the accompanying prospectus.

Issuer	Cedar Realty Trust, Inc.
Securities Offered	shares of 7.25% Series B Cumulative Redeemable Preferred Stock (shares if the underwriters exercise their option to purchase additional shares in full), which is a further issuance of, will form a single series with, and will have the same terms as our outstanding 5,649,589 shares of Series B Preferred Stock. We reserve the right to reopen this series and issue additional shares of Series B Preferred Stock either through public or private sales at any time and from time to time.
Distributions	Investors will be entitled to receive, when, as and if authorized by our board of directors, cumulative cash distributions on the Series B Preferred Stock at a rate of 7.25% per annum of the \$25.00 per share liquidation preference (equivalent to \$1.8125 per annum per share). Distributions on the Series B Preferred Stock are payable quarterly in arrears on the 20th day of each February, May, August and November or, if not a business day, the next business day, with the next quarterly payment scheduled for February 20, 2013. The February 20, 2013 distribution is payable to stockholders of record at the close of business on February 8, 2013. As the result, holders of shares of Series B Preferred Stock offered hereby will not be entitled to receive the February 20, 2013 distribution, but will be entitled to receive the full amount of all distributions payable in respect of the Series B Preferred Stock from and after February 20, 2013.
Optional Redemption	We may not redeem the Series B Preferred Stock prior to May 22, 2017, except in connection with the special optional redemption right discussed below and in limited circumstances relating to our continuing qualification as a REIT for federal income tax purposes. On and after May 22, 2017, we may, at our option, redeem the Series B Preferred Stock, in whole or from time to time in part, by payment of \$25.00 per share, plus all accrued and unpaid distributions to, but not including, the date of redemption. Any partial redemption of the Series B Preferred Stock will be on a pro rata basis.
Special Optional Redemption	Upon the occurrence of a Change of Control (as defined below) we will have the option to redeem the Series B Preferred Stock, in whole or in part, within 120 days after the first date on which such Change of Control occurred, for cash at a redemption price of \$25.00 per share, plus all accrued and unpaid distributions to, but not including, the date of redemption. If we exercise our redemption rights, the holders of Series B Preferred Stock will not have the conversion rights described below.

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A Change of Control is when, after the original issuance of the Series B Preferred Stock, the following have occurred and are continuing:

(x) the acquisition by any person, including any syndicate or group deemed to be a person under Section 13(d)(3) of the Securities Exchange Act of 1934, as amended, or the Exchange Act, of beneficial ownership, directly or indirectly, through a purchase, merger or other acquisition transaction or series of purchases, mergers or other acquisition transactions of shares of our capital stock entitling that person to exercise more than 50% of the total voting power of our capital stock entitled to vote generally in elections of directors (except that such person will be deemed to have beneficial ownership of all securities that such person has the right to acquire, whether such right is currently exercisable or is exercisable only upon the occurrence of a subsequent condition), and (y) following the closing of any transaction referred to in clause (x), neither we nor the acquiring or surviving entity has a class of common securities (or American Depositary Receipts (ADRs), representing such securities) listed on the NYSE, the NYSE MKT Equities (the NYSE MKT) or the NASDAQ Stock Market (NASDAQ), or listed or quoted on an exchange or quotation system that is a successor to the NYSE, the NYSE MKT or NASDAQ; or

a change of control occurs pursuant to the provisions of any shareholder rights plan that we may adopt in the future.

Conversion Rights

Upon the occurrence of a Change of Control, each holder of Series B Preferred Stock will have the right (unless, prior to the Change of Control Conversion Date, we have provided or provide notice of our election to redeem the Series B Preferred Stock) to convert some or all of the Series B Preferred Stock held by such holder on the Change of Control Conversion Date into a number of shares of our common stock per share of Series B Preferred Stock to be converted equal to the lesser of:

the quotient obtained by dividing (i) the sum of the \$25.00 liquidation preference plus the amount of any accrued and unpaid distributions to, but not including, the Change of Control Conversion Date (unless the Change of Control Conversion Date is after a record date for the Series B Preferred Stock distribution payment and prior to the corresponding Series B Preferred Stock distribution payment date, in which case no additional amount for such accrued and unpaid distribution will be included in this sum) by (ii) the Common Stock Price; and

10.2041 (the Stock Cap), subject to certain adjustments;

subject, in each case, to an aggregate cap on the total number of shares of common stock (or alternative conversion consideration, as applicable) issuable upon exercise of the Change of Control

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Conversion Right and to provisions for the receipt of alternative consideration as described in this prospectus supplement.

If prior to the Change of Control Conversion Date, we have provided or provide a redemption notice, whether pursuant to our special optional redemption right in connection with a Change of Control or our optional redemption right, holders of Series B Preferred Stock will not have any right to convert the Series B Preferred Stock in connection with the Change of Control Conversion Right and any shares of Series B Preferred Stock subsequently selected for redemption that have been tendered for conversion will be redeemed on the related date of redemption instead of converted on the Change of Control Conversion Date.

For definitions of Change of Control Conversion Right, Change of Control Conversion Date and Common Stock Price and for a description of the adjustments and provisions for the receipt of alternative consideration that may be applicable to the Change of Control Conversion Right, see Description of the Series B Preferred Stock Conversion Rights.

No Maturity

The Series B Preferred Stock has no maturity date and we are not required to redeem the Series B Preferred Stock. Accordingly, the Series B Preferred Stock will remain outstanding indefinitely unless we decide to redeem it pursuant to our optional redemption right or our special optional redemption right in connection with a Change of Control, or under the circumstances set forth above where the holders of the Series B Preferred Stock have a conversion right and elect to convert such Series B Preferred Stock. We also have the right to make open-market purchases of the Series B Preferred Stock from time to time. We are not required to set aside funds to redeem the Series B Preferred Stock.

Liquidation Preference

If we liquidate, dissolve or wind up, holders of the Series B Preferred Stock will have the right to receive out of assets legally available for distribution to our stockholders (after payment or provision for payment of all of our debts and other liabilities) the sum of (a) the liquidation preference of \$25.00 per share and (b) accrued and unpaid distributions (whether or not declared) to the date of payment, before any payments are made to the holders of our common stock and any other class or series of our preferred stock that we may issue ranking junior to the Series B Preferred Stock as to liquidation rights. The rights of the holders of the Series B Preferred Stock to receive their liquidation distribution will be subject to the proportionate rights of each other series or class of our preferred stock ranking on a parity with the Series B Preferred Stock, including our 8⁷/₈% Series A Cumulative Redeemable Preferred Stock, or the Series A Preferred Stock.

Ranking

The Series B Preferred Stock, with respect to distribution rights and rights upon liquidation, dissolution or winding up, ranks: (i) senior to our common stock and all other classes or series of our equity

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securities we may issue in the future the terms of which specifically provide that such equity securities will rank junior to the Series B Preferred Stock; (ii) on a parity with the Series A Preferred Stock and all other classes or series of our equity securities we may issue in the future the terms of which specifically provide that such equity securities rank on a parity with the Series B Preferred Stock; and (iii) junior to all classes or series of equity securities we may issue in the future the terms of which specifically provide that such equity securities rank senior to the Series B Preferred Stock. The term "equity securities" does not include any convertible debt securities we may issue in the future.

Voting Rights

Holders of the Series B Preferred Stock generally have no voting rights. However, if either (a) we do not pay distributions on our Series B Preferred Stock for six or more quarterly periods (whether or not consecutive), or (b) the Series B Preferred Stock is not listed on the NYSE or another national securities exchange for a period of at least 180 consecutive days, then the holders of the Series B Preferred Stock, voting together as a single class with the holders of the Series A Preferred Stock and any other class or series of our preferred stock upon which similar voting rights have been conferred and are exercisable, will be entitled to vote for the election of two additional directors to serve on our board of directors until we pay all distributions which we owe on the Series B Preferred Stock or until the Series B Preferred Stock is listed on a national securities exchange, as applicable. In addition, the affirmative vote of the holders of at least two-thirds of the Series B Preferred Stock (voting as a separate class) is required for us to (a) authorize, create or increase the authorized or issued amount of any class or series of our equity securities ranking senior to the Series B Preferred Stock as to distributions and amounts upon liquidation or (b) amend or repeal our charter (including by merger, consolidation or otherwise), in a manner that materially and adversely affects the rights of the holders of the Series B Preferred Stock, provided that in the case of a merger or consolidation, the Series B Preferred Stock will not be deemed to be materially and adversely affected if the Series B Preferred Stock remains outstanding with its terms materially unchanged or, if we are not the surviving entity in such transaction, the Series B Preferred Stock is exchanged for a security of the surviving entity with terms that are materially the same as the Series B Preferred Stock.

Information Rights

During any period in which we are not subject to the reporting requirements of Section 13 or Section 15(d) of the Exchange Act and any Series B Preferred Stock is outstanding, we will (i) transmit by mail or other permissible means under the Exchange Act to all holders of Series B Preferred Stock as their names and addresses appear in our record books and without cost to such holders, copies of the annual reports on Form 10-K and quarterly reports on Form 10-Q that we would have been required to file with the Securities and Exchange Commission (the "SEC") pursuant to Section 13 or Section

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15(d) of the Exchange Act if we were subject thereto (other than any exhibits that would have been required) and (ii) within 15 days following written request, supply copies of such reports to any prospective holder of the Series B Preferred Stock. We will mail (or otherwise provide) the reports to the holders of Series B Preferred Stock within 15 days after the respective dates by which we would have been required to file such reports with the SEC if we were subject to Section 13 or Section 15(d) of the Exchange Act.

Listing

Our Series B Preferred Stock currently trades on the NYSE under the symbol CDR PrB . Application will be made to list the additional shares offered by this prospectus supplement on the NYSE under the same symbol.

Restrictions on Ownership and Transfer

Our charter provides that no person or entity may beneficially own, or be deemed to own by virtue of the applicable constructive ownership provisions of the Internal Revenue Code of 1986, as amended, or the Code, more than 9.9% of the outstanding shares of our common stock. The Articles Supplementary relating to the Series B Preferred Stock provide that the 9.9% ownership limitation applies to ownership of our Series B Preferred Stock as a separate class. Our board of directors, in its sole discretion, is able to waive the 9.9% ownership limit under certain circumstances.

We may prevent any proposed transfer of our shares of capital stock, including the Series B Preferred Stock, which would jeopardize our status as a REIT and may repurchase any shares necessary to maintain our REIT status. We have the right to purchase any shares, including the Series B Preferred Stock, or refuse to transfer or issue shares to a person whose acquisition of shares would result in ownership in excess of the 9.9% limit. Any transfer of shares that would result in our disqualification as a REIT or in a person s exceeding this ownership limit which is not waived by us is deemed void.

Conversion

Except as set forth above under Conversion Rights, the Series B Preferred Stock is not convertible into or exchangeable for any other securities or property.

Use of Proceeds

We estimate that our net proceeds from this offering, after deducting the underwriting discount and the estimated expenses of this offering payable by us, will be approximately \$ million (\$ million if the underwriters exercise their option to purchase additional shares in full). We will contribute the net proceeds from this offering to our operating partnership in exchange for preferred units of limited partnership interest in our operating partnership that have substantially identical economic terms as the Series B Preferred Stock.

Our operating partnership intends to use the net proceeds from this offering to redeem all the remaining outstanding shares of our Series A Preferred Stock, with the balance to be used for working capital

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and other corporate purposes. Pending such use, the net proceeds will be used to temporarily repay amounts outstanding under the operating partnership's secured revolving credit facility. See "Use of Proceeds" in this prospectus supplement.

Settlement

Delivery of the shares of Series B Preferred Stock will be made against payment therefor on or about February 1, 2013.

Risk Factors

See "Risk Factors" beginning on S-8 of this prospectus supplement, on page 3 of the accompanying prospectus and on page 16 of our Annual Report on Form 10-K for the year ended December 31, 2011, for risks you should consider before purchasing shares of our Series B Preferred Stock.

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RISK FACTORS

An investment in our Series B Preferred Stock involves a number of risks. Before making an investment decision to purchase our Series B Preferred Stock, you should carefully consider all of the risks described in this prospectus supplement, the risks described under Risk Factors beginning on page 3 of the accompanying prospectus and on page 16 of our Annual Report on Form 10-K for the year ended December 31, 2011, as well as the other information contained in, or incorporated by reference into, this prospectus supplement or the accompanying prospectus. If any of these risks actually occurs, our business, financial condition and results of operations could be materially adversely affected. If this were to occur, the value of our Series B Preferred Stock could decline significantly and you may lose all or part of your investment.

The Series B Preferred Stock has only a limited trading market, which may negatively affect its market value and your ability to transfer or sell your shares; the Series B Preferred Stock has no stated maturity date.

The shares of Series B Preferred Stock have only a limited trading market. Because the securities have no stated maturity date and are not subject to any sinking fund or mandatory redemption, investors seeking liquidity will be limited to selling their shares in the secondary market. An active trading market on the NYSE for the shares of Series B Preferred Stock may not develop or, even if it develops, may not last, in which case the trading price of the shares of Series B Preferred Stock could be adversely affected and your ability to transfer your shares of Series B Preferred Stock will be limited.

The Series B Preferred Stock has not been rated.

We have not sought to obtain a rating for the Series B Preferred Stock. No assurance can be given, however, that one or more rating agencies might not independently determine to issue such a rating or that such a rating, if issued, would not adversely affect the market price of our Series B Preferred Stock. In addition, we may elect in the future to obtain a rating of our Series B Preferred Stock or we may elect to issue other securities for which we may seek to obtain a rating, which could adversely impact the market price of our Series B Preferred Stock if any such rating is issued and is lower than market expectations or is subsequently lowered or withdrawn. Ratings only reflect the views of the rating agency or agencies issuing the ratings and such ratings could be revised downward or withdrawn entirely at the discretion of the issuing rating agency if in its judgment circumstances so warrant. Any such downward revision or withdrawal of a rating could have an adverse effect on the market price of our Series B Preferred Stock. Further, a rating is not a recommendation to purchase, sell or hold any particular security, including the Series B Preferred Stock. In addition, ratings do not reflect market prices or suitability of a security for a particular investor and any future rating of the Series B Preferred Stock may not reflect all risks related to the Company and its business, or the structure or market value of the Series B Preferred Stock.

Numerous factors affect the trading price of the Series B Preferred Stock.

The trading price of our Series B Preferred Stock may depend on many factors, many of which are beyond our control, including:

prevailing interest rates, increases in which may have an adverse effect on the market price of the Series B Preferred Stock;

the market for similar securities;

additional issuances of the Series B Preferred Stock or other series or classes of preferred stock or indebtedness;

general economic conditions; and

our financial condition, performance and prospects.

We have entered into a sales agreement with MLV & Co. LLC pursuant to which we may from time to time offer and sell up to 4,000,000 shares of Series B Preferred Stock in at-the-market offerings, including sales made directly on the NYSE or sales made to or through a market maker.

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Additional issuances of Series B Preferred Stock in at-the-market offerings may adversely affect the trading price of the Series B Preferred Stock.

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The Series B Preferred Stock is subordinated to existing and future debt, and your interests could be diluted by the issuance of additional shares of preferred stock, including additional issuances of shares of Series B Preferred Stock, and by other transactions.

The Series B Preferred Stock ranks junior to all of our existing and future indebtedness and other non-equity claims on us with respect to assets available to satisfy claims on us, including in the event of our liquidation, dissolution or winding up. In addition, payment of amounts due on the Series B Preferred Stock will be structurally subordinated to the payment of distributions on preferred securities, if any, issued by subsidiaries of our operating partnership. As of September 30, 2012, our total indebtedness on a consolidated basis was approximately \$747.2 million. Other than the limited conversion right afforded to holders of the Series B Preferred Stock that may occur in connection with a Change of Control as described in this prospectus supplement under the caption Description of the Series B Preferred Stock Conversion Rights, none of the provisions or terms of the Series B Preferred Stock relate to or limit our ability to incur additional indebtedness or afford the holders of the Series B Preferred Stock protection in the event of a highly leveraged or other transaction, including a merger or the sale, lease or conveyance of all or substantially all our assets, that might adversely affect the rights of the holders of Series B Preferred Stock, so long as the rights of the holders of Series B Preferred Stock are not materially and adversely affected. Additional indebtedness we incur in the future could affect our ability to pay distributions on, redeem or pay the liquidation preference on the Series B Preferred Stock.

Our charter currently authorizes the issuance of up to 150,000,000 shares of our common stock and up to 12,500,000 shares of preferred stock in one or more series. Immediately prior to this offering, there were 1,407,969 shares of Series A Preferred Stock issued and outstanding, with an aggregate liquidation preference of \$35.2 million, and 5,649,589 shares of Series B Preferred Stock issued and outstanding, with an aggregate liquidation preference of \$141.2 million. Under our charter, our board of directors has the power to classify any of our unissued shares of preferred stock, and to reclassify any of our previously classified but unissued shares of preferred stock of any series, from time to time, in one or more series of shares of preferred stock. The issuance of additional shares of Series B Preferred Stock or additional shares of preferred stock that rank on a parity with the Series B Preferred Stock, including additional shares of Series A Preferred Stock, or senior to the Series B Preferred Stock, would dilute the interests of the holders of the Series B Preferred Stock, and the issuance of any preferred stock senior to the Series B Preferred Stock could affect our ability to pay distributions on, redeem or pay the liquidation preference on the Series B Preferred Stock.

As a holder of Series B Preferred Stock, you will have limited voting rights.

Your voting rights as a holder of Series B Preferred Stock will be limited. Shares of our common stock are the only class carrying full voting rights. Voting rights for holders of Series B Preferred Stock exist primarily with respect to adverse changes in the terms of the Series B Preferred Stock, the creation of additional series of preferred stock that rank senior to the Series B Preferred Stock as to distributions and amounts upon liquidation, our continued failure to maintain the listing of the Series B Preferred Stock on the NYSE or another national securities exchange and our continued failure to pay distributions on the Series B Preferred Stock. See Description of the Series B Preferred Stock Voting Rights.

You may not be permitted to exercise conversion rights upon a Change of Control. The Change of Control conversion feature may not adequately compensate you, and the Change of Control conversion and redemption features of the Series B Preferred Stock may make it more difficult for a party to take over our company or discourage a party from taking over our company.

Upon the occurrence of a Change of Control, holders of the Series B Preferred Stock will have the right (unless, prior to the Change of Control Conversion Date, we have provided or provide notice of our election to redeem the Series B Preferred Stock) to convert some or all of the Series B Preferred Stock into shares of our common stock (or equivalent value of alternative consideration) and under these circumstances we will also have a special optional redemption right to redeem the Series B Preferred Stock. See Description of the Series B

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Preferred Stock Conversion Rights and Special Optional Redemption. Upon such conversion, the holders of Series B Preferred Stock will be limited to a maximum number of shares of our common stock equal to the Stock Cap multiplied by the number of shares of Series B Preferred Stock converted. If the Common Stock Price is less than \$2.45, subject to adjustment, the holders will receive a maximum of 10.2041 shares of our common stock per share of Series B Preferred Stock, which may result in a holder receiving value that is less than the liquidation preference of the Series B Preferred Stock. In addition, those features of the Series B Preferred Stock may have the effect of inhibiting a third party from making an acquisition proposal for our company or of delaying, deferring or preventing a change of control of our company under circumstances that otherwise could provide the holders of our common stock and Series B 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 Articles Supplementary establishing the terms of the Series B Preferred Stock contain restrictions upon ownership and transfer of the Series B Preferred Stock.

The Articles Supplementary establishing the terms of the Series B Preferred Stock contain restrictions on ownership and transfer of the Series B Preferred Stock intended to assist us in maintaining our status as a REIT for United States federal and/or state income tax purposes. For example, the terms of the Series B Preferred Stock restrict any person from acquiring actual or constructive ownership of more than 9.9% (in value or number of shares, whichever is more restrictive) of the outstanding Series B Preferred Stock. These restrictions could have anti-takeover effects and could reduce the possibility that a third party will attempt to acquire control of the Company, which could adversely affect the market price of the Series B Preferred Stock.

The covenants in the operating partnership's secured credit facility may limit the Company's ability to make distributions to the holders of Series B Preferred Stock.

The operating partnership's revolving credit facility and term loan contain financial covenants that could limit the amount of distributions payable by the Company on its preferred stock. The Company relies on cash distributions it receives from the operating partnership to pay distributions on its preferred stock and to satisfy its other cash needs, and the secured credit facility provides that the operating partnership may not, over any four quarters, make partnership distributions to the Company or other holders of its partnership interests in an aggregate amount in excess of the greater of:

95% of the operating partnership's adjusted funds from operations (as defined in the secured credit facility agreement) for the most recently completed four quarters; and

an amount which results in distributions to the Company (excluding any preferred partnership distributions to the extent the same have been deducted from adjusted funds from operations for the most recently completed four quarters) in an amount sufficient to permit the Company to pay dividends to its stockholders which it reasonably believes are necessary to maintain its qualification as a REIT.

In addition, the secured credit facility provides that, if the operating partnership fails to pay any principal of or interest on any borrowings under the secured credit facility, when due, then the operating partnership may make only those partnership distributions to the Company and other holders of its partnership interests necessary to enable the Company to make distributions to the Company's stockholders which it reasonably believes are necessary to maintain its status as a REIT for federal and state income tax purposes. Any limitation on the Company's ability to make distributions to its stockholders, whether as a result of these provisions in the secured credit facility or otherwise, could have a material adverse effect on the market value of its preferred stock (including, without limitation, the Series B Preferred Stock).

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FORWARD-LOOKING STATEMENTS

This prospectus supplement and the accompanying prospectus contain or incorporate by reference forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Exchange Act. Such forward looking statements include, without limitation, statements containing the words anticipates, believes, expects, intends, future, and words of similar import which express the Company's beliefs, expectations or intentions regarding future performance or future events or trends. While forward looking statements reflect good faith beliefs, expectations or intentions, they are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, which may cause actual results, performance or achievements to differ materially from anticipated future results, performance or achievements expressed or implied by such forward looking statements as a result of factors outside of the Company's control. Certain factors that might cause such differences include, but are not limited to, the following: real estate investment considerations, such as the effect of economic and other conditions in general and in the Company's market areas in particular; the financial viability of the Company's tenants (including an inability to pay rent, filing for bankruptcy protection, closing stores and/or vacating the premises); the continuing availability of acquisition, ground up development and redevelopment opportunities, on favorable terms; the availability of equity and debt capital (including the availability of construction financing) in the public and private markets; the availability of suitable joint venture partners and potential purchasers of the Company's properties if offered for sale; the ability of the Company's joint venture partner to fund its share of future property acquisitions; the adequacy of impairment provisions for properties treated as held for sale/conveyance; changes in interest rates; the fact that returns from acquisition, ground up development and redevelopment activities may not be at expected levels or at expected times; risks inherent in ongoing ground up development and redevelopment projects including, but not limited to, cost overruns resulting from weather delays, changes in the nature and scope of ground up development and redevelopment efforts, changes in governmental regulations relating thereto, and market factors involved in the pricing of material and labor; the need to renew leases or relet space upon the expiration or termination of current leases and incur applicable required replacement costs; and the financial flexibility of the Company and its joint venture partners to repay or refinance debt obligations when due and to fund tenant improvements and capital expenditures. For a discussion of these and other factors that could cause actual results to differ from those contemplated in the forward-looking statements in this prospectus supplement, the accompanying prospectus and in documents incorporated by reference in this prospectus supplement and the accompanying prospectus, see the section entitled Risk Factors in this prospectus supplement and the accompanying prospectus and in documents incorporated by reference into this prospectus supplement and the accompanying prospectus, including the Company's Annual Report on Form 10-K for the year ended December 31, 2011. We do not intend, and disclaim any duty or obligation, to update or revise any forward-looking statements set forth in this prospectus supplement to reflect any change in expectations, change in information, new information, future events or other circumstances on which such information may have been based.

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USE OF PROCEEDS

We estimate that the net proceeds of this offering, after deducting the underwriting discount and the estimated expenses of this offering payable by us, will be approximately \$ million (\$ million if the underwriters exercise their option to purchase additional shares in full). We will contribute the net proceeds from this offering to our operating partnership in exchange for preferred units of limited partnership interest in our operating partnership that have substantially identical economic terms as the Series B Preferred Stock. Our operating partnership presently intends to use the net proceeds from this offering to redeem all the remaining outstanding shares of our Series A Preferred Stock, with the balance to be used for working capital and other corporate purposes. Pending such use, the net proceeds will be used to temporarily repay amounts outstanding under the operating partnership's secured revolving credit facility. At September 30, 2012, approximately \$93.0 million was outstanding under the operating partnership's \$300 million secured credit facility with a weighted-average interest rate of 3.0%. The \$300 million secured credit facility, which was entered into in January 2012, is comprised of a four-year \$75 million term loan maturing in January 2016 and a three-year \$225 million revolving credit facility maturing in January 2015, subject to collateral in place. Borrowings under the facility bear interest at a rate of LIBOR plus 275 bps and can range from LIBOR plus 200 to 300 bps based on our leverage ratio. Each of the term loan and revolving credit facility may be extended for an additional year at our option.

Table of Contents**RATIOS OF EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS**

The following table sets forth our historical ratio of earnings to fixed charges and preferred stock dividends for the periods indicated:

	September 30, 2012	2011	2010	2009	Year ended December 31, 2008	2007
Ratio of earnings to fixed charges ⁽¹⁾	(3)	(3)	(3)	(3)	1.08x	1.29x
Ratio of earnings to combined fixed charges and preferred stock dividends ⁽²⁾	(4)	(4)	(4)	(4)	(4)	1.05x

- (1) The ratio of earnings to fixed charges is computed by dividing earnings by fixed charges. In computing the ratio of earnings to fixed charges: (a) earnings consist of (loss) income before discontinued operations plus distributed income of equity investees and fixed charges (excluding capitalized interest) and (b) fixed charges consist of interest expense including amortization of debt discounts and issuance costs (including capitalized interest) and the estimated portion of rents payable by us representing interest.
- (2) The ratio of earnings to combined fixed charges and preferred stock dividends is computed by dividing earnings by the total of fixed charges and preferred stock dividends. In computing the ratio of earnings to combined fixed charges and preferred stock dividends: (a) earnings consist of (loss) income before discontinued operations plus distributed income of equity investees and fixed charges (excluding capitalized interest); (b) fixed charges consist of interest expense including amortization of debt discounts and issuance costs (including capitalized interest) and the estimated portion of rents payable by us representing interest; and (c) preferred stock dividends consists of preferred stock dividends.
- (3) During the nine months ended September 30, 2012, earnings were insufficient to cover fixed charges by \$3.2 million. During the fiscal years ended December 31, 2011, 2010 and 2009, earnings were insufficient to cover fixed charges by \$28.9 million, \$8.6 million and \$27.1 million, respectively.
- (4) During the nine months ended September 30, 2012, earnings were insufficient to cover fixed charges and preferred stock dividends by \$14.2 million. During the fiscal years ended December 31, 2011, 2010, 2009 and 2008, earnings were insufficient to cover fixed charges and preferred stock dividends by \$43.1 million, \$18.8 million, \$35.0 million and \$4.3 million, respectively.

Table of Contents**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**

	Three Months	Nine Months	Year Ended December 31,		
	Ended September 30, 2012	Ended September 30, 2012	2011	2010	2009
Net Income (Loss)	\$ 2,298,000	\$ 3,325,000	\$ (108,514,000)	\$ (44,184,000)	\$ (17,011,000)
Other comprehensive income:					
Unrealized gain on change in fair value of cash flow hedges:					
Consolidated	174,000	483,000	3,000	(454,000)	4,460,000
Unconsolidated joint venture	20,000	78,000	(118,000)		
Other comprehensive income	194,000	561,000	(115,000)	(454,000)	4,460,000
Comprehensive income (loss)	2,492,000	3,886,000	(108,629,000)	(44,638,000)	(12,551,000)
Comprehensive (income)/loss attributable to noncontrolling interests	(2,547,000)	(4,158,000)	4,961,000	2,935,000	(56,000)
Comprehensive (loss) attributable to Cedar Realty Trust, Inc.	\$ (55,000)	\$ (272,000)	\$ (103,668,000)	\$ (41,703,000)	\$ (12,607,000)

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DESCRIPTION OF THE SERIES B PREFERRED STOCK

This description of the Series B Preferred Stock supplements the description of the general terms and provisions of our preferred stock in the accompanying prospectus and to the extent inconsistent herewith, the description of the Series B Preferred Stock contained herein supersedes the description therein. You should consult that general description for further information. This summary is not complete and is qualified in its entirety by reference to our Articles Supplementary relating to the Series B Preferred Stock, copies of which are filed or incorporated by reference as exhibits to the registration statement of which this prospectus supplement and the accompanying prospectus form a part and are available from us.

General

Under our charter, we are currently authorized to issue up to 162,500,000 shares of capital stock, consisting of 150,000,000 shares of common stock, par value \$.06 per share, and 12,500,000 shares of preferred stock, par value \$.01 per share. We are authorized to issue shares of preferred stock in one or more series. Each series of our preferred stock will have the designations, powers, preferences, rights, qualifications, limitations or restrictions as Maryland law and our charter permits and our board of directors determines by adoption of applicable Articles Supplementary to our charter. Immediately prior to this offering, there were 1,407,969 shares of Series A Preferred Stock issued and outstanding, with an aggregate liquidation preference of \$35.2 million, and 5,649,589 shares of Series B Preferred Stock issued and outstanding, with an aggregate liquidation preference of \$141.2 million.

When issued, the shares of Series B Preferred Stock sold in this offering will be validly issued, fully paid and non-assessable. The Series B Preferred Stock currently outstanding is listed on the NYSE under the symbol CDR PrB, and application will be made to list the shares being sold in this offering on the NYSE under the same symbol. Such shares will have the same CUSIP number as the currently outstanding shares of Series B Preferred Stock and will trade interchangeably with the currently outstanding shares of Series B Preferred Stock.

You may obtain a complete copy of the Articles Supplementary describing the Series B Preferred Stock by contacting us. You may also find a description of our Series B Preferred Stock in our registration statement on Form 8-A filed with the SEC and dated May 16, 2012.

The transfer agent, registrar and disbursing agent for the Series B Preferred Stock is American Stock Transfer & Trust Company, LLC.

The Series B Preferred Stock sold in this offering will be issued and maintained in book-entry form registered in the name of the nominee of the Depository Trust Company, or DTC, except in limited circumstances.

Ranking

The Series B Preferred Stock, with respect to distribution rights and rights upon liquidation, dissolution or winding up, ranks: (i) senior to our common stock and all other classes or series of our equity securities we may issue in the future the terms of which specifically provide that such equity securities will rank junior to the Series B Preferred Stock; (ii) on a parity with the Series A Preferred Stock and all other classes or series of our equity securities we may issue in the future the terms of which specifically provide that such equity securities rank on a parity with the Series B Preferred Stock; and (iii) junior to all classes or series of equity securities we may issue in the future the terms of which specifically provide that such equity securities rank senior to the Series B Preferred Stock. The term equity securities does not include any convertible debt securities we may issue in the future.

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Distributions

Holders of the Series B Preferred Stock will be entitled to receive, when and as authorized by our board of directors, out of funds legally available for the payment of distributions, cumulative cash distributions at the rate of 7.25% of the liquidation preference per annum (equivalent to \$1.8125 per annum per share). Distributions on the Series B Preferred Stock will accrue and be cumulative and will be payable quarterly in arrears on the 20th day of each February, May, August and November or, if not a business day, the next business day, with the next quarterly payment scheduled for February 20, 2013. The February 20, 2013 distribution is payable to stockholders of record at the close of business on February 8, 2013. As the result, holders of shares of Series B Preferred Stock offered hereby will not be entitled to receive the February 20, 2013 distribution, but will be entitled to receive the full amount of all distributions payable in respect of the Series B Preferred Stock from and after February 20, 2013. Distributions payable on the Series B Preferred Stock for any partial period will be computed on the basis of a 360-day year consisting of twelve 30-day months. We will pay distributions to holders of record as they appear in our stock transfer books at the close of business on the applicable record date designated by our board of directors for the payment of distributions that is not more than 60 nor less than 10 days prior to the distribution payment date.

We will not authorize or pay any distributions on the Series B Preferred Stock or set aside funds for the payment of distributions if restricted or prohibited by law, or if the terms of any of our agreements, including agreements relating to our indebtedness or our other series of preferred stock, prohibit that authorization, payment or setting aside of funds or provide that the authorization, payment or setting aside of funds is a breach of or a default under that agreement. We are, and may in the future become, a party to agreements which restrict or prevent the payment of distributions on, or the purchase or redemption of, shares. These restrictions may include indirect covenants which require us to maintain specified levels of net worth or assets. We do not believe that the restrictions set forth in our existing agreements will have an adverse impact on our ability to pay distributions on the Series B Preferred Stock.

Notwithstanding the foregoing, distributions on the Series B Preferred Stock will accrue and cumulate whether or not we have earnings, whether or not there are funds legally available for the payment of distributions and whether or not distributions are authorized by our board of directors. Accrued but unpaid distributions on the Series B Preferred Stock will not bear interest, and holders of the Series B Preferred Stock will not be entitled to any distributions in excess of full cumulative distributions as described above. All of our distributions on the Series B Preferred Stock, including any capital gain distributions, will be credited first to the earliest accrued and unpaid distribution due.

We will not declare or pay any distributions (other than distributions in kind on our common stock or shares of any other class or series of our preferred stock that rank junior to the Series B Preferred Stock as to distributions), or set aside any funds for the payment of distributions, on shares of our common stock or shares of any other class or series of our preferred stock that rank on a parity with or junior to the Series B Preferred Stock as to distributions and upon liquidation, including the Series A Preferred Stock, or redeem, purchase or otherwise acquire shares of our common stock or shares of any other class or series of our preferred stock that rank on a parity with or junior to the Series B Preferred Stock, including the Series A Preferred Stock, as to distributions and upon liquidation (except by conversion into or exchange for our common stock or other shares ranking junior to the Series B Preferred Stock), unless we also have declared and either paid or set aside for payment full cumulative distributions on the Series B Preferred Stock for all past distribution periods (other than pro rata distributions as described below). This restriction will not limit our redemption, purchase or other acquisition of shares for the purposes of enforcing restrictions upon ownership and transfer of our equity securities contained in our charter (including the Articles Supplementary designating the terms of the Series B Preferred Stock) or for the purpose of preserving our status as a REIT for federal income tax purposes.

When distributions are not paid in full (or a sum sufficient for such full payment is not so set apart) upon the Series B Preferred Stock and any other class or series of our preferred stock ranking on a parity with the Series B

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Preferred Stock as to distributions, including the Series A Preferred Stock, all distributions declared upon the Series B Preferred Stock and such other class or series of preferred stock will be authorized pro rata so that the amount of distributions authorized per share of Series B Preferred Stock and per share of such other class or series of preferred stock (which will not include any accumulation in respect of unpaid distributions for prior distribution periods if such other class or series of preferred stock does not have a cumulative distribution) bear to each other. No interest, or sum of money in lieu of interest, will be payable in respect of any distribution payment or payments on the Series B Preferred Stock which may be in arrears.

Optional Redemption

We may not redeem the Series B Preferred Stock prior to May 22, 2017, except as described below under Special Optional Redemption and Restrictions on Ownership and Transfer. On and after May 22, 2017, at our option upon not less than 30 nor more than 60 days written notice, we may redeem the Series B Preferred Stock, in whole or in part, at any time or from time to time, at a redemption price of \$25.00 per share, plus all accrued and unpaid distributions to, but not including, the date of redemption.

We will mail to you, if you are a record holder of the Series B Preferred Stock, a notice of redemption no fewer than 30 days nor more than 60 days before the redemption date. We will send the notice to your address shown on our stock transfer books. A failure to give notice of redemption or any defect in the notice or in its mailing will not affect the validity of the redemption of any share of Series B Preferred Stock except as to the holder to whom notice was defective or not given. Each notice will state the following:

the redemption date;

the redemption price, including, without limitation, a statement as to whether or not accumulated but unpaid distributions will be payable as part of the redemption price, or payable on the next distribution payment date, to the record holder at the close of business on the relevant record date;

the number of shares of Series B Preferred Stock to be redeemed;

the place where the certificates (if any) for the Series B Preferred Stock are to be surrendered for payment; and

that distributions on the shares to be redeemed will cease to accrue on the redemption date.

If we redeem fewer than all of the shares of Series B Preferred Stock held by any holder, the notice of redemption mailed to each stockholder will also specify the number of shares of Series B Preferred Stock that we will redeem from each stockholder. In this case, we will determine the number of shares of Series B Preferred Stock to be redeemed on a pro rata basis. Any redemption may be made conditional on such factors as may be determined by our board of directors and as set forth in the redemption notice.

Unless full cumulative distributions on all shares of Series B Preferred Stock have been or contemporaneously are declared and either paid or set aside for payment for all past distribution periods, we generally may not redeem any Series B Preferred Stock unless we redeem all of the Series B Preferred Stock. In addition, unless full cumulative distributions on all shares of Series B Preferred Stock have been or contemporaneously are declared and either paid or set apart for payment for all past distribution periods, we will not purchase or otherwise acquire directly or indirectly any shares of Series B Preferred Stock, any shares of our common stock or shares of any other class or series ranking junior to or on parity with the Series B Preferred Stock as to distributions or upon liquidation (except by conversion into or exchange for shares of our equity securities ranking junior to the Series B Preferred Stock as to distributions and upon liquidation). These restrictions on redemptions, purchases and other acquisitions shall not prevent our redemption, purchase or acquisition of preferred stock of any series in order to ensure that we remain qualified as a REIT for United States federal income tax purposes, or the purchase or acquisition of Series B Preferred Stock pursuant to a purchase or exchange offer made on the same terms to all holders of the Series B Preferred Stock.

If we have given a notice of redemption and have set aside sufficient funds for the redemption in trust for the benefit of the holders of the shares of Series B Preferred Stock called for redemption, then, from and after the

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redemption date, those shares of Series B Preferred Stock will be treated as no longer outstanding, no further distributions will accrue and all other rights of the holders of those shares of Series B Preferred Stock will terminate. The holders of those shares of Series B Preferred Stock will retain their right to receive the redemption price for their shares and any accrued and unpaid distributions to, but not including, the redemption date.

The holders of shares of Series B Preferred Stock at the close of business on a distribution record date will be entitled to receive the distribution payable with respect to the Series B Preferred Stock on the corresponding payment date notwithstanding the redemption of the Series B Preferred Stock between such record date and the corresponding payment date or our default in the payment of the distribution due. Except as provided above, we will make no payment or allowance for unpaid distributions, whether or not in arrears, on Series B Preferred Stock to be redeemed.

The Series B Preferred Stock has no stated maturity and will not be subject to any sinking fund or mandatory redemption provisions, except as provided under Restrictions on Ownership and Transfer below.

Subject to applicable law, we may purchase Series B Preferred Stock in the open market, by tender or by private agreement. Any Series B Preferred Stock that we reacquire will be returned to the status of authorized but unissued preferred stock, without designation as to series until such shares are once more designated as part of a particular series by our board of directors.

Special Optional Redemption

Upon the occurrence of a Change of Control (as defined in Conversion Rights below), we may, at our option, redeem the Series B Preferred Stock, in whole or in part within 120 days after the first date on which such Change of Control occurred, by paying \$25.00 per share, plus any accrued and unpaid distributions to, but not including, the date of redemption. If, prior to the Change of Control Conversion Date (as defined in Conversion Rights below), we have provided or provide notice of redemption with respect to the Series B Preferred Stock (whether pursuant to our optional redemption right or our special optional redemption right), the holders of Series B Preferred Stock will not have the conversion right described below under Conversion Rights.

We will mail to you, if you are a record holder of the Series B Preferred Stock, a notice of redemption no fewer than 30 days nor more than 60 days before the redemption date. We will send the notice to your address shown on our stock transfer books. A failure to give notice of redemption or any defect in the notice or in its mailing will not affect the validity of the redemption of any share of Series B Preferred Stock except as to the holder to whom notice was defective or not given. Each notice will state the following:

the redemption date;

the redemption price, including, without limitation, a statement as to whether or not accumulated but unpaid distributions will be payable as part of the redemption price, or payable on the next distribution payment date, to the record holder at the close of business on the relevant record date;

the number of shares of Series B Preferred Stock to be redeemed;

the place where the certificates (if any) for the Series B Preferred Stock are to be surrendered for payment;

that the Series B Preferred Stock is being redeemed pursuant to our special optional redemption right in connection with the occurrence of a Change of Control and a brief description of the transaction or transactions constituting such Change of Control;

that the holders of the Series B Preferred Stock to which the notice relates will not be able to tender such Series B Preferred Stock for conversion in connection with the Change of Control and each share of Series B Preferred stock tendered for conversion that is

selected, prior to the Change of Control

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Conversion Date, for redemption will be redeemed on the related date of redemption instead of converted on the Change of Control Conversion Date; and

that distributions on the Series B Preferred Stock to be redeemed will cease to accrue on the redemption date.

If we redeem fewer than all of the outstanding shares of Series B Preferred Stock held by any holder, the notice of redemption mailed to each stockholder will also specify the number of shares of Series B Preferred Stock that we will redeem from each stockholder. In this case, we will determine the number of shares of Series B Preferred Stock to be redeemed on a pro rata basis. Any such redemption may be made conditional on such factors as may be determined by the Board of Directors and as set forth in the notice.

Unless full cumulative distributions on all shares of Series B Preferred Stock have been or contemporaneously are declared and either paid or set apart for payment for all past distribution periods, no shares of Series B Preferred Stock will be redeemed unless all outstanding shares of Series B Preferred Stock are simultaneously redeemed. In addition, unless full cumulative distributions on all shares of Series B Preferred Stock have been or contemporaneously are declared and either paid or set apart for payment for all past distribution periods, we will not purchase or otherwise acquire directly or indirectly any shares of Series B Preferred Stock, any shares of our common stock or shares of any other class or series ranking junior to or on parity with the Series B Preferred Stock as to distributions or upon liquidation (except by conversion into or exchange for shares of our equity securities ranking junior to the Series B Preferred Stock as to distributions and upon liquidation). These restrictions on redemptions, purchases and other acquisitions shall not prevent our redemption, purchase or acquisition of preferred stock of any series in order to ensure that we remain qualified as a REIT for United States federal income tax purposes, or the purchase or acquisition of Series B Preferred Stock pursuant to a purchase or exchange offer made on the same terms to all holders of the Series B Preferred Stock.

If we have given a notice of redemption and have set aside sufficient funds for the redemption in trust for the benefit of the holders of the Series B Preferred Stock called for redemption, then from and after the redemption date, those shares of Series B Preferred Stock will be treated as no longer being outstanding, no further distributions will accrue and all other rights of the holders of those shares of Series B Preferred Stock will terminate. The holders of those shares of Series B Preferred Stock will retain their right to receive the redemption price for their shares and any accrued and unpaid distributions through, but not including, the redemption date.

The holders of Series B Preferred Stock at the close of business on a distribution record date will be entitled to receive the distribution payable with respect to the Series B Preferred Stock on the corresponding payment date notwithstanding the redemption of the Series B Preferred Stock between such record date and the corresponding payment date or our default in the payment of the distribution due. Except as provided above, we will make no payment or allowance for unpaid distributions, whether or not in arrears, on Series B Preferred Stock to be redeemed.

For purposes of the special optional redemption and the Change of Control conversion rights described below, a Change of Control is when, after the original issuance of Series B Preferred Stock, the following has occurred and is continuing:

(x) the acquisition by any person, including any syndicate or group deemed to be a person under Section 13(d)(3) of the Exchange Act of beneficial ownership, directly or indirectly, through a purchase, merger or other acquisition transaction or series of purchases, mergers or other acquisition transactions of shares of our capital stock entitling that person to exercise more than 50% of the total voting power of our capital stock entitled to vote generally in elections of directors (except that such person will be deemed to have beneficial ownership of all securities that such person has the right to acquire, whether such right is currently exercisable or is exercisable only upon the occurrence of a subsequent condition), and (y) following the closing of any transaction referred to in clause (x), neither we nor the acquiring or surviving entity has a class of common securities (or ADRs, representing such

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securities) listed on the NYSE, the NYSE MKT or NASDAQ, or listed or quoted on an exchange or quotation system that is a successor to the NYSE, the NYSE MKT or NASDAQ; or

a change of control occurs pursuant to the provisions of any shareholder rights plan that may be adopted by the Company.

Conversion Rights

The Series B Preferred Stock is not convertible into or exchangeable for any property or other securities unless upon the occurrence of a Change of Control as described below.

Upon the occurrence of a Change of Control, each holder of Series B Preferred Stock will have the right, unless, prior to the Change of Control Conversion Date, we have provided or provide notice of our election to redeem the Series B Preferred Stock as described under Optional Redemption or Special Optional Redemption, to convert some or all of the Series B Preferred Stock held by such holder (the Change of Control Conversion Right) on the Change of Control Conversion Date into a number of shares of our common stock per share of Series B Preferred Stock to be converted (the Common Stock Conversion Consideration) equal to the lesser of:

the quotient obtained by dividing (i) the sum of the \$25.00 liquidation preference plus the amount of any accrued and unpaid distributions to, but not including, the Change of Control Conversion Date (unless the Change of Control Conversion Date is after a record date for the Series B Preferred Stock distribution payment and prior to the corresponding Series B Preferred Stock distribution payment date, in which case no additional amount for such accrued and unpaid distribution will be included in this sum) by (ii) the Common Stock Price; and

10.2041 (the Stock Cap), subject to the adjustments described below.

The Stock Cap is subject to pro rata adjustments for any stock splits (including those effected pursuant to a distribution of our common stock), subdivisions or combinations (in each case, a Stock Split) with respect to our common stock as follows: the adjusted Stock Cap as the result of a Stock Split will be the number of shares of our common stock that is equivalent to the product obtained by multiplying (i) the Stock Cap in effect immediately prior to such Stock Split by (ii) a fraction, the numerator of which is the number of shares of our common stock outstanding after giving effect to such Stock Split and the denominator of which is the number of shares of our common stock outstanding immediately prior to such Stock Split.

For the avoidance of doubt, subject to the immediately succeeding sentence, the aggregate number of shares of our common stock (or equivalent Alternative Conversion Consideration (as defined below), as applicable) issuable in connection with the exercise of the Change of Control Conversion Right (or equivalent Alternative Conversion Consideration, as applicable), will not exceed 4,081,640 in total (or equivalent Alternative Conversion Consideration, as applicable) (the Exchange Cap). The Exchange Cap is subject to pro rata adjustments for any Stock Splits on the same basis as the corresponding adjustment to the Stock Cap, and in connection with prior issuances of our Series B Preferred Stock and additional issuances of our Series B Preferred Stock in this offering and other subsequent offerings. Assuming we sell shares of Series B Preferred Stock in this offering, the adjusted Exchange Cap would be approximately .

In the case of a Change of Control pursuant to which shares of our common stock will be converted into cash, securities or other property or assets (including any combination thereof) (the Alternative Form Consideration), a holder of Series B Preferred Stock will receive upon conversion of such Series B Preferred Stock the kind and amount of Alternative Form Consideration which such holder would have owned or been entitled to receive upon the Change of Control had such holder held a number of shares of our common stock equal to the Common Stock Conversion Consideration immediately prior to the effective time of the Change of Control (the Alternative Conversion Consideration, and the Common Stock Conversion Consideration or the Alternative Conversion Consideration, as may be applicable to a Change of Control, is referred to as the Conversion Consideration).

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If the holders of our common stock have the opportunity to elect the form of consideration to be received in the Change of Control, the consideration that the holders of the Series B Preferred Stock will receive will be the form and proportion of the aggregate consideration elected by the holders of our common stock who participate in the determination (based on the weighted average of elections) and will be subject to any limitations to which all holders of our common stock are subject, including, without limitation, pro rata reductions applicable to any portion of the consideration payable in the Change of Control.

We will not issue fractional shares of common stock upon the conversion of the Series B Preferred Stock. Instead, we will pay the cash value of such fractional shares based on the Common Stock Price.

Within 15 days following the occurrence of a Change of Control, we will provide to holders of Series B Preferred Stock and our transfer agent a notice of occurrence of the Change of Control that describes the resulting Change of Control Conversion Right. This notice will state the following:

the events constituting the Change of Control;

the date of the Change of Control;

the last date on which the holders of Series B Preferred Stock may exercise their Change of Control Conversion Right;

the method and period for calculating the Common Stock Price;

the Change of Control Conversion Date;

that if, prior to the Change of Control Conversion Date, we have provided or provide notice of our election to redeem all or any portion of the Series B Preferred Stock, holders will not be able to convert Series B Preferred Stock and such shares will be redeemed on the related redemption date, even if such shares have already been tendered for conversion pursuant to the Change of Control Conversion Right;

if applicable, the type and amount of Alternative Conversion Consideration entitled to be received per share of Series B Preferred Stock;

the name and address of the paying agent and the conversion agent; and

the procedures that the holders of Series B Preferred Stock must follow to exercise the Change of Control Conversion Right.

We will issue a press release and post a notice on our website, in any event prior to the opening of business on the first business day following any date on which we provide the notice described above to the holders of Series B Preferred Stock.

To exercise the Change of Control Conversion Right, the holder of Series B Preferred Stock will be required to deliver, on or before the close of business on the Change of Control Conversion Date, the certificates (if any) evidencing Series B Preferred Stock to be converted, duly endorsed for transfer, together with a written conversion notice completed, to our transfer agent. The conversion notice must state:

the relevant Change of Control Conversion Date;

the number of shares of Series B Preferred Stock to be converted; and

that the Series B Preferred Stock is to be converted pursuant to the applicable provisions of the Series B Preferred Stock.

The Change of Control Conversion Date is the date the Series B Preferred Stock is to be converted, which will be a business day that is no fewer than 20 days nor more than 35 days after the date on which we provide the notice described above to the holders of Series B Preferred Stock and our transfer agent.

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The Common Stock Price will be: (i) the amount of cash consideration per share of common stock, if the consideration to be received in the Change of Control by the holders of our common stock is solely cash, or (ii) the average of the closing prices per share for our common stock on the NYSE for the ten consecutive trading days immediately preceding, but not including, the effective date of the Change of Control, if the consideration to be received in the Change of Control by the holders of our common stock is other than solely cash.

Holders of Series B Preferred Stock may withdraw any notice of exercise of a Change of Control Conversion Right (in whole or in part) by a written notice of withdrawal delivered to our transfer agent prior to the close of business on the business day prior to the Change of Control Conversion Date. The notice of withdrawal must state:

the number of withdrawn shares of Series B Preferred Stock;

if certificated Series B Preferred Stock have been issued, the certificate numbers of the withdrawn shares of Series B Preferred Stock;
and

the number of shares of Series B Preferred Stock, if any, which remain subject to the conversion notice.

Notwithstanding the foregoing, if the Series B Preferred Stock is held in global form, the conversion notice and/or the notice of withdrawal, as applicable, must comply with applicable procedures of DTC.

Series B Preferred Stock as to which the Change of Control Conversion Right has been properly exercised and for which the conversion notice has not been properly withdrawn will be converted into the applicable Conversion Consideration in accordance with the Change of Control Conversion Right on the Change of Control Conversion Date, unless prior to the Change of Control Conversion Date we have provided or provide notice of our election to redeem such Series B Preferred Stock, whether pursuant to our optional redemption right or our special optional redemption right. If we elect to redeem Series B Preferred Stock that would otherwise be converted into the applicable Conversion Consideration on a Change of Control Conversion Date, such Series B Preferred Stock will not be so converted and the holders of such shares will be entitled to receive on the applicable redemption date \$25.00 per share, plus any accrued and unpaid distributions thereon to, but not including, the redemption date, in accordance with our optional redemption right or special optional redemption right. See [Optional Redemption](#) and [Special Optional Redemption](#) above.

We will deliver amounts owing upon conversion no later than the third business day following the Change of Control Conversion Date.

We will comply with all federal and state securities laws and stock exchange rules in connection with any conversion of Series B Preferred Stock into shares of our common stock. Notwithstanding any other provisions of the Series B Preferred Stock, no holder of Series B Preferred Stock will be entitled to convert such Series B Preferred Stock into shares of our common stock to the extent that receipt of such common stock would cause such holder (or any other person) to exceed the share ownership limits contained in our charter and our Articles Supplementary setting forth the terms of the Series B Preferred Stock, unless we provide an exemption from this limitation for such holder. See [Restrictions on Ownership and Transfer](#) below.

Liquidation Rights

Upon any voluntary or involuntary liquidation, dissolution or winding up of our affairs, the holders of shares of Series B Preferred Stock are entitled to be paid out of our assets that are legally available for distribution to our stockholders (after payment or provision for payment of all of our debts and other liabilities) the sum of (a) the liquidation preference of \$25.00 per share and (b) an amount equal to any accrued and unpaid distributions (whether or not declared) to the date of payment, before any distribution of assets is made to holders of our common stock or shares of any class or series of our preferred stock that we may issue that ranks junior to the Series B Preferred Stock as to liquidation rights.

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In the event that, upon any such voluntary or involuntary liquidation, dissolution or winding up, our available assets are insufficient to pay the amount of the liquidating distributions on all outstanding shares of Series B Preferred Stock and the corresponding amounts payable on all shares of other classes or series of our capital stock ranking on a parity with the Series B Preferred Stock as to liquidation rights, including the Series A Preferred Stock, then the holders of the Series B Preferred Stock and all other such classes or series of capital stock shall share ratably in any such distribution of assets in proportion to the full liquidating distributions to which they would otherwise be respectively entitled.

Holders of Series B Preferred Stock will be entitled to written notice of any such liquidation, dissolution or winding up. After payment of the full amount of the liquidating distributions to which they are entitled, the holders of Series B Preferred Stock will have no right or claim to any of our remaining assets. The consolidation or merger of us with or into any other corporation, trust or entity or of any other corporation with or into us, a statutory share exchange by us or the sale, lease, transfer or conveyance of all or substantially all of our assets or business shall not be deemed to constitute a liquidation, dissolution or winding up of us.

Voting Rights

Holders of Series B Preferred Stock will have no voting rights, except as follows:

If distributions on our Series B Preferred Stock are due for six or more quarterly periods and remain unpaid, whether or not these quarterly periods are consecutive, holders of the Series B Preferred Stock, voting together as a single class with the holders of the Series A Preferred Stock and any other class or series of preferred stock which have similar voting rights that are exercisable, will be entitled to vote for the election of two additional directors (if not already elected by the holders of such other classes or series of parity voting preferred stock) to serve on our board of directors until all distribution arrearages have been paid or declared and a sum sufficient for its payment has been set aside for payment.

If the listing of the Series B Preferred Stock on the NYSE or another national securities exchange or market is not maintained for 180 consecutive days, until such listing default is cured, the holders of Series B Preferred Stock, voting together as a single class with the holders of the Series A Preferred Stock and any other class or series of preferred stock which have similar voting rights that are exercisable, will be entitled to elect up to two additional directors (if not already elected by reason of similar types of voting rights of the holders of the Series B Preferred Stock) to serve on our board of directors.

In addition, the affirmative vote of the holders of at least two-thirds of the outstanding Series B Preferred Stock (voting as a separate class) is required for us (i) to authorize, create or increase the authorized or issued amount of any class or series of our equity securities ranking senior to the outstanding Series B Preferred Stock as to distributions and amounts upon liquidation or (ii) to amend or repeal our charter (whether by merger, consolidation or otherwise), in a manner that materially and adversely affects the rights, preferences, privileges or voting power of the holders of the Series B Preferred Stock, provided that in the case of a merger or consolidation, the Series B Preferred Stock will not be deemed to be materially and adversely affected if the Series B Preferred Stock remains outstanding with its terms materially unchanged or, if we are not the surviving entity in such transaction, the Series B Preferred Stock is exchanged for a security of the surviving entity with terms that are materially the same as the Series B Preferred Stock.

In any matter in which the holders of the Series B Preferred Stock are entitled to vote, each share of Series B Preferred Stock will be entitled to one vote. If the holders of the Series B Preferred Stock and another series of preferred stock are entitled to vote together as a single class on any matter, the Series B Preferred Stock and the shares of the other class or series will have one vote for each \$25.00 of liquidation preference. The two additional directors described above shall be elected by a plurality of the votes cast by the holders of the outstanding shares of Series B Preferred Stock when they have the voting rights set forth above (voting together as a single class with the holders of any class or series of preferred stock which have similar voting rights that are exercisable) in such election to serve until the next annual meeting of stockholders and until their successors are duly elected and qualified or until such directors' right to hold the office terminates, whichever occurs earlier.

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Information Rights

During any period in which we are not subject to the reporting requirements of Section 13 or Section 15(d) of the Exchange Act and any shares of Series B Preferred Stock is outstanding, we will (i) transmit by mail or other permissible means under the Exchange Act to all holders of Series B Preferred Stock as their names and addresses appear in our record books and without cost to such holders, copies of the annual reports on Form 10-K and quarterly reports on Form 10-Q that we would have been required to file with the SEC pursuant to Section 13 or Section 15(d) of the Exchange Act if we were subject thereto (other than any exhibits that would have been required) and (ii) within 15 days following written request, supply copies of such reports to any prospective holder of the Series B Preferred Stock. We will mail (or otherwise provide) the reports to the holders of Series B Preferred Stock within 15 days after the respective dates by which we would have been required to file such reports with the SEC if we were subject to Section 13 or Section 15(d) of the Exchange Act.

Restrictions on Ownership and Transfer

Our charter provides that no person or entity may beneficially own, or be deemed to own by virtue of the applicable constructive ownership provisions of the Code, more than 9.9% of the outstanding shares of our common stock. The Articles Supplementary designating the terms of the Series B Preferred Stock provide that the 9.9% ownership limitation applies to ownership of our Series B Preferred Stock as a separate class.

Any person who acquires or attempts to acquire beneficial or constructive ownership of Series B Preferred Stock that will or may violate the ownership limitation is required to give written notice immediately to us and provide us with such other information as we may request in order to determine the effect of such transfer on our REIT status.

If our board of directors or a committee thereof determines that a transfer or proposed transfer of the shares of Series B Preferred Stock violates or may violate the ownership limitation or certain other provisions of our charter prohibiting transfers that may have the effect of causing us to lose our REIT status, our board of directors or committee thereof is empowered to take any action it deems advisable to refuse to give effect to or to prevent such transfer, including refusing to transfer or issue shares to a person if an acquisition of shares by such person or group would result in such person or group exceeding these ownership limits or jeopardizing our status as a REIT. Any transfer of shares that would result in a person or group exceeding ownership limits or in our disqualification as a REIT is deemed void as of the date of such transfer. Our board of directors has the right to waive ownership limitations and excess share provisions of our charter and the Articles Supplementary designating the terms of the Series B Preferred Stock. All certificates (if any) representing the Series B Preferred Stock will bear a legend referring to the restrictions described above.

The Series A Preferred Stock has restrictions on ownership and transfer similar to the restrictions that apply to our common stock and the Series B Preferred Stock.

Book-Entry Procedures

DTC acts as securities depository for the Series B Preferred Stock. We will issue one or more fully registered global securities certificates in the name of DTC's nominee, Cede & Co. These certificates will represent the total aggregate number of Series B Preferred Stock. We will deposit these certificates with DTC or a custodian appointed by DTC. We will not issue certificates to you for the Series B Preferred Stock that you purchase, unless DTC's services are discontinued as described below.

Title to book-entry interests in the Series B Preferred Stock will pass by book-entry registration of the transfer within the records of DTC, as the case may be, in accordance with their respective procedures. Book-entry interests in the securities may be transferred within DTC in accordance with procedures established for these purposes by DTC.

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Each person owning a beneficial interest in the Series B Preferred Stock must rely on the procedures of DTC and the participant through which such person owns its interest to exercise its rights as a holder of the Series B Preferred Stock.

DTC has advised us that it is a limited purpose trust company organized under the New York Banking Law, a member of the Federal Reserve System, a clearing corporation within the meaning of the New York Uniform Commercial Code and a clearing agency registered under the provisions of Section 17A of the Exchange Act. DTC holds securities that its participants, referred to as Direct Participants, deposit with DTC. DTC also facilitates the settlement among Direct Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in Direct Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations, and certain organizations. DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc. and the Financial Industry Regulatory Authority, Inc. Access to the DTC system is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly, referred to as Indirect Participants. The rules applicable to DTC and its Direct and Indirect Participants are on file with the SEC.

When you purchase the Series B Preferred Stock within the DTC system, the purchase must be by or through a Direct Participant. The Direct Participant will receive a credit for the Series B Preferred Stock on DTC's records. You as the actual owner of the Series B Preferred Stock, are the beneficial owner. Your beneficial ownership interest will be recorded on the Direct and Indirect Participants' records, but DTC will have no knowledge of your individual ownership. DTC's records reflect only the identity of the Direct Participants to whose accounts Series B Preferred Stock are credited.

You will not receive written confirmation from DTC of your purchase. The Direct or Indirect Participants through whom you purchased the Series B Preferred Stock should send you written confirmations providing details of your transactions, as well as periodic statements of your holdings. The Direct and Indirect Participants are responsible for keeping an accurate account of the holdings of their customers like you.

Transfers of ownership interests held through Direct and Indirect Participants will be accomplished by entries on the books of Direct and Indirect Participants acting on behalf of the beneficial owners.

The laws of some states may require that specified purchasers of securities take physical delivery of the Series B Preferred Stock in definitive form. These laws may impair the ability to transfer beneficial interests in the global certificates representing the Series B Preferred Stock.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants and by Direct Participants and Indirect Participants to beneficial owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time-to-time.

We understand that, under DTC's existing practices, in the event that we request any action of holders, or an owner of a beneficial interest in a global security such as you desires to take any action which a holder is entitled to take under our charter, DTC would authorize the Direct Participants holding the relevant shares to take such action and those Direct Participants and any Indirect Participants would authorize beneficial owners owning through those Direct and Indirect Participants to take such action or would otherwise act upon the instructions of beneficial owners owning through them.

Redemption notices will be sent to Cede & Co. If less than all of the Series B Preferred Stock are being redeemed, DTC will reduce each Direct Participant's holdings of Series B Preferred Stock in accordance with its procedures.

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In those instances where a vote is required, neither DTC nor Cede & Co. itself will consent or vote with respect to the Series B Preferred Stock. Under its usual procedures, DTC would mail an omnibus proxy to us as soon as possible after the record date. The omnibus proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants whose accounts the Series B Preferred Stock are credited on the record date, which are identified in a listing attached to the omnibus proxy.

Dividend payments on the Series B Preferred Stock will be made directly to DTC. DTC's practice is to credit participants' accounts on the relevant payment date in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on that payment date.

Payments by Direct and Indirect Participants to beneficial owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in street name. These payments will be the responsibility of the participant and not of DTC, us or any agent of ours.

DTC may discontinue providing its services as securities depository with respect to the Series B Preferred Stock at any time by giving reasonable notice to us. Additionally, we may decide to discontinue the book-entry only system of transfers with respect to the Series B Preferred Stock. In that event, we will print and deliver certificates in fully registered form for the Series B Preferred Stock. If DTC notifies us that it is unwilling to continue as securities depository or it is unable to continue or ceases to be a clearing agency registered under the Exchange Act and a successor depository is not appointed by us within 90 days after receiving such notice or becoming aware that DTC is no longer so registered, we will issue the Series B Preferred Stock in definitive form, at our expense, upon registration of transfer of, or in exchange for, such global security.

According to DTC, the foregoing information with respect to DTC has been provided to the financial community for informational purposes only and is not intended to serve as a representation, warranty or contract modification of any kind.

Global Clearance and Settlement Procedures.

Initial settlement for the Series B Preferred Stock will be made in immediately available funds. Secondary market trading between DTC's participants will occur in the ordinary way in accordance with DTC's rules and will be settled in immediately available funds using DTC's Same-Day Funds Settlement System.

Transfer Agent, Registrar, Distribution Disbursing Agent and Redemption Agent

The transfer agent, registrar, distribution disbursing agent and redemption agent for the Series B Preferred Stock is American Stock Transfer & Trust Company, LLC, New York, New York.

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MATERIAL FEDERAL INCOME TAX CONSIDERATIONS

The following summary of certain material federal income tax considerations is based on current law, is for general information only, and is not tax advice. This discussion does not purport to address all aspects of taxation that may be relevant to particular stockholders in light of their personal investment or tax circumstances, or to certain types of stockholders (including, without limitation, insurance companies, tax-exempt organizations (except as described below in Taxation of Tax-Exempt Stockholders), financial institutions and broker dealers) subject to special treatment under the federal income tax laws. In addition, this discussion (except to the extent described below in Taxation of Non-U.S. Stockholders) does not address the tax consequences applicable to stockholders that are not U.S. holders. For this purpose, a U.S. holder is a holder of the Series B Preferred Stock that, for federal income tax purposes, is: (i) a citizen or resident of the United States; (ii) a corporation (including an entity treated as a corporation for federal income tax purposes) created or organized under the laws of the United States, any of its States or the District of Columbia; (iii) an estate whose income is subject to federal income taxation regardless of its source; or (iv) any trust if (a) a U.S. court is able to exercise primary supervision over the administration of such trust and one or more U.S. persons have the authority to control all substantial decisions of the trust or (b) it has a valid election in place to be treated as a U.S. person. If a partnership (including any entity or arrangement treated as a partnership for federal income tax purposes) holds the Series B Preferred Stock, the federal income tax treatment of a partner in the partnership will generally depend on the status of the partner and the activities of the partnership. If you are a partner in a partnership holding the Series B Preferred Stock, you should consult your tax advisor regarding the consequences of the purchase, ownership and disposition of the Series B Preferred Stock by the partnership.

EACH PROSPECTIVE PURCHASER SHOULD CONSULT WITH ITS TAX ADVISOR REGARDING THE SPECIFIC TAX CONSEQUENCES OF THE PURCHASE, OWNERSHIP AND SALE OF THE SERIES B PREFERRED STOCK AND OF THE COMPANY'S ELECTION TO BE TAXED AS A REIT, INCLUDING THE FEDERAL, STATE, LOCAL, AND FOREIGN INCOME AND OTHER TAX CONSEQUENCES OF SUCH PURCHASE, OWNERSHIP, SALE AND ELECTION, AND OF POTENTIAL CHANGES IN APPLICABLE TAX LAWS, SOME OF WHICH MAY APPLY RETROACTIVELY.

Taxation of the Company

We have elected to be taxed as a REIT under Sections 856 through 860 of the Code, commencing with the taxable year ended December 31, 1986. We believe that we have been organized and have operated in such a manner as to qualify for taxation as a REIT, and intend to continue to operate in such a manner. However, qualification and taxation as a REIT depend upon our ability to meet on a continuing basis, through actual annual operating results, asset composition, distribution levels and diversity of stock ownership, the various qualification tests and organizational requirements imposed under the Code, as discussed below. Accordingly, no assurance can be given that we have been organized and have operated, or will continue to be organized and operate, in a manner so as to remain qualified as a REIT.

The following is a general summary of the material Code provisions and the corresponding Treasury Regulations that govern the federal income tax treatment of a REIT and its stockholders. These provisions of the Code and Treasury Regulations are highly technical and complex. This summary is qualified in its entirety by the applicable Code provisions, the Treasury Regulations, and administrative and judicial interpretations thereof.

At the closing of this offering we expect to receive an opinion of Stroock & Stroock & Lavan LLP to the effect that commencing with our taxable year ended December 31, 1998, we have been operated in conformity with the requirements for qualification as a REIT under the Code, and our actual method of operation from January 1, 2013 through the date of the opinion and our proposed method of operation, as described in the Prospectus and this Prospectus Supplement and as represented by us, will enable us to continue to so qualify for our taxable years ending December 31, 2013 and thereafter. It must be emphasized that the opinion of Stroock & Stroock & Lavan LLP is based on various assumptions relating to our organization and operation, and is conditioned upon representations and covenants made by our management regarding our organization, income,

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assets, distribution levels, diversity of ownership and the past, present and future conduct of our business operations, the compliance with which has not and will not be reviewed by Stroock & Stroock & Lavan LLP. In addition, our ability to qualify as a REIT depends in part upon the operating results, organizational structure and entity classification for federal income tax purposes of certain affiliated entities, and also requires that we satisfy certain asset tests, some of which depend upon the fair market values of assets directly or indirectly owned by us which may not be susceptible to a precise determination. Accordingly, while we intend to operate so that we will qualify as a REIT, given the highly complex nature of the rules governing REITs, the ongoing importance of factual determinations, and the possibility of future changes in our circumstances, no assurance can be given by Stroock & Stroock & Lavan LLP or us that we will so qualify for any particular year. The opinion is expressed as of the date issued and counsel will have no obligation to advise us or the holders of the Series B Preferred Stock of any subsequent change in the matters stated, represented or assumed, or of any subsequent change in the applicable law. You should be aware that opinions of counsel are not binding on the Internal Revenue Service (the "IRS"), or the courts, and no assurance can be given that the IRS will not challenge the conclusions set forth in such opinions or that a court would not sustain such a challenge.

Provided we qualify for taxation as a REIT, we generally will not be required to pay federal corporate income taxes on our net income that is currently distributed to our stockholders. This treatment substantially eliminates the double taxation (at the corporate and stockholder levels) that generally results from investment in a corporation. However, we will still be required to pay federal income tax as follows:

We will be required to pay tax at regular corporate rates on any undistributed REIT taxable income, including undistributed net capital gains.

We may be required to pay the alternative minimum tax on our items of tax preference under some circumstances.

If we have (1) net income from the sale or other disposition of foreclosure property which is held primarily for sale to customers in the ordinary course of business or (2) other nonqualifying income from foreclosure property, we will be required to pay tax at the highest corporate rate on this income. Foreclosure property generally is defined as property we acquired through foreclosure or after a default on a loan secured by the property or a lease of the property.

We will be required to pay a 100% tax on any net income from prohibited transactions. Prohibited transactions are, in general, sales or other taxable dispositions of property, other than foreclosure property, held primarily for sale to customers in the ordinary course of business.

If we fail to satisfy the 75% gross income test or the 95% gross income test, as discussed below, but have otherwise maintained our qualification as a REIT because certain other requirements are met, we will be required to pay a tax equal to the greater of the amount by which we failed to satisfy the 75% or 95% gross income tests, multiplied by a fraction intended to reflect our profitability.

If we fail to satisfy any of the REIT asset tests (other than a *de minimis* failure of the 5% asset test, the 10% vote test or the 10% value test), as described below, due to reasonable cause and not due to willful neglect, and we nonetheless maintain our REIT qualification because of specified cure provisions, we will be required to pay a tax equal to the greater of \$50,000 or the highest corporate tax rate multiplied by the net income generated by the nonqualifying assets that caused us to fail such test.

If we fail to satisfy any provision of the Code that would result in our failure to qualify as a REIT (other than a violation of the REIT gross income tests or certain violations of the asset tests described below) and the violation is due to reasonable cause and not due to willful neglect, we may retain our REIT qualification but we will be required to pay a penalty of \$50,000 for each such failure.

We will be required to pay a 4% excise tax to the extent we fail to distribute, as specially defined in the Code, during each calendar year at least the sum of (1) 85% of our REIT ordinary income for the year, (2) 95% of our REIT capital gain net income for the year,

and (3) any undistributed taxable income from prior periods.

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If we acquire any asset in a conversion transaction (which generally refers to a transaction in which the basis of the acquired asset in our hands is determined by reference to the basis of the asset in the hands of a C corporation or partnership that has one or more corporate partners), and we subsequently recognize gain on the disposition of the asset during the ten-year period beginning on the date on which we acquired the asset, then we will be required to pay tax at the highest regular corporate tax rate on this gain to the extent of the excess of (1) the fair market value of the asset over (2) our adjusted basis in the asset, in each case determined as of the date on which we acquired the asset. The results described in this paragraph with respect to the recognition of gain assume that the C corporation or partnership, as applicable, will refrain from making an election to receive different treatment under existing Treasury Regulations on its tax return for the year in which we acquire the asset.

We will be required to pay a 100% tax on any redetermined rents, redetermined deductions or excess interest. See Penalty Tax. In general, redetermined rents are rents from real property that are overstated as a result of services furnished to any of our tenants by a taxable REIT subsidiary of ours. Redetermined deductions and excess interest generally represent amounts that are deducted by a taxable REIT subsidiary of ours for amounts paid to us that are in excess of the amounts that would have been deducted based on arm's length negotiations.

We may be required to pay monetary penalties to the IRS in certain circumstances, including if we fail to meet record-keeping requirements intended to monitor our compliance with rules relating to the composition of our stockholders, as described below in Requirements for Qualification as a REIT.

In addition, we and our subsidiaries may be subject to a variety of taxes other than federal income taxes, including payroll taxes and state, local and foreign income, property or other taxes on assets and operations.

Requirements for Qualification as a REIT. The Code defines a REIT as a corporation, trust or association:

1. that is managed by one or more trustees or directors;
2. that issues transferable shares or transferable certificates to evidence its beneficial ownership;
3. that would be taxable as a domestic corporation, but for Sections 856 through 860 of the Code;
4. that is not a financial institution or an insurance company within the meaning of certain provisions of the Code;
5. that is beneficially owned by 100 or more persons;
6. not more than 50% in value of the outstanding stock of which is owned, actually or constructively, by five or fewer individuals, including, for this purpose, specified entities; and
7. that meets other tests, described below, regarding the nature of its income and assets and the amount of its distributions.

The Code provides that conditions (1) to (4), inclusive, must be met during the entire taxable year, that condition (5) must be met during at least 335 days of a taxable year of 12 months, or during a proportionate part of a taxable year of less than 12 months, and condition (6) must be met during the last half of the taxable year. Conditions (5) and (6) do not apply until after the first taxable year for which an election is made to be taxed as a REIT. For purposes of condition (6), specified tax-exempt entities generally are treated as individuals and a look-through rule applies with respect to pension funds.

We believe that we have been organized, have operated and have issued sufficient shares of capital stock with sufficient diversity of ownership to allow us to satisfy conditions (1) through (7) inclusive, during the relevant time periods. In addition, our charter provides for restrictions regarding ownership and transfer of our shares which are intended to assist us in continuing to satisfy the share ownership requirements described in (5) and (6) above. A description of the transfer restrictions relating to our outstanding common and preferred

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stock is contained in or incorporated by reference in this Prospectus Supplement and a description of the restrictions on the Series B Preferred Stock is contained in Description of the Series B Preferred Stock Restrictions on Ownership and Transfer. These restrictions, however, may not ensure that we will, in all cases, be able to satisfy the share ownership requirements described in (5) and (6) above. If we fail to satisfy these share ownership requirements, except as provided in the next sentence, our status as a REIT will terminate. If, however, we comply with the rules contained in applicable Treasury Regulations that require us to ascertain the actual ownership of our shares and we do not know, or would not have known through the exercise of reasonable diligence, that we failed to meet the requirement described in condition (6) above, we will be treated as having met this requirement. To comply with these rules, we must demand written statements each year from the record holders of significant percentages of our capital stock in which the record holders are to disclose the actual owners of the shares, i.e., the persons required to include in gross income the dividends paid by us. A list of those persons failing or refusing to comply with this demand must be maintained as part of our records. Failure by us to comply with these record keeping requirements could subject us to monetary penalties. A stockholder that fails or refuses to comply with the demand is required by Treasury Regulations to submit a statement with its tax return disclosing the actual ownership of the shares and other information.

In addition, we may not maintain our status as a REIT unless our taxable year is the calendar year. We have and will continue to have a calendar taxable year.

Ownership of Interests in Partnerships, Limited Liability Companies and Qualified REIT Subsidiaries. In the case of a REIT which is a partner in a partnership or a member in a limited liability company treated as a partnership for federal income tax purposes, Treasury Regulations provide that the REIT will be deemed to own its proportionate share of the assets of the partnership or limited liability company treated as a partnership, as the case may be, based on its interest in partnership capital, subject to special rules relating to the 10% value test described below. Also, the REIT will be deemed to be entitled to its proportionate share of the income of that entity. The assets and gross income of the partnership or limited liability company retain the same character in the hands of the REIT as in the partnership for purposes of Section 856 of the Code, including satisfying the gross income tests and the asset tests. Thus, our pro rata share of the assets and items of income of our operating partnership, including our operating partnership's share of these items of any entity treated as a partnership or disregarded entity for federal income tax purposes in which it owns an interest, is treated as our assets and items of income for purposes of applying the requirements described in this discussion, including the income and asset tests described below. A brief summary of the rules governing the federal income taxation of partnerships and limited liability companies is set forth below in Tax Aspects of Our Operating Partnership, the Subsidiary Partnerships and the Limited Liability Companies.

We have control of our operating partnership and generally control our subsidiary partnerships and limited liability companies and intend to operate them in a manner consistent with the requirements for our qualification as a REIT. We may from time to time be a non-managing member in some of our partnerships and limited liability companies. If a partnership or limited liability company in which we own an interest takes or expects to take actions that could jeopardize our status as a REIT or require us to pay tax, we may be forced to dispose of our interest in such entity. In addition, it is possible that a partnership or limited liability company could take an action which could cause us to fail a REIT income or asset test, and that we would not become aware of such action in time to dispose of our interest in the partnership or limited liability company or take other corrective action on a timely basis. In that case, we could fail to qualify as a REIT unless we were entitled to relief, as described below.

We may from time to time own and operate certain properties through wholly-owned subsidiaries that we intend to be treated as qualified REIT subsidiaries under the Code. A corporation will qualify as our qualified REIT subsidiary if we own 100% of the corporation's outstanding stock, and if we do not elect with the subsidiary to treat it as a taxable REIT subsidiary, as described below. A corporation that is a qualified REIT subsidiary is not treated as a separate corporation, and all asse